

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

*Fiscal Years 2026 and 2027*

**July 31, 2025**

**Prepared for the Vermont Emergency Board**

PREPARED BY:



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**ECONOMIC, POLICY, AND FINANCIAL ANALYSTS**

❖ **Updated Staff Consensus Forecast Update Recommendations for Fiscal Years 2026 and 2027—Along with Staff Recommended Fiscal Planning Estimates for Fiscal Years 2028 through 2030.**

- Consistent with recent consensus forecast updates, this latest July 2025 staff recommended consensus revenue forecast update calls for another significant consensus revenue forecast upgrade for the General Fund (hereafter the “G-Fund”) over the fiscal year 2026- and 2027-time frame, with significant but more modest staff recommended consensus forecast upgrades over the fiscal year 2028 through 2030-time frame—see Table 1 below.

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

<b>Current Law (Including Health Care Revenues in the G-Fund)</b>											
<b>Staff Recommended Consensus Revenue Forecast Levels by Fiscal Year Versus the E-Board Approved January FY 2025 Consensus Forecast</b>											
<b>JULY FY 2026 CONSENSUS FORECAST UPDATE</b>	<b>FY 2026</b>		<b>FY 2027</b>		<b>FY 2028</b>		<b>FY 2029</b>		<b>FY 2030</b>		
<b>Current Law (includes All Fee and Tax Changes)</b>	<b>Dollars</b>	<b>Percent</b>	<b>Dollars</b>	<b>Percent</b>	<b>Dollars</b>	<b>Percent</b>	<b>Dollars</b>	<b>Percent</b>	<b>Dollars</b>	<b>Percent</b>	
General Fund (Incl. Health Care Revenues) Available to the General Fund	\$77.2	3.2%	\$85.5	3.5%	\$ 83.5	3.3%	\$ 76.2	2.9%	\$ 68.4	2.5%	
Transportation Fund Available to the Transportation Fund	\$ (7.5)	-2.3%	\$ (7.8)	-2.4%	\$ (7.2)	-2.2%	\$ (6.3)	-1.9%	\$ (5.2)	-1.5%	
Education Fund Partial	\$ (3.8)	-0.5%	\$ (4.6)	-0.6%	\$ (6.2)	-0.7%	\$ (7.5)	-0.9%	\$ (9.5)	-1.1%	
<b>Total--“Big 3 Funds” [1]</b>	<b>\$65.9</b>	<b>1.9%</b>	<b>\$ 73.1</b>	<b>2.0%</b>	<b>\$ 70.1</b>	<b>1.9%</b>	<b>\$ 62.4</b>	<b>1.6%</b>	<b>\$ 53.8</b>	<b>1.4%</b>	
<b>Notes:</b> NM=Not Meaningful [1] Current Law (Incl. Healthcare Taxes-Fees).											
Prepared by: Economic & Policy Resources, Inc.											

- In addition, this staff recommended consensus revenue forecast update continues to recommend an easing back on the consensus revenue forecast update for the Education Fund (hereafter the “E-Fund”) over the fiscal year 2026 through fiscal year 2030 forecast period. In contrast, this staff recommended consensus revenue forecast update recommends a significant downgrade for the Transportation Fund (hereafter the “T-Fund”) over the fiscal year 2026 through fiscal year 2030-time frame.
- These staff recommended changes reflect the results of the still surprisingly resilient performance by state revenues (see Table 2 below) and the economy overall despite the ongoing, highly unusual mix of conflicting policies that have characterized the actions of the Washington Administration since last January on the foreign, trade-immigration, and fiscal policy fronts.
  - As such, how to negotiate this elevated level of uncertainty is going to be a “key to the future” for households, businesses, and fiscal policy going forward.

**Table 2: Cumulative Receipts in the G-Fund, E-Fund, and T-Fund by Major Component/Sub-Component versus Cumulative Consensus Expectations through Fiscal Year 2025**

<b>Analysis of Cumulative Receipts--v. CUM. TARGETS THRU JUNE</b>		
<i>CCC-ADJ. FINAL Schedule 2 Revs-As of June 30th</i>	Dollar	Percent of the
<b>Fund/Component (\$000s)</b>	<b>Difference</b>	<b>TOTAL</b>
<b>After CCC Truing Up Adjustment</b>		
<b>GENERAL FUND w/Health Care Revs (Excl. CC Receipts)</b>	\$ 88,181.7	100.0%
<b>MEMO: G-FUND ADJ. for Child Care Tax Receipts</b>	\$ 95,497.6	
<b>Personal Income</b>	\$ 66,519.3	75.4%
Withholding	\$ (12,101.2)	-13.7%
<b>MEMO: ADJ. to PI With for Child Care Tax Receipts</b>	\$ 95,497.6	
Estimates	\$ 33,272.7	37.7%
Paid	\$ 58,852.1	66.7%
Refunds	\$ (8,609.1)	-9.8%
Other	\$ (4,895.1)	-5.6%
<b>Meals and Rooms</b>	\$ 109.5	0.1%
<b>Corporate Tax</b>	\$ 13,327.7	15.1%
Estate Tax	\$ (325.0)	-0.4%
Insurance Tax	\$ 5,653.8	6.4%
Property Transfer Tax	\$ (457.8)	-0.5%
Bank Franchise	\$ (2,330.0)	-2.6%
Fees	\$ (1,561.4)	-1.8%
Beverage	\$ (184.9)	-0.2%
Other (Incl. "Net Interest")	\$ 1,516.5	1.7%
<b>Health Care Revenues (Incl. Cigarette-Tobacco Taxes)</b>	\$ 5,550.8	6.3%
<b>EDUCATION FUND</b>	\$ 99.5	100.0%
Sales and Use Tax	\$ 7,810.0	7850.4%
Meals and Rooms Tax	\$ 336.9	338.6%
MvPurchase and Use Tax	\$ (2,318.8)	-2330.8%
Lottery	\$ (4,983.4)	NM
Net Interest	\$ (745.1)	-749.0%
<b>TRANSPORTATION FUND</b>	\$ (7,372.9)	100.0%
Gas Tax	\$ 154.5	-2.1%
Diesel Tax	\$ 208.5	-2.8%
MvPurchase and Use Tax	\$ (4,637.7)	62.9%
MvFees	\$ (3,251.3)	44.1%
Other Fees	\$ 153.1	-2.1%
<b>TIB</b>	\$ 96.4	100.0%
Gas Tax	\$ 350.3	363.3%
Diesel Tax	\$ (253.9)	-263.3%
<b>NM=Not Meaningful.</b>		

- In many respects, economic and state revenue developments over the fiscal year 2026 through 2027 period are likely to be dominated by a considerable level of ambiguity and uncertainty with real-world ramifications on the level-health of economic activity and on the strength of state revenue collections that are likely going to be very difficult to sort through.

- In the G-Fund, the positive fiscal year 2025 revenue performance was once again primarily the result upbeat receipts activity in the two income taxes—even after a truing up adjustment of \$21.0 million for estimated fourth quarter Childcare Tax receipts received by the state during the April to June quarter-but unallocated as of June 30<sup>th</sup> due to the one-quarter lagged structure to taxpayer filings reporting the level of the Childcare Tax receipts actually paid in by employers for “covered” employees’ earnings-wages.
  - More specifically, even after adjustment for estimated fourth quarter Childcare Tax receipts paid in to the state, Personal Income Tax receipts over the first half of fiscal year 2025 exceeded cumulative consensus expectations by \$66.5 million or 5.1% more than cumulative consensus cash flow expectations of \$1.296 billion for fiscal year 2025.
  - During fiscal year 2025, cumulative receipts in the Corporate Income Tax also exceeded consensus expectations by \$13.3 million or by 5.1% versus cumulative consensus expectations of \$259.3 million—in part because of additional corporate income receipts derived from asset sales within the current high asset price environment that have at times led to exceptionally strong receipts activity over the course of the past five or so fiscal years.
- Cumulative fiscal year 2025 Personal Income Tax and Corporate Income Tax revenue receipts in the G-Fund together accounted for 90.7% (or more than 90 cents of every dollar) of +\$82.2 million above the 2025 fiscal year’s cumulative consensus target level of collections in the G-Fund of \$\$2.362 billion.
  - Of the above consensus target collections in the G-Fund among the other non-income G-Fund revenue sources, all of the total was accounted for by upbeat fiscal year 2025 receipts in the Insurance Tax category (at +\$5.7 million or 7.4% above cumulative consensus expectations of \$21.6 million for fiscal year 2025), G-Fund Health Care revenues (at +\$5.6 million or 1.1% versus cumulative consensus expectations of \$345.8 million for fiscal year 2025), in the Other G-Fund category<sup>1</sup> (at +\$1.5 million or 2.1% above cumulative consensus expectations of \$70.3 million) and in the Telephone Tax category (at +\$0.7 million or 26.1% on cumulative fiscal year 2025 consensus expectations of \$2.6 million).

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<sup>1</sup> Which is the revenue source that includes Net Interest receipts activity. However, Net Interest receipts in fiscal year 2025 in the G-Fund came in at \$58.3 million—a total of \$2.8 million or 4.6% below consensus expectations.

- Combined with the “on-target” fiscal year 2025 cumulative receipts performance in the G-Fund’s Meals and Rooms Tax (at +\$0.1 million or 0.1% above consensus fiscal year 2024 expectations of \$175.3 million), those above-discussed ahead of target fiscal year 2025 cumulative receipts performances were more than enough to off-set cumulative revenue receipts under-performances in the Bank Franchise Tax (at -\$2.3 million or 14.8% below cumulative consensus expectations of \$15.7 million for fiscal year 2025), the Property Transfer Tax category (at -\$0.5 million or 1.7% below fiscal year 2025 cumulative consensus expectations of \$27.5 million), and at -\$0.3 million or 1.1% below cumulative consensus expectations of \$28.875 million in the Estate Tax category for fiscal year 2025).
- It should be noted that the Estate Tax category’s under-performance for fiscal year 2025 being solely the result of the Estate Tax hitting its statutory limit of 125% of the previous July’s consensus revenue forecast—or in this case above \$28.875 million for fiscal year 2025 (see Table 3 below)—rather than being any kind of indication that Estate Tax receipts were weak in any way. In fact, at \$55.2 million in gross receipts in fiscal 2025, last fiscal year’s Estate Tax receipts were by far the largest in the state’s history—by a wide margin.<sup>2</sup>

**Table 3: Accounting of Surplus Fiscal Year 2025 Estate Tax Collections for Transfer to the Higher Education Trust Fund (HETF) under Title 16: Education; Chapter 90; Section 2885**

**Fiscal 2025: Higher Education Trust Fund (HETF) Transfer Math**

**Receipts Status Through June 30, 2025**

(\$ Thousands)	
<b>\$55,244.227</b>	<b>Actual 2025 Estate Tax Receipts (To-Date)</b>
<b>\$28,875.000</b>	<b>Statutory Cap [\$23,100,000 July FY 2025 Consensus Forecast times 125%]</b>
<b>\$26,369.227</b>	<b>Raw Amount Transferred to the HETF in Fiscal Year 2025</b>

**Basic Data Source: VT Agency of Administration**

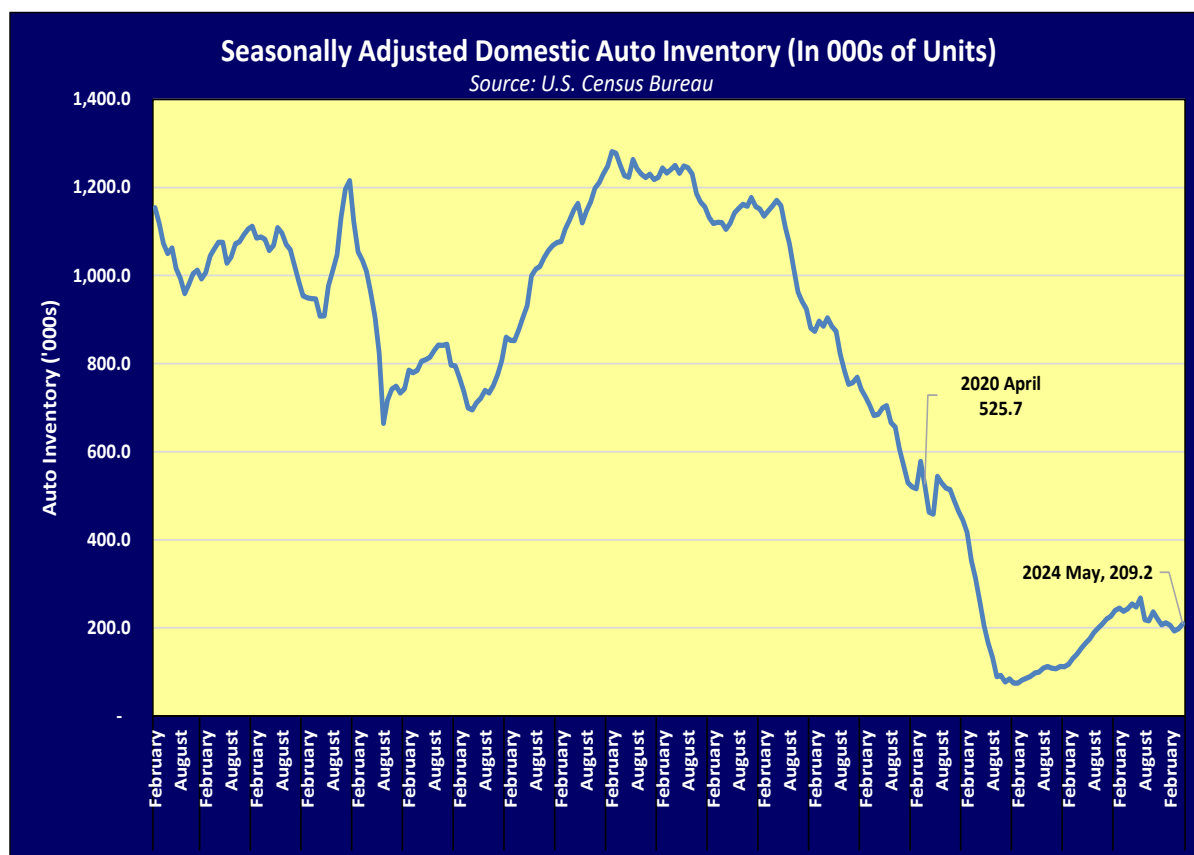
- Turning to cumulative receipts in the E-Fund during fiscal year 2025, the essentially “on-target” performance overall (at +\$0.1 million or 0.1% above monthly consensus expectations of \$762.6 million reflected a mix of two components up (with cumulative revenues in the Sales and Use Tax and Meals and Rooms Tax each coming in ahead of cumulative consensus expectations for the year (at +\$7.8 million or 1.3% ahead of cumulative consensus expectations and +\$0.4 million or 0.5% ahead of cumulative consensus expectations of \$71.2 million for the Sales and Use Tax and Meals and Rooms Tax, respectively). The overall

<sup>2</sup> With the next highest fiscal year for total “gross” Estate Tax receipts in Vermont being \$35.5 million in fiscal year 2014.

results for the E-Fund fund aggregate for fiscal year 2025 were as close as it gets in the revenue forecasting field.

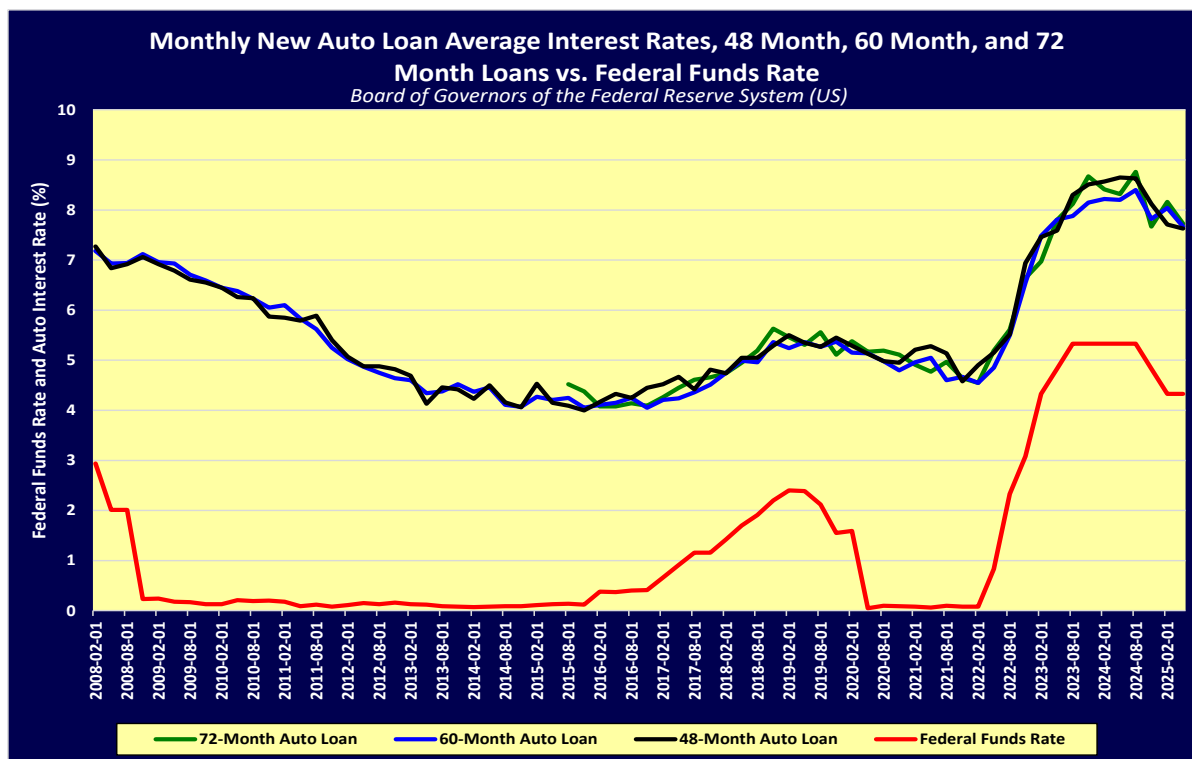
- Cumulative 2025 collections were down versus cumulative consensus expectations during 2025 in the MvP&U Tax component (at -\$2.3 million or 4.6% below cumulative consensus expectations of \$50.7 million for fiscal year 2025), the Lottery Transfer (at -\$5.0 million or 14.0% below cumulative consensus expectations of \$35.6 million for fiscal year 2025), and Net Interest receipts (at -\$0.7 million or 23.3% below cumulative consensus expectations of \$3.2 million for fiscal year 2025).
  - Those performances appeared to reflect U.S. tariff policy uncertainty (for the MvP&U Tax component), the relative lack of multi-billion Megabucks lottery prizes during last fiscal year (for the Lottery component) and a lower effective Net Interest revenue collections rate for the E-Fund Net Interest revenues component—all of which contributed to adversely impacting fiscal year 2025 receipts among the E-Fund components last fiscal year.
- In the T-Fund over the course of the 2025 fiscal year, cumulative collections underperformed the 2025 fiscal year overall at -\$7.4 million or 2.3% below cumulative consensus expectations of \$320.9 million. Transportation Fund TIB receipts over full 2025 fiscal year were a combined +\$0.1 million or 0.5% above cumulative consensus expectations relative to a cumulative combined level of Gas TIB and Diesel TIB revenues of \$18.2 million for fiscal year 2025 as a whole.
- Among the T-Fund's key components, cumulative receipts during fiscal year 2025 were down sharply versus consensus expectations in two of five components. Cumulative receipts were sharply lower last fiscal year, and particularly during the second half of fiscal year 2025, for receipts in the MvP&U Tax (at -\$4.6 million or 5.0% relative to cumulative consensus expectations of \$101.3 million for fiscal year 2025) and cumulative receipts in the MvFees category (at -\$3.3 million or 3.1% below cumulative consensus expectations of \$103.6 million for fiscal year 2025).
  - Those performances occurred against the backdrop of motor vehicle inventories that over the course of the fiscal year remained at historically low levels (see the chart below) and loan financing arrangements for new vehicle acquisitions that have recently turned negative and with surging monthly payments over the past year (see the second chart below on average interest

rate levels for various terms for new auto loans.<sup>3</sup>

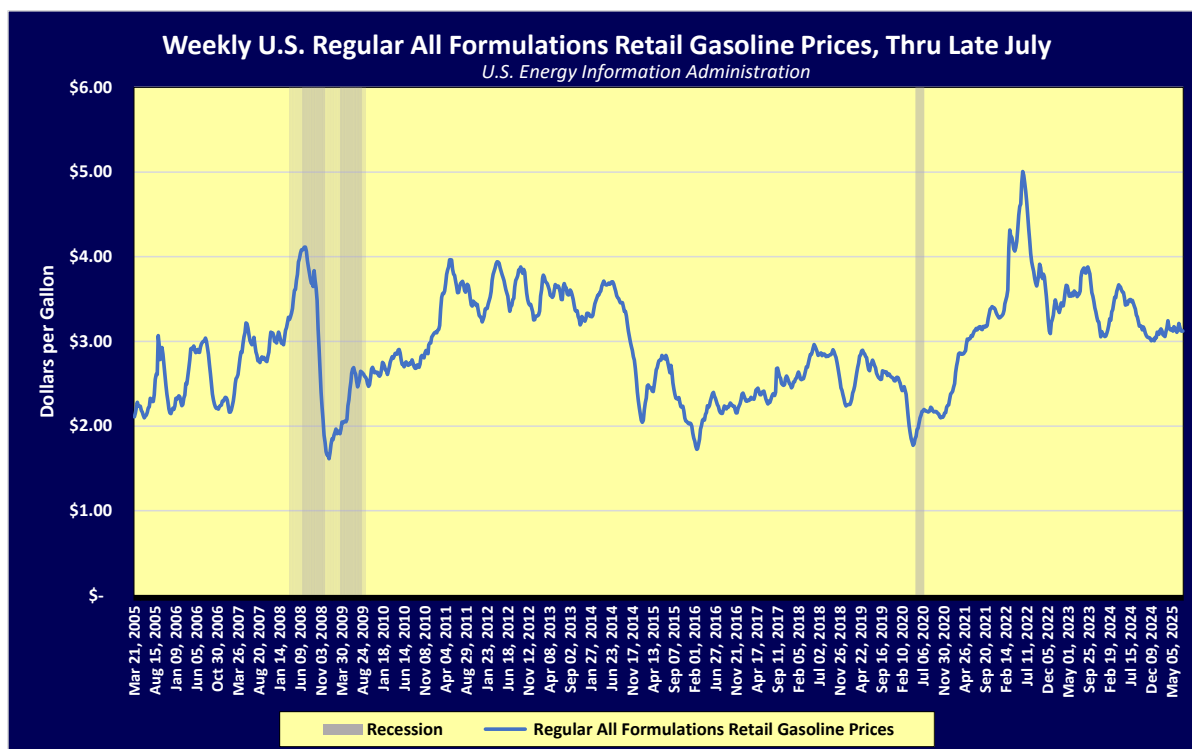


- Cumulative fiscal year 2025 revenues in the Other Fees category tracked slightly above cumulative consensus expectations through last month at +\$0.2 million or 0.2% above cumulative consensus revenue expectations of \$26.7 million for fiscal year 2025.
  - Cumulative receipts in the two fuel taxes (with cumulative Gas Tax receipts finishing fiscal year 2025 at +\$0.2 million or 0.5% ahead of cumulative consensus expectations of \$71.5 million and cumulative receipts in the Diesel Tax finished the first half of fiscal year 2025 at +\$0.2 million or 1.2% ahead of cumulative consensus expectations of \$18.0 million for fiscal year 2025) both had “on-target” to slightly ahead of consensus target fiscal year performances during 2025.

<sup>3</sup> In the first quarter of 2025, the average interest rate for new car loans was 6.73%, while used car loans averaged 11.87%. See: [Average Car Loan Interest Rates by Credit Score; Nerd Wallet](https://www.nerdwallet.com/article/loans/auto-loans/average-car-loan-interest-rates-by-credit-score); See <https://www.nerdwallet.com/article/loans/auto-loans/average-car-loan-interest-rates-by-credit-score>.



- This reflected the generally favorable “flattening” price environment for gas prices since January 2025—and as gas prices have experienced a very substantial decline since mid-calendar year 2022 (see the chart below).





- Cumulative receipts for the fiscal year 2025 in the T-Fund TIB components were “mixed,” with cumulative receipts in the Gas Tax TIB category finishing the 2025 fiscal year ahead of cumulative consensus expectations (at +\$0.4 million or 2.2% ahead of cumulative consensus expectations of \$16.3 million)—with cumulative receipts in the Diesel Tax TIB category lagging cumulative consensus expectations by -\$0.3 million or 11.6% versus cumulative consensus expectations of \$2.2 million for fiscal year 2025).
- It also should be noted that the G-Fund cumulative receipts number for the 2025 fiscal year 2025 used in the above analysis also required another adjustment to account for the December 2025 transfer in of federal ARPA<sup>4</sup> funds into the G-Fund in order to reimburse the G-Fund for previous qualifying expenditures covered by the G-Fund for items that were eligible to be paid for using federal ARPA money.
  - The total amount of federal ARPA funds transferred into the G-Fund through June of fiscal year 2025 totaled \$52,298,862.86 when all was said and done to reimburse the G-Fund for those ARPA-covered past expenditures.
  - On the published Schedule 2, ARPA revenues were added to revenues in the G-Fund, but they were not really G-Fund revenues because they were really transfers of ARPA monies to cover ARPA-eligible expenditures that were initially paid for by the G-Fund.
  - These revenues had to be accounted for this way because the state’s accounting system could not recognize “negative” expenditure amounts in the way that these ARPA monies would have been accounted for directly since last January. The original January transfer started at \$104.861 million and was then reduced to the final number over the second half of fiscal year 2025.
- On a combined three fund basis (and including revenues across all three major fund aggregates and including receipts in the Transportation Gasoline TIB Fund and Diesel TIB Fund sources), cumulative combined G-Fund, E-Fund, and T-Fund revenues unadjusted for the \$21.0 million in fourth quarter Childcare Tax revenues were up versus monthly consensus expectations by a combined \$102.0 million or 2.9% above cumulative consensus expectations of \$3,467.0 million through June.
  - That occurred as monthly receipts across the three fund aggregates also posted a +\$8.1 million or 2.6% ahead of the combined monthly consensus expectations

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<sup>4</sup> ARPA stands for the American Recovery Plan Act of 2021.

for the G-Fund, T-Fund, and E-Fund of \$313.8 million for June. Adjusted for the \$21.0 million in Childcare tax revenues for the April-June quarter, cumulative combined G-Fund, T-Fund (including TIB revenues), and E-Fund revenues were still up by a combined total of \$81.0 million or +2.3% versus cumulative consensus expectations for the 2025 fiscal year.

- Overall, any finish for receipts collections across a particular fiscal year that rises above a +2.0% ahead of target threshold level is clearly reflective of a strong year for state revenues. This occurred in the state despite a relatively high level of economic risk across the fiscal year—but particularly during the January to June period as the new Washington Administration “kicked over the apple cart” so-to-speak in terms of its proposals for, and execution of U.S. fiscal, foreign, trade, and immigration policies.
  - As mentioned above and looking back over the year, a significant part of the upbeat fiscal year 2025 revenue performance overall was the result of a very strong Spring final return-extension return during the 2025 filing season—which finished within \$3.5 million or 1.1% of the \$317.0 million all-time high for PI Paid Returns filings back in fiscal year 2022 (see Table 4 below<sup>5</sup>).

**Table 4: Comparative PI Paid Payments for Fiscal Year 2025 vs. Fiscal Year 2022**

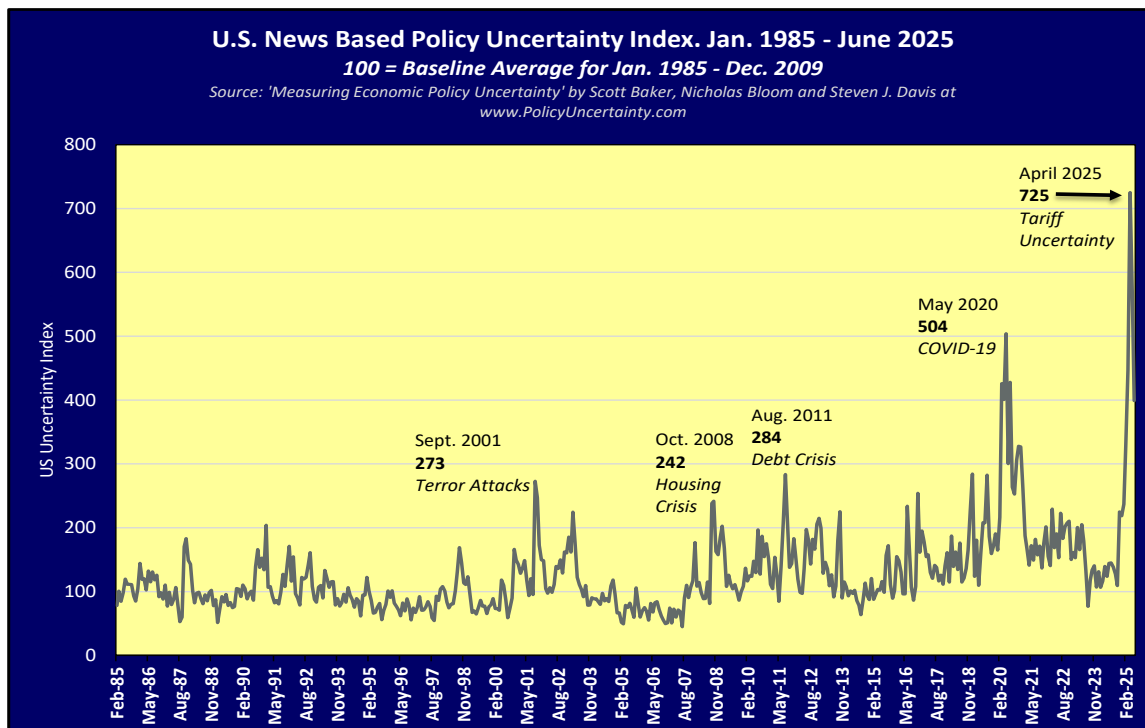
PI Paid Returns Filed To-Date in FY 2025 vs. Consensus Sub-Component Expectations (and vs. FY 2024)							
Paid PI Returns--To-Date for Fiscal Year 2025				Paid PI Returns--To-Date for Fiscal Year 2022			
This Fiscal Year--2025				Fiscal Year--2022			
	#	\$\$\$	Average/Document		#	\$\$\$	Average/Document
First Half	20,692	\$ 30,497,198	\$ 1,473.86	First Half	11,989	\$ 18,527,256	\$ 1,545.35
January	2,937	\$ 6,316,268	\$ 2,150.58	January	1,274	\$ 1,031,430	\$ 809.60
February	7,098	\$ 5,377,691	\$ 757.63	February	6,283	\$ 3,295,266	\$ 524.47
March	16,964	\$ 16,638,729	\$ 980.83	March	17,526	\$ 17,728,406	\$ 1,011.55
April	71,109	\$ 244,970,866	\$ 3,445.01	April-Normal "Due 4/15 Date"	68,244	\$ 262,207,498	\$ 3,842.21
May	3,016	\$ 5,834,662	\$ 1,934.57	May	5,167	\$ 10,426,576	\$ 2,017.92
June (Thru June 30th)	4,023	\$ 3,916,665	\$ 973.57	June (Thru June 30th)	3,387	\$ 3,789,198	\$ 1,118.75
2nd Half SUM To-Date	105,147	\$ 283,054,881	\$ 2,691.99	2nd Half SUM	101,881	\$ 298,478,374	\$ 2,929.68
FY Total To-Date	125,839	\$ 313,552,079	\$ 2,491.69	FY Total (Through 06/30)	113,870	\$ 317,005,630	\$ 2,783.93
MEMO:				MEMO:			
Actual-Fiscal 2024 2nd Half	95,281	\$ 218,166,869.32	\$ 2,289.72	Actual-Fiscal 2021 2nd Half	91,584	\$ 176,491,672	\$ 1,927.10
01/25 Sub-Component Forecast (FY	115,296	\$ 254,700,000.00	\$ 2,209.11	01/22 Sub-Component Forecast (FY '22)	102,918	\$ 210,500,000	\$ 2,045.33
April thru June '24A	71,505	\$ 198,334,674.07	\$ 2,773.72	April thru June '21A	68,091	\$ 159,448,105	\$ 2,341.69
Total for FY '24A	110,135	\$ 243,909,542.44	\$ 2,214.64	Total April-May '21	64,912	\$ 156,045,053	\$ 2,403.95

- The strong Spring tax filing season this fiscal year indicated that a good portion of the Vermont’s relative receipts strength reflected backward-looking income realizations from the 2025 tax year that came about within the current elevated

<sup>5</sup> A time when over \$16,000 per person in federal financial pandemic assistance aid was circulating throughout the Vermont economy, and billions of dollars more were circulating throughout the northeast.

asset price environment that the U.S. and Vermont economies are currently experiencing.

- While that high asset price environment is likely to endure over the near-term and possibly intermediate-term time frames absent some cataclysmic event that could erode or even reverse the current elevated asset prices, the elevated level of uncertainty surrounding the execution of U.S. fiscal, foreign, trade, and immigration policies could affect the pace of income realizations (either way of course) going forward, and the arbitrary—and in some cases reckless—approach to and execution of key aspects of each of those macro policy areas is making it difficult for businesses and households to make long-term decisions.
- The vacillating nature of the Washington Administration’s policy pronouncements and execution is in many respects has been working against the type of long-term business decision-making to make capital investments and/or add jobs that the Washington Administration says that its policies are geared towards (such as encouraging the on-shoring of manufacturing capacity and the creation of job opportunities for U.S. workers).
- While the overall policy environment appears to have calmed a bit since the harsher than expected reciprocal tariff announcements on April 2<sup>nd</sup>—see the chart below—it still remained elevated through last month.



- The on-going unconventional policy statements and inconsistent-uneven execution of what should be relatively straight-forward policy implementation by the new Washington Administration so far since January has not accomplished much to provide business and household decision-makers with the type of predictability that would encourage longer-range decision-making.
  - As a result, while the current high asset price environment is likely to continue to endure for at least the short-term horizon, it is certainly not a given that this environment will continue to yield the type of income realizations (e.g., capital gains income from asset sales and sales of business ownership interests) that underpinned recent fiscal years' (including again last fiscal year) exceptionally strong Personal Income Tax and Corporate Income Tax performances.
  - A heavier reliance on state revenues tied to: (1) the creation of new jobs, (2) wage growth, (3) visitor spending activity, and (4) household and business consumption activity (e.g., including retail and vehicle sales, house sales, room rents and meals) likely means that future revenue collections will carry the same elevated risk profile that the currently decelerating overall pace of U.S. economic activity is currently carrying as well.
- Relative to last January's consensus economic and revenue forecast update, the current environment this Summer has an unusually elevated risk profile for underlying U.S. and Vermont's economic performance.
  - What that means for the short-term economic and state revenue outlook is that the consensus economic forecast has been eased back somewhat (see Tables 10 and 11 below), as the economy tries to internalize all that has transpired since last January—and especially over the period of just the last six weeks.
  - That therefore also implies that the consensus revenue forecast will move only moderately higher in comparison to an environment where the execution of U.S. foreign, trade-immigration, and fiscal policies were done in a more even and predictable manner.

### ❖ **A Monumental Last Six Months for Federal Foreign, Trade-Immigration, and Fiscal Policy.**

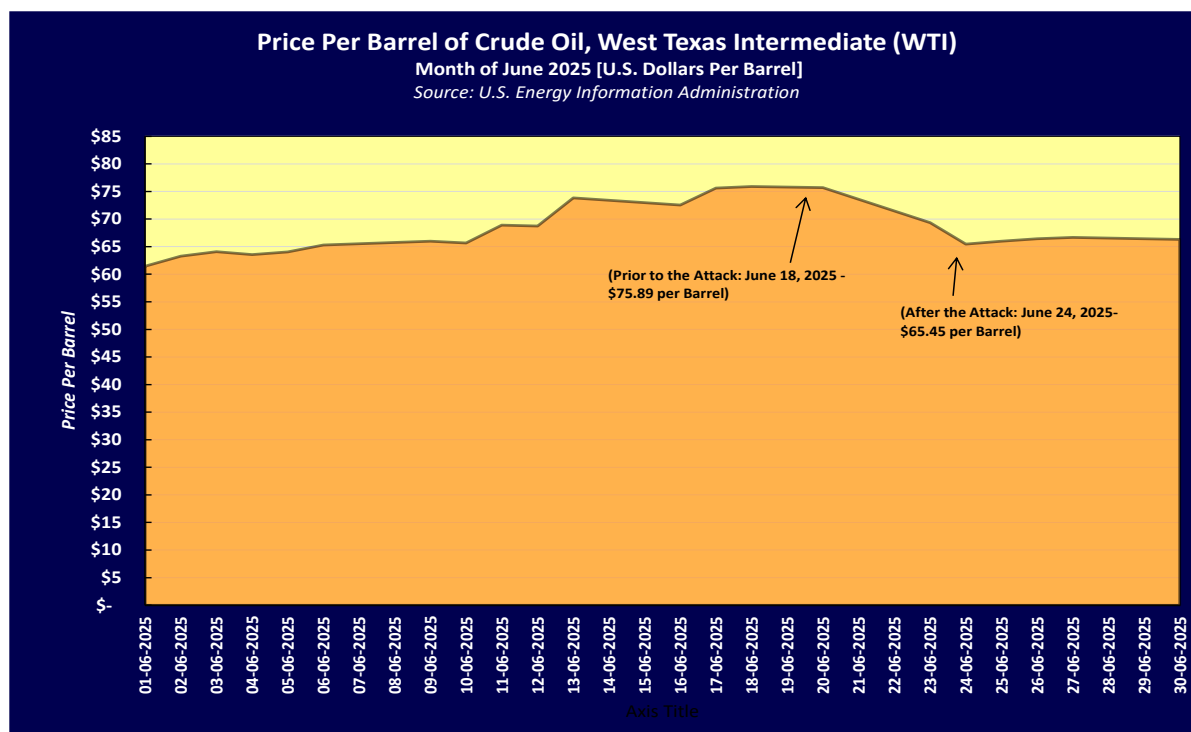
- Several of the key issues underpinning this consensus forecast update are connected to the recent increases in the level of uncertainty and ambiguity driven by the extraordinary recent developments in U.S. foreign policy, U.S. fiscal policy,

and U.S. trade-immigration policy fronts.

- In fact, developments within each policy area in and of themselves—but recently they all happened in combination—would have been sufficient to more or less obscure all of the issues raised by the state revenue receipts performance during the period.
- That was so even though a case could be made that at least the very upbeat G-Fund receipts performance during fiscal year 2025 was by itself noteworthy—and especially for the second half of fiscal year 2025 as discussed earlier.
- Indeed, the strong final G-Fund numbers from the second half revenue performance of fiscal year 2025 were largely driven by the exceptionally strong revenue performance in the G-Fund’s two income tax sources that arose during their respective regular Spring filing seasons.
  - However, what was surprising was that that extraordinary revenue performance came against the backdrop of the heightened level of macroeconomic, federal trade policy risk, and geopolitical risk that burst onto the stage during the last six months and now also going forward as we move into the new fiscal year.
  - That heightened level of risk has moved to the forefront of the consensus revenue forecast update and has included events such as: (1) the ongoing war in eastern Europe, (2) the recent military operations by Israel on Iran’s defense and infrastructure installations and by the U.S. military directly on Iran’s nuclear facilities, (3) the upcoming fiscal impacts associated with the enactment of the recent omnibus federal budget reconciliation legislation, and (4) now the apparent recent return to what amounts to trade war theatrics by the Washington Administration.
- In ordinary fiscal years (*...assuming any fiscal years can be “normal” anymore?*), any one of the above referenced federal policy areas would have been sufficient to cause any economic and/or revenue forecast to carry an exceptional level of risk associated with where the respective numbers of those forecasts came out.
  - In fact, over the last half decade, an “elevated risk” environment has unfortunately become “the norm” in terms of building in an appropriate level of downside risk into any consensus economic or revenue forecast update. We have in fact extended that higher than normal, but still evolving risk profile

metric into this staff recommended consensus revenue forecast update as laid out below.

- Looking at the current unusually uncertain risk profile, we start with the dramatic developments in foreign policy over the last six months—and particularly during the month of June. Clearly, U.S. foreign policy over the last six months was dominated by the June 21<sup>st</sup> direct military attacks by the U.S. on key nuclear facilities in Iran—following on more than a week of air operations by the Israeli Defense Forces (or the IDF) on Iran’s air defenses and other strategic defense-infrastructure targets.
  - The U.S. operation targeted facilities in Fordow (which was believed to be the site of an Iranian uranium enrichment facility), Natanz (which was the site of another key Iranian uranium enrichment facility), and Isfahan (a nuclear research center used by Iran to further its nuclear program—which Iran has maintained was for civilian purposes only).
  - The U.S. attacks used a combination of so-called 30,000-pound bunker-buster bombs dropped from B-52 bombers (which were thought to be the only ordinance capable of damaging-destroying Iran’s nuclear program assets that were deeply buried under ground) and the launching of a number of tomahawk missiles from U.S. naval submarines in the area.
  - The initial damage assessments were unclear and highly politicized. As a result, it was not clear how far Iran’s nuclear program had been damaged and just how far Iran’s pursuit of nuclear weapons had actually been set back.
- While there were some initial economic disruptions tied to the attacks (related to global energy supplies—and particularly concern about the portion of global oil supplies that travel through the Strait of Hormuz which borders Iran), global oil markets in the aftermath of the attacks were remarkably muted.
  - In fact, although the spot price of West Texas Intermediate Crude oil spiked to over \$75 per barrel several days just prior to the attack (tied to rumors of a potential attack on Iran’s nuclear assets), the spot price for West Texas Intermediate crude then fell to below \$70 per barrel shortly after the attack (see the chart below), and the de-escalation of the situation was confirmed by the only token retaliatory attack by Iran on a U.S. military base in Qatar in response.



- While the U.S. attack could ultimately end up having more lasting consequences for regional stability in the Middle East over the longer term (especially if Iran elects to re-double its efforts to achieve nuclear weapons as it could construe that to be the only way to truly protect itself in the aftermath of the recent U.S. and Israeli attacks), the principal impact on the global economy will have been minimal—despite warnings to the contrary by the isolationists in the Washington Administration and the Congress.
- In many ways, what could have been a cataclysmic foreign policy event quite surprisingly became a non-event not anywhere near the global-upsetting event it could have been. Although the full damage assessment and estimate of the length of time that the Iranian nuclear weapons program has been set back,<sup>6</sup> it now looks as though U.S. attention in the aftermath of the Iranian attacks will be more focused on ending the war in eastern Europe as the Russian government becomes more isolated as it resists cease fire efforts as it has sought to acquire more territory in Ukraine militarily prior to any potentially conflict-ending negotiations.
- In fact, foreign policy developments last week ended this extraordinary period with the announcement that the Washington Administration had agreed to sell

<sup>6</sup> Although Tehran still maintains that its enriched uranium development was for peaceful civilian purposes only.

weapons and air defense equipment (e.g., Patriot missile-defense-systems<sup>7</sup>) to NATO for trans-shipment to Ukraine.

- This latest move came after news stories indicating that the Washington Administration had become frustrated with “lip service<sup>8</sup>” by the Russian government concerning their responses to efforts to end the hostilities.
  - If the announcements are in fact followed by real action—this could likely begin to re-establish a better balance on the ground in the conflict in eastern Europe which is widely thought to be a needed precursor to bring the Russian government negotiators to the table to potentially end the conflict.
- Regarding developments in U.S. fiscal policy, the last six weeks has been marked by the passage of the federal budget reconciliation package which was a politically expedient way for the highly partisan package of tax cuts (largely extensions of the old Tax Cuts and Jobs Act legislation which went into effect in tax year 2018) and spending reductions to get through the U.S. House and Senate despite unanimous opposition by the minority party.
    - The passage of that legislative package with its largely unfunded tax reduction provisions, will add to the national debt and will also likely make a large contribution to the increasing the level of economic uncertainty going forward.
    - This is largely because the bill as passed is predicted to add roughly \$3.0 trillion to the national debt over the 2025-2034 time frame (or over the next ten years) according to an analysis of the Yale Budget Lab of the specifics included in that legislation.<sup>9</sup> In addition, that same Yale Budget Lab analysis also found that if the temporary tax provisions that are due to expire in 2028 in the OBBBA<sup>10</sup> were to be subsequently made permanent, the fiscal cost of that legislation could increase to \$3.7 trillion over that same 2025-2034 time frame.
  - Extending out the fiscal impact analysis to the 2025 through 2055 period, estimated

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<sup>7</sup> **Trump Agrees to Sell NATO Weapons for Ukraine**; Wall Street Journal; July 14, 2025. According to the article, the Washington Administration has also indicated that there will be “very severe tariffs” imposed on Russia if they do not agree to “a deal in 50 days.”

<sup>8</sup> **Putin’s Strategy of Paying Lip Service to Peace Falters as Trump Loses Patience**; Wall Street Journal, July 9, 2025. See: [https://www.wsj.com/world/russia/trump-putin-russia-ukraine-war-peace-416f4b86?mod=WTRN\\_pos5](https://www.wsj.com/world/russia/trump-putin-russia-ukraine-war-peace-416f4b86?mod=WTRN_pos5).

<sup>9</sup> See the **Long-Term Impacts of the One Big Beautiful Bill Act**; July 1, 2025. Accessed at: <https://budgetlab.yale.edu/research/financial-cost-senate-passed-budget-bill>.

<sup>10</sup> The so-called **“One Big Beautiful Bill Act”** or OBBBA.



impacts are expected to balloon to an eye-popping total of \$16.1 trillion over the next 30 years.

- In fact, if those tax provisions become permanent, the debt-to-GDP ratio would hit approximately 186 percent in 2055. That would correspond to a percentage of GDP for the U.S. that would only be exceeded by the countries of Japan and the Sudan.
- The authors from the non-partisan Yale Budget Lab analysis also noted that their impact analysis was dependent on what future interest rate levels could reasonably be expected to be.
  - The Yale Budget Lab impact analysis noted that “all else being equal,” it was likely that higher U.S. budget deficits and a rising national debt for that long of a period of time could in and of themselves result in significantly higher interest rate levels.
  - Since the analysis by the Yale Budget Lab of forecasted impacts of the budget reconciliation bill did not include any dollar impacts associated with the possible effects of higher U.S. interest rates tied to the OBBBA’s deficit financing, the study’s authors noted that if interest rates were to move higher because of the large increase in the national debt, their impact estimates could prove to be significantly higher than their analysis indicated.
- Turning to developments on the trade policy and immigration policy front, while there has been some progress, the overall news is still not all that encouraging. In fact, recent trade policy developments have included a lot of bluster, a number of delayed tariff imposition deadlines, and most recently a shift in tactics away from face-to-face negotiations to a more unilateral, “letter writing” phase that appears to seek to keep other countries’ trade negotiating teams—and to some degree even U.S. negotiators other than the President—“guessing” about what exactly the U.S. trade policy is.
  - This has created confusion about what is specifically being proposed for a particular country’s tariff rate and when it is that proposed tariff rate is to go into effect. That uncertainty—including several delays in the timing of various tariff proposals’ implementation—has as we mentioned in a previous revenue analysis memo has led to the term “TACO trade” across financial markets in

reaction to the Washington Administration's ever evolving trade policies.<sup>11</sup>

- Overall, while the President appears to be adhering to a trade policy of essentially “move fast and break everything” will ultimately result in obtaining beneficial trade deals for the U.S., the approach has so far not resulted in any final trade agreements—and only five of ninety trade agreements and in some cases only trade agreement frameworks have been negotiated (including most recently with the European Union (as our largest trading partner<sup>12</sup>), Japan, the U.K., Philippines, Indonesia, and with “frameworks” of trade deals negotiated with Vietnam.<sup>13</sup>
- The Washington Administration has announced agreement on some aspects of a trade agreement with China, news stories about the “agreement” on those parameters seemed to be geared toward deescalating previously escalated trade tensions brought about by each country's punitive trade proposals-retaliations.<sup>14</sup>
  - As of this writing, details on what was actually agreed-to with China remain unclear and there are still many issues left to resolve in further discussions that are apparently currently underway—with high level meetings scheduled this week with a possible deal-closing meeting potentially sometime over the next two months.
  - As such, a high level of trade policy uncertainty with China remains, although

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<sup>11</sup> Known as the “Trump Always Chickens Out” trade in financial markets that we introduced last month where traders have come to believe that the Washington Administration's trade negotiation deadlines are always extended when they result in negative stock and financial market reactions—particularly for proposals that include harsh tariff rates.

<sup>12</sup> With the general early review of the trade agreement being that tariffs will be higher...but “it could have been a lot worse...” The Yale Budget Lab's most recent tariff impact analysis through July 28<sup>th</sup>—which includes the recent U.S.-European Union trade deals includes an overall effective tariff rate of 18.2%—or the highest since 1934 (excluding possible consumption shifts). According to the analysis, the Yale Budget Lab expects that the “... *price level from all 2025 tariffs rises by 1.8% in the short-run, the equivalent of an average per household income loss of \$2,400 in 2025\$. This assumes the Federal Reserve does not react to tariffs and so the real income adjustment comes primarily through prices rather than nominal incomes; if the Federal Reserve reacted, the adjustment could in part come in the form of lower nominal incomes. US real GDP growth over 2025 and 2026 is -0.5 percentage points lower each year from all 2025 tariffs. In the long-run, the US economy is persistently -0.4% smaller, the equivalent of \$115 billion annually in 2024\$...*” See: <https://budgetlab.yale.edu/research/state-us-tariffs-july-28-2025>.

<sup>13</sup> It is in fact noteworthy that in the aftermath of announcements of these deals, there has a lot of disagreement about the details of what exactly has been negotiated and agreed to. Many of the promised dollar amounts in promised investment and product purchases alluded to by the Washington Administration have not been confirmed and in some cases have even been questioned by the parties to the agreement.

<sup>14</sup> See U.S., China Announce a Trade Deal Again. June 27, 2025. The Associated Press: See <https://apnews.com/article/trump-china-trade-tariffs-rare-earth-minerals-cbd2482bd2b3a7ce8d47030c4ff1c3d4>.

there was general agreement that the apparent easing of trade tensions between the U.S. and China was a positive.

- This was the case, even though there were still many trade issues to be resolved between the U.S. and China. In the opinion of many trade policy watchers, those many remaining issues were unlikely to be resolved anytime soon.
- Also, over the past two months, there has been on-going, on-again/off-again—and so far not anywhere near final—discussions between the U.S. and our North American trading partners—Mexico and Canada—whose previous trade agreements (the United States-Mexico-Canada Agreement or USMCA) was in fact negotiated by the first Trump Administration.
  - Lack of progress in these negotiations, the inclusion of non-trade issues like border security and fentanyl interdiction, and the fact that the Washington Administration would walk back on a recent trade agreement that a previous Trump Administration had itself negotiated in the very recent past, only continued to highlight the highly transactional and unpredictable style of the Washington Administration.
  - Those concerns continued to complicate trade policy negotiations with both Mexico and Canada—with the latter of particular importance to Vermont given that Canada is our state's largest trading partner and given the negative spill-over effects that these negotiations and all of the talk about Canada become the U.S.' 51<sup>st</sup> state have had on Canadian visitor traffic to Vermont.
- In particular, Canadian auto travel (a principal way that Canadians access many Vermont destinations) was down by 33% in June of 2025, and air travel to U.S. destinations by Canadian residents was also reported down by 22% year-over-year in June of 2025.<sup>15</sup>
  - In fact, a forecast from Oxford Economics—a leading macroeconomic forecasting and policy analysis firm—has indicated that the U.S. economy is likely to experience a significant 9% drop in U.S. international arrivals for 2025, and consequent drop of \$8.5 billion (-4.7%) in international visitor spending relative to last year.

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<sup>15</sup> See **Canadian Visitors to U.S. Plummet 33% in June—Sixth Straight Month of Steep Decline**; July 10, 2025. See <https://www.forbes.com/sites/suzannerowankelleher/2025/07/10/canadian-visitors-to-us-plummet-june-2025/>.

- That negative impact was thought to be especially disappointing because 2025 was originally expected to be a good year for U.S. international tourism.
- In any event, the Washington Administration has not completed anywhere near the “90 trade agreements in 90 days” that was promised by Presidential Advisor Peter Navarro back in April—when the so-called “Liberation Day” reciprocal tariff proposals were originally announced (on April 2, 2025) and with widely publicized August 1<sup>st</sup> trade agreement deadline almost upon us.
  - As such, the global trading system still sits as still highly uncertain, with significantly higher tariff rates in place, and most agreements still not completed as businesses delay decisions on capital investments and any new hiring largely because they do not really know what the trade rules are going to be for so many key trading partners.
- Representatives of the Washington Administration call this a “negotiating strategy.” However, successfully negotiating what are typically highly complicated trade deals with almost 100 countries all over the world was always going to be an impossible task.
  - To most observers, the Washington Administration’s reciprocal tariff proposals seemed to simply be a pretext to charge tariffs (since the President reportedly believes in them as revenue raising tools), and the Washington Administration’s haphazard approach and execution has done little to encourage trade negotiators to actually get down to the final and best offer proposals until the U.S.’ “tariff imposer in-chief” (aka the President himself) actually becomes involved in a specific trade negotiation.
- This above-described situation is separate and apart from any consideration is given to the fact that a large part of the Washington Administration’s entire approach to tariffs has used a “novel” national security legal justification.
  - That national security pretext for many of the Washington Administration’s proposed tariffs has been challenged in the courts, and that has left the majority of the Washington Administration’s tariff program vulnerable to being sent back to the very beginning—should any of the legal challenges succeed.<sup>16</sup>

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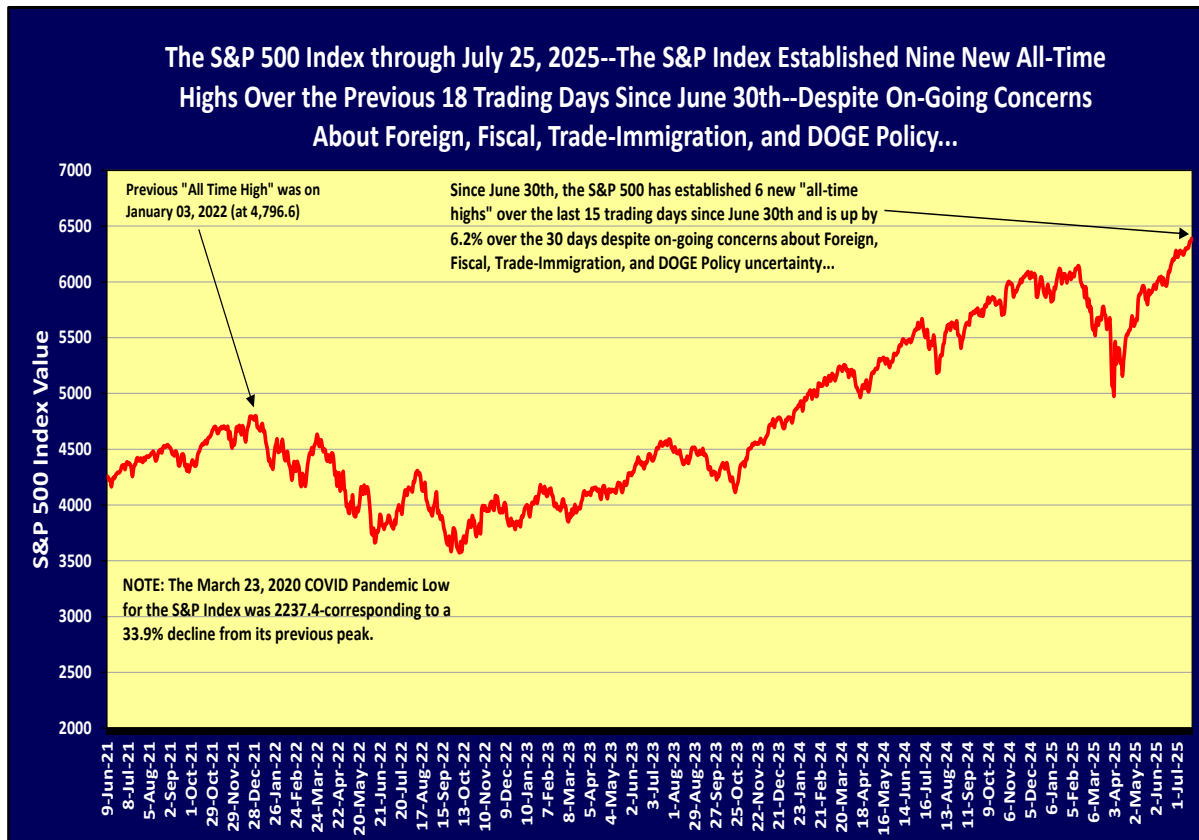
<sup>16</sup> For example, the U.S. Court of International Trade (CIT) on May 28, 2025, issued a significant ruling regarding

- This has reportedly added to the above-described trade negotiation concerns that have left trading partners reluctant to make final offers because any agreement struck with anyone other than the President may not really be “final.” In negotiations of many kinds, unpredictability as a negotiating tactic is often used by negotiating parties that lack leverage. As the largest import market in the world, U.S. negotiators should have the advantage of having considerable leverage.
- However, the general unpredictability of the President from day-to-day has at least been part of the reason why U.S. trade negotiators have so far managed to complete only about half a dozen initial trade agreement negotiations successes since April 2<sup>nd</sup>.
- Despite all of the above-described trade policy uncertainty, financial markets have appeared to continue to shrug-off, even downplay, the most hyperbolic of the Washington Administration’s proposed tariff imposition pronouncements-statements and other excesses—even including calling out the national guard and U.S. troops in California—which escalated that immigration protest situation.
- For example, the reaction in U.S. stock markets has been pretty dismissive of tariff concerns and seems to have settled into a view that tariffs will in fact end up being higher when all is said and done, but average tariff rates will not end up anywhere near what were originally threatened back on April 2<sup>nd</sup>.
  - As a result, U.S. stock markets through last week had have bounced back since June 30<sup>th</sup> reached nine, new all-time highs over the last 18 trading days through July 25<sup>th</sup> as markets have appeared to have “TACO”s on the menu so-to-speak, and that had had the effect of “calming” the still relatively delicate state of business and consumer psyches as U.S. stock markets have risen to those new

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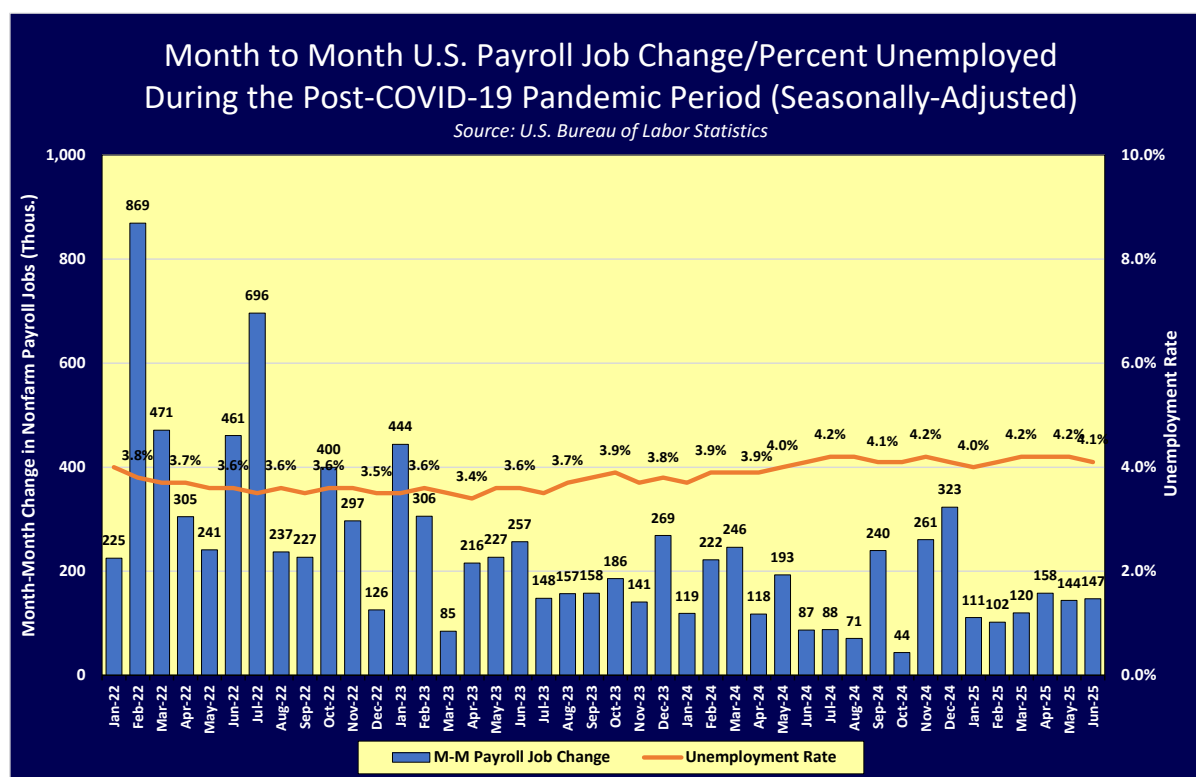
tariffs imposed by former President Trump under the International Emergency Economic Powers Act (IEEPA). The ruling targeted two specific tariffs, (1) the “Liberation Day” or reciprocal tariffs, which imposed a 10% tariff on goods from nearly all U.S. trading partners and threatened higher rates on some, and (2) the tariffs of 25% on imports from Mexico and Canada and 20% on imports from China related to the national emergency on fentanyl. The court found that IEEPA doesn’t grant the president unlimited authority to impose tariffs, especially when the goal is to address trade deficits, which falls outside the scope of IEEPA’s emergency powers. It also found that the fentanyl tariffs were not sufficiently tailored to address the declared threat, as the tariffs were aimed at creating leverage rather than directly dealing with the emergency. The Washington Administration appealed the court’s decision, and oral arguments were scheduled for July 31, 2025 — the very same day the Vermont Emergency Board meets to consider the fiscal year 2026-28 consensus revenue forecast update.

highs through mid-July (see the chart below). This was the case, even against the backdrop of the Washington Administration's incessant attacks on the Chair of the Federal Reserve to move short-term interest rates lower.



- However, that is not to say that the uncertainty of U.S. tariff policy and the imposition of some tariffs have not started to result in “some cracks” in the economy—over and above the above-described negative impacts on Canadian visitor activity.
  - For example, the latest reading on U.S. labor markets was not really an unconditional, validating report that the labor market was doing fine as it was characterized in many reports.
  - Many analysts had been on their collective “pins and needles” waiting for some clear sign of a direction for the U.S. economy following all of the discussion about the vagaries of unpredictable U.S. tariff policy, the debate over the OBBBA, the federal response to the LA immigration protests, and startling developments on the global conflict front.

- As such, the news that U.S. labor markets had experienced relatively solid employment-job growth and low unemployment was received very positively throughout financial markets and much of the media.
  - The numbers included payroll jobs growth of 147,000 along with an unemployment rate that fell slightly to 4.1% (see the chart below).



- However, all was not all the great looking under the hood of the June labor market report.
  - For example, of the 147,000 added nonfarm payroll jobs during June, a total of 47,000 were new state government employees (with 40,000 nonfarm payroll jobs added in the Education sector).
  - Another 23,000 added nonfarm payroll jobs were added in the Local Government sector (with the number of nonfarm payroll jobs falling by 7,000 in the Federal Government sector).
- Put into its proper context, the June labor market data showed that the private sector created only 74,000 nonfarm payroll jobs last month.

- Of that total, 59,000 nonfarm payroll jobs (corresponding to 80% of that monthly total) were created in only one sector—the Health Care and Social Assistance sector.
- Looking at the bottom line, it was clear that private-sector job creation was essentially at a standstill for a majority of broad sectors last month.
- Looking at the decline in the U.S. unemployment rate, the was due to the fact that 130,000 “otherwise would be workers” left the labor force during June. In recent months, the consensus view of the labor market was that nobody was getting fired and at the same time no one was getting hired.
  - So, while it was true that the June labor market report for the U.S. was hardly a “bad one,” it also was clear that U.S. labor markets should not receive “a clean bill of health” as well.
- At the same time, this has also apparently kept the level of price increases to a minimum (see the chart with recent inflation readings below).
  - At this point, it looks as though the relatively tame levels of inflationary price pressures since last January have reflected a combination of: (1) the normal lags that such tariff-induced supplier cost increases normally take to work their way up the supply chain<sup>17</sup>), (2) a significant roughly 10% decline in the value of the U.S. dollar (see the second chart below) and an apparent general “wait and see approach” by many potentially tariff-impacted businesses as they step back to see exactly where the threatened tariffs may actually end up (probably no earlier than August, but maybe later on as delays in the imposition of announced tariffs continue to drift out into the future).
- In addition to the above, there most recent June data for the Consumer Price Index (or CPI-U) has started to show how tariffs are now starting to re-shape the level of, and trends for consumer prices.
  - Overall, the June CPI report released last year included a 0.3% increase from the previous month—corresponding to a 2.7% year-over-year rate of change (see the chart below). Although the “top line” CPI change number generally

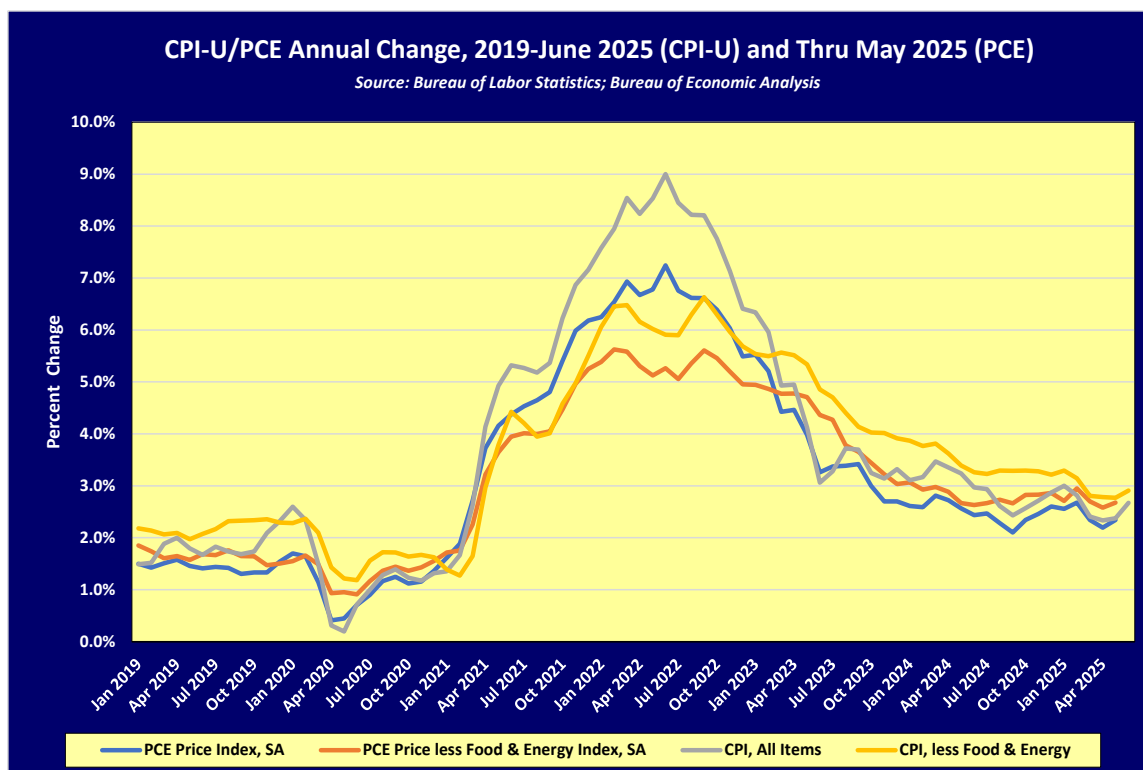
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<sup>17</sup> Which has typically been months—not days or weeks—with the exact timing of how fast tariff assessments make their way into retail prices a reflection of factors such as shipping times, inventory management (e.g. the capacity to forward buy and stockpile goods and or components in advance of the tariff assessments) and the time frame of the particular tariff item’s production process and, of course, the exact foreign source of production inputs.



aligned with expectations it clearly continued to track above a +2.0% annual rate of increase.

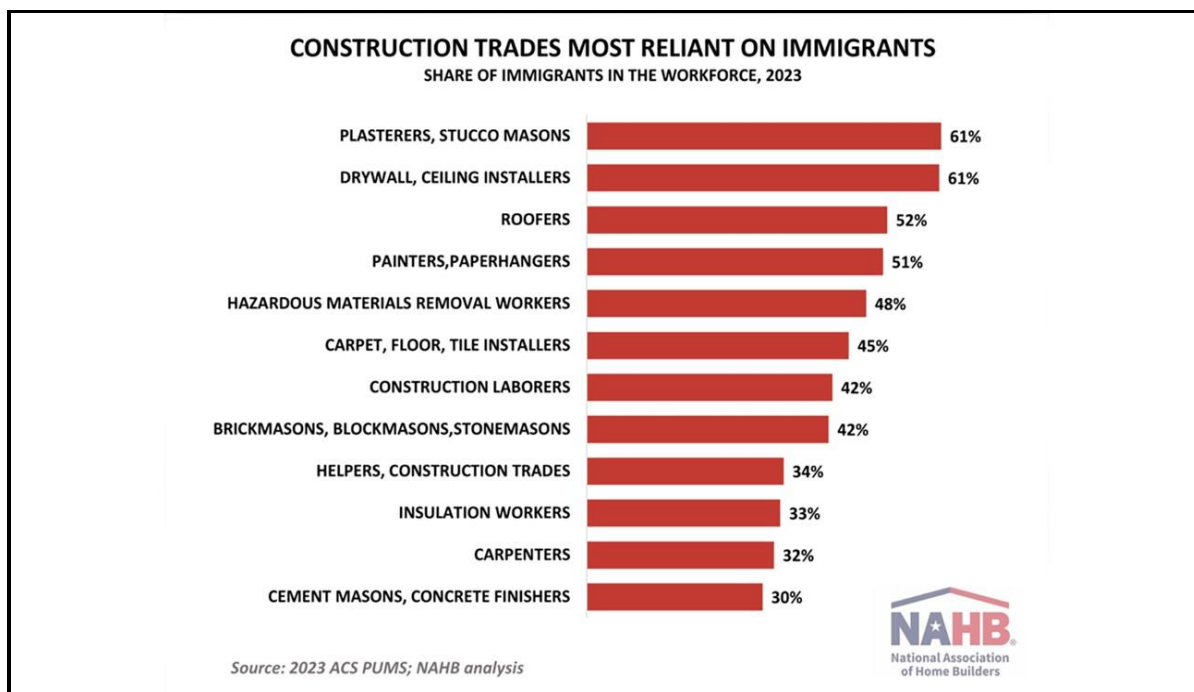
- The June CPI report also included a still restrained +2.9% year-over-year increase in the “core” CPI—a modest increase on the rate of price change versus the last 3 months when increased averaged an annualized +2.4% .
- The “core” CPI is tracked because it excludes the more volatile energy and food price categories and therefore gives policymakers a more accurate reading of the underlying price pressures in key parts of the U.S. economy that are not impacted by factors outside of the policy that the Federal Reserve can impact.



- However, beneath those relatively benign top-line CPI inflation numbers, there were some noticeable shifts in prices that were influenced by the tariffs that are already in place. For example, apparel prices rose by 0.4% last month, the first increase in the index since March.
- Prices for window and floor coverings also rose by 4.2% month over month, the largest increase on record. Both of those price areas include goods-producing categories that are impacted by the costs of imported inputs. In addition, it was reported that the U.S. Customs Service in June collected over

\$27 billion in tariff revenues—more than three times the \$7.9 billion collected for the same time last year.

- That increase underscores the significant challenges that businesses face from rising input prices, particularly in import sensitive sectors like textiles, metals, and food products manufacturing. Because the effective tariff rate is expected to increase further as increased tariffs on copper, steel, and aluminum and reciprocal increases for countries without trade deals make it into domestic manufacturing operations, it is likely that price pressures are going to increase further over the coming months after consideration of the normal lag of two to three months due to shipping and payment delays.
- Lastly on the economy, is the issue of deportation and the impact that the post BBBA enactment of increased immigration enforcement and the disproportionate impacts it will have on the economy, particularly for industries relying heavily on immigrant labor—including production agriculture, health care, certain trades in the construction sector (see the chart below), hospitality, and certain manufacturing sectors (such as the food sector) potentially experiencing the greatest disruptions and potential labor shortages.<sup>18</sup>



<sup>18</sup> In fact, between 2000 and 2022, it has been estimated that foreign born immigrants accounted for nearly three-quarters of all growth in the civilian, prime-aged (ages 25 years to 54 years) U.S. labor force. See: <https://www.migrationpolicy.org/content/explainer-immigrants-and-us-economy>

- The impact of increased immigration enforcement is likely to be felt most acutely in sectors heavily reliant on immigrant labor, leading to labor shortages, the potential for increased operational costs, potential disruptions to services, and possibly higher prices for consumers.
- The ripple effects of these impacts could also be felt in the broader economy, likely resulting in higher rates of future inflation and potentially slower economic growth.
- The question going forward is whether or not the current delicate balance in the economy is going to last. In other words, is there potentially going to be an adverse development in any of the three above discussed U.S. macro policy areas of tension that will result in some form of a “tipping point” for the economy in the near- or intermediate-term future.
  - So far, businesses and households have been able “tune out” all of the political noise associated with the largely improvisational execution of all three of those above-discussed macro policy areas by the Washington Administration. In “more” normal times, troubles or significant adverse developments in any one of those three policy areas would potentially be sufficient enough to cause a significant problem for the economy.
  - However, taken against the backdrop of a clear deceleration in the U.S. economy—at least over the first quarter of calendar year 2025 (corresponding to the third quarter of fiscal year 2025), these three macro policy areas should be moving in the direction of reducing the already extraordinarily high level of uncertainty that pervades the current macroeconomic policy environment—and not adding to that already elevated level of uncertainty and ambiguity that has been so pervasive in the macroeconomic environment since January.

❖ **The Updated Staff Consensus Forecast Update Recommendations for Fiscal Years 2026 and 2027 and for Fiscal Years 2028-30 for the Out-Years of the State’s Fiscal Planning Time Horizon.**

- Turning to the staff recommended forecast update, the staff recommended current law consensus forecast update includes a significant +\$139.0 million two fiscal year, consensus revenue forecast upgrade for State revenues across all three fund aggregates for fiscal years 2026 and 2027—including a fully assessment/re-

assessment of the changes in the priorly passed tax and fee changes from the 2024 and 2025 sessions of the Vermont General Assembly (see Table 5 below).

**Table 5: 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 January FY 2025 Consensus Forecast											
JULY 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	\$77.2	3.2%	\$85.5	3.5%	\$ 83.5	3.3%	\$ 76.2	2.9%	\$ 68.4	2.5%	
Transportation Fund Available to the Transportation Fund	\$ (7.5)	-2.3%	\$ (7.8)	-2.4%	\$ (7.2)	-2.2%	\$ (6.3)	-1.9%	\$ (5.2)	-1.5%	
Education Fund Partial	\$ (3.8)	-0.5%	\$ (4.6)	-0.6%	\$ (6.2)	-0.7%	\$ (7.5)	-0.9%	\$ (9.5)	-1.1%	
<b>Total--"Big 3 Funds" [1]</b>	<b>\$65.9</b>	<b>1.9%</b>	<b>\$ 73.1</b>	<b>2.0%</b>	<b>\$ 70.1</b>	<b>1.9%</b>	<b>\$ 62.4</b>	<b>1.6%</b>	<b>\$ 53.8</b>	<b>1.4%</b>	
MEMO #1: Health Care Revenues	\$ 9.3	2.6%	\$ 13.4	3.6%	\$ 1.7	0.5%	\$ (17.2)	-4.4%	\$ (39.1)	-9.6%	
MEMO #2: Change in G-Fund without Health Care	\$ 67.9	3.3%	\$ 72.1	3.5%	\$ 81.7	3.8%	\$ 93.4	4.2%	\$ 107.5	4.7%	
MEMO #3: Change in Personal Income Tax	\$ 69.6	5.2%	\$ 72.7	5.3%	\$ 77.8	5.5%	\$ 84.9	5.8%	\$ 95.4	6.4%	
MEMO #4: Change in Corporate Income Tax	\$ (8.2)	-3.3%	\$ (7.1)	-2.7%	\$ (5.8)	-2.2%	\$ (3.3)	-1.2%	\$ (0.4)	-0.1%	
MEMO #5: Change in G-Fund Net Interest	\$ (3.4)	-7.6%	\$ (1.2)	-4.1%	\$ 0.5	1.9%	\$ 1.0	3.7%	\$ -	0.0%	
MEMO #6: Change in E-Fund Net Interest	\$ (1.3)	-46.4%	\$ (1.0)	-45.5%	\$ (1.0)	-43.5%	\$ (1.1)	-42.3%	\$ (1.6)	-53.3%	
MEMO #7: TIB [2]											
Gasoline	\$ (0.7)	-4.5%	\$ 0.3	1.9%	\$ 0.3	2.2%	\$ 0.3	2.1%	\$ 0.2	1.2%	
Diesel	\$ 0.0	1.4%	\$ 0.0	1.5%	\$ 0.0	1.0%	\$ 0.1	3.2%	\$ 0.0	2.7%	
<b>Total TIB</b>	<b>(\$0.6)</b>	<b>-4.0%</b>	<b>\$0.3</b>	<b>1.9%</b>	<b>\$0.3</b>	<b>2.1%</b>	<b>\$0.4</b>	<b>2.2%</b>	<b>\$0.2</b>	<b>1.4%</b>	
Notes: N/M=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 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 five fiscal year 2026 to 2030 fiscal planning time frame, the Childcare Tax is expected to yield \$479.1 million—equivalent to 2.7% of Source G-Fund taxes and fees estimated for that five fiscal year 2026 through 2030-time frame.
- In addition, this staff recommended forecast update is another that also reflects all technical updates and refinements in estimating the amount of Net Interest revenues flowing to the State as the heightened and more aggressive pursuit of interest earnings undertaken by the State Treasurer’s Office using the state’s considerable unrestricted cash balances begins to reflect the drawing down of the federal funds-elevated cash balances that have been strategically invested to generate increased Net Interest earnings in the post-pandemic time period.

- Like the last several consensus forecast updates, staff has updated this consensus forecast update was completed using the latest update for projected interest earning cash bank balances for the state—including all of fiscal year 2025's experience and an updated analysis of the likely pace of spending drawdowns of Vermont's cash balances.
- However, future Net Interest earnings may also be facilitated by the likelihood for "higher for longer" interest rates as the pace of improvement in the U.S. inflation rate has been slow and the Federal Reserve continues to adhere to a "wait and see" approach to further interest rate reductions as the Washington Administration's tariff policy and its impact on the overall rate of U.S. inflation rolls out more slowly than initially expected.
- For fiscal years 2026 and 2027 in the G-Fund, the primary driver of the consensus forecast upgrade included the +\$69.6 million fiscal year 2026 and the expected +\$72.1 million fiscal year 2027 upgrades in revenue expectations in the consensus Personal Income Tax forecast—mostly the result of the enduring "high asset price" environment that has prevailed over the last several years.
  - G-Fund Net Interest receipts, following on the winding down of the previously very high level of receipts, have been given a -\$3.4 million and a -\$1.2 million consensus forecast downgrade for fiscal years 2026 and 2027, respectively.
  - The consensus revenue forecast update for G-Fund Health Care revenues includes an expected +\$9.3 million and a +\$13.4 million available to the General Fund forecast upgrade for both fiscal years 2026 and fiscal years 2027—reflecting recent receipts trends. The staff recommended consensus revenue forecast upgrade the slows and includes actual significant consensus revenue forecast downgrades in the out-years of the fiscal year 2028 to fiscal year 2030 fiscal planning period, as the health care gross receipts tax limitations that were included in the recently enacted BBBA federal budget reconciliation bill kick-in.
  - Excluding those increases in Health Care Revenues for fiscal years 2026 and 2027, the consensus forecast for G-Fund receipts upgrade included an increase of \$67.9 million (or 3.3%) for fiscal year 2026 and a +\$72.1 million (or 3.5%) staff recommended consensus forecast upgrade for fiscal year 2027.
- In the T-Fund, the consensus forecast update changes reflect the recent downbeat performance of T-Fund revenues over the fiscal year 2025 timeframe and the sun-

setting of the two Fee changes after fiscal year 2026, and the still challenging fuel price and vehicle acquisition-registration environment of the recent past.

- However, the \$3.2 million in new MvFees revenues that those \$3.2 million in expected T-Fund receipts that these two sources have been expected to bring was unchanged from last January’s forecast update since actual revenues tracked close to expectations for fiscal year 2025 from those temporary E-Vehicle and Plug-in Hybrids fee assessments in place for this fiscal year.
- The updated consensus forecast for the E-Fund includes the expectation of a continued reasonably solid performance by the E-Fund’s Sales and Use Tax component, a bit of a bounce-back from the downbeat performance of the Lottery Transfer component, and the continuation of the somewhat pedestrian performance by the Meals and Rooms Tax component against the backdrop of the decline in Canadian visitor traffic as U.S. trade and immigration policy uncertainties hamper revenue receipts performance—at least temporarily.
- Looking out over the fiscal year 2026 and 2027 fiscal years, the \$8.4 million forecast downgrade represents only about one-half of one percent—but comes on the heels of one of the largest E-Fund consensus revenue forecast downgrades in recent consensus revenue forecasting history last January.
- For the T-Fund TIB revenue sources, the staff recommended consensus forecast includes a staff recommended \$0.6 million forecast downgrade for fiscal year 2026, and a \$0.3 million forecast upgrade for fiscal year 2027 relative to consensus expectations of last January.
- Across the five-year 2026-30 timeframe, the total staff recommended forecast includes a small forecast upgrade of \$0.5 million in total—with relatively small Gas TIB annual staff recommended forecast upgrade for the fiscal year 2027 through fiscal year 2030 timeframe and virtually no change in the Diesel TIB consensus forecast across the five-year fiscal year 2026 to 2030 time period.
- Looking more specifically at the three funds and on a fiscal year to fiscal year basis, staff recommends that this updated July 2026 consensus revenue forecast upgrade for expected revenues “Available to the General Fund” of +\$77.2 million for fiscal year 2026 and \$85.5 million for fiscal year 2027.<sup>19</sup>

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<sup>19</sup> The G-Fund change numbers do not include the shift in the G-Fund’s Telephone Gross Receipts Tax and the G-

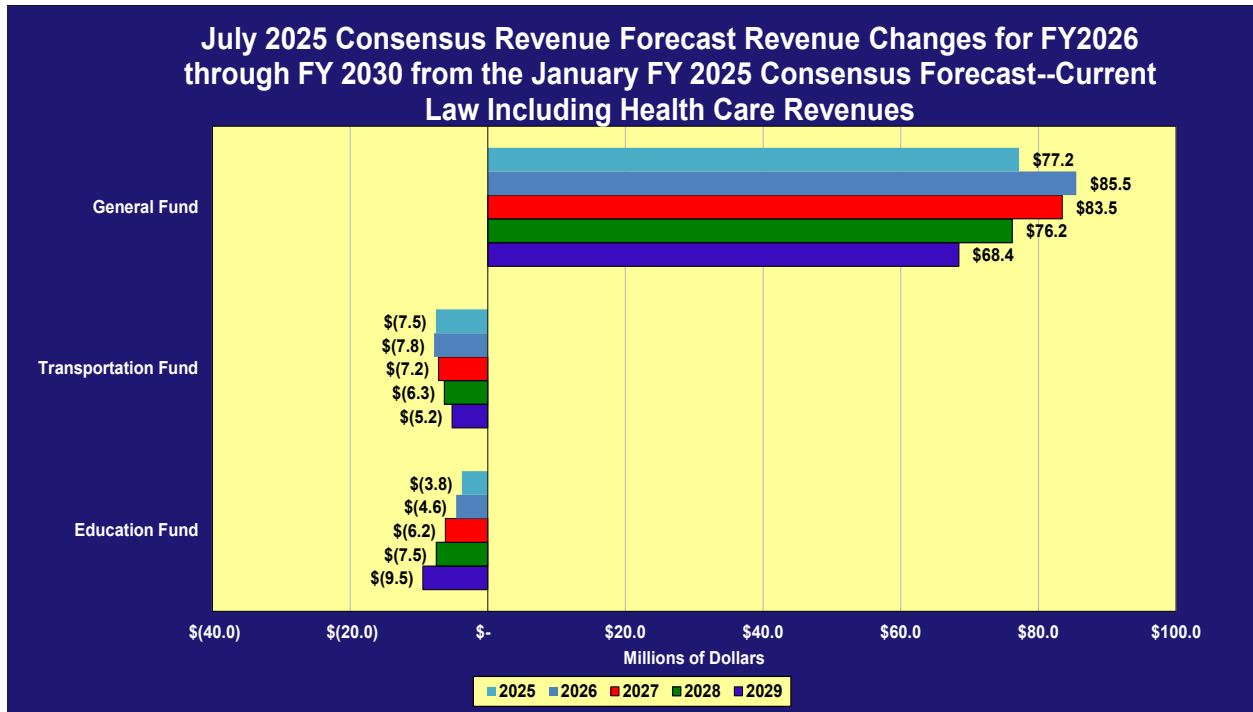
- For the years beyond fiscal year 2027 (covering the fiscal policy planning time frame of fiscal years 2028 through 2030, the staff recommends an increase of +\$83.5 million for fiscal year 2028, a +\$76.2 million consensus forecast upgrade of revenues “Available to the General Fund” for fiscal year 2029, and a staff recommended +\$68.4 million consensus revenue forecast upgrade for fiscal year 2030.
- For the T-Fund, staff recommends a -\$7.5 million forecast down for revenues “Available to the Transportation Fund” for fiscal year 2026, another +\$7.8 million forecast downgrade for fiscal year 2027. All staff recommended forecast changes reflect the recent actual revenue performance by T-Fund revenue sources and the effect of continued “higher for longer” level of interest rates that have impacted vehicle financing costs.
  - For the additional fiscal planning out-years covering the fiscal year 2028-2030 period, staff recommends consensus forecast downgrades of “Available to the T-Fund” revenues of \$7.2 million for fiscal year 2028, \$6.3 million for fiscal year 2029, and -\$5.2 million for fiscal year 2030.
- For expected revenues “Available to the Education Fund,” staff recommends a forecast downgrade of -\$3.8 million in fiscal year 2026 and a -\$4.6 million consensus forecast downgrade for fiscal year 2027 as well.
  - For the years beyond fiscal year 2027 (covering the fiscal policy planning time frame between fiscal years 2028 through and 2030), the staff recommends a downgrade in revenues “Available to the Education Fund” of -\$6.2 million in fiscal year 2028, a -\$7.5 million downgrade for fiscal year 2029, and a staff recommended forecast downgrade of \$9.5 million for fiscal year 2030.
- These numbers are all reflected in the chart below for all three of the State’s fund aggregates for fiscal years 2026 and 2027, and for the fiscal planning out-years of the current consensus forecast updated covering the 2028-2030 fiscal year period that was forecasted last January.<sup>20</sup>

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Fund’s Telephone Property Tax to the E-Fund as an Education Property Tax source only. That change represented roughly \$2.0 million per year.

<sup>20</sup> This time including a fiscal year 2030 “change number” which it did not have last January since fiscal year 20230 was added to last July’s consensus forecast update as a new fiscal year to the consensus forecast time horizon.

- The revised changes by fund aggregate in the staff recommended totals are presented below relative to the staff recommended consensus forecast of January of fiscal year 2025 as approved by the Vermont Emergency Board on January 22, 2025.



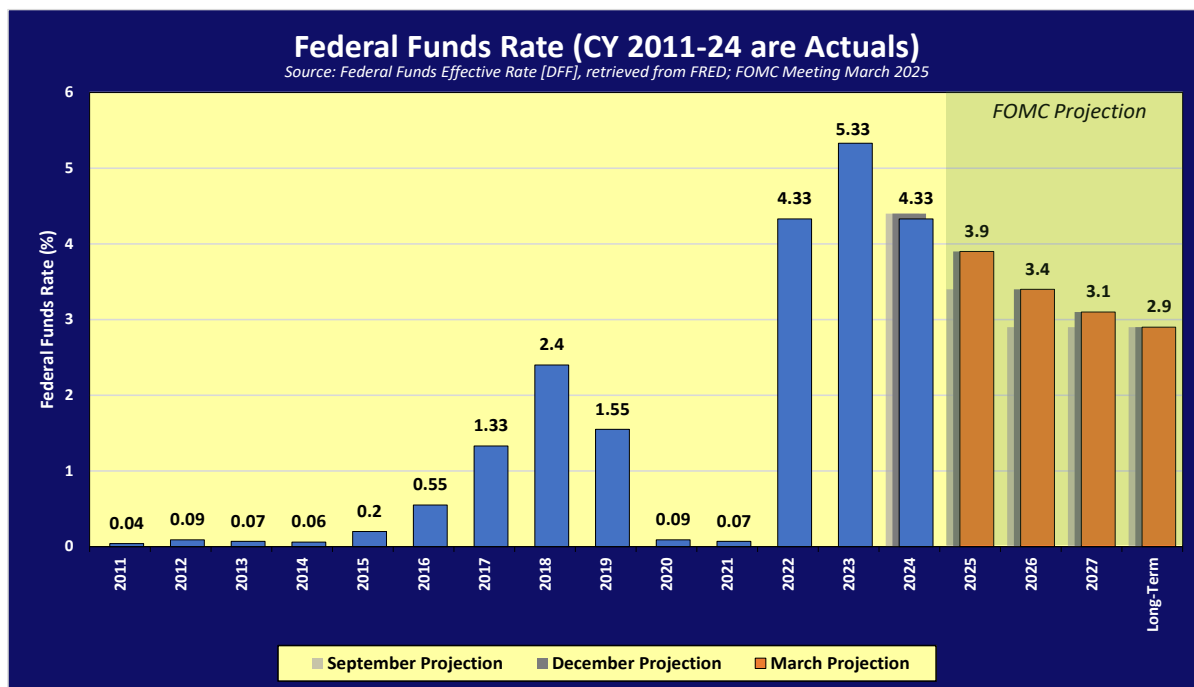
- All of the above itemized forecasted numbers are current law numbers and include expectations of current law G-Fund Health Care Revenues.
  - Excluding G-Fund Health Care revenues from the above staff recommended change numbers results in a staff recommended forecast upgrade of +\$67.9 million in fiscal year 2026, and a +\$85.5 million forecast upgrade for fiscal year 2027.
- In addition, the staff recommends a +\$81.7 million forecast upgrade for fiscal year 2028 for the General Fund excluding Health Care Revenues versus consensus expectations last January, a +\$93.4 million staff recommended forecast upgrade for fiscal year 2029, and a staff recommended forecast upgrade of \$107.5 million for fiscal year 2030 for "Revenues Available to the G-Fund" excluding Health Care revenues.
  - Consequently, this July 2025 staff recommended consensus revenue forecast update includes a \$9.3 million forecast upgrade for G-Fund Health Care



revenues for fiscal years 2026, and another staff recommended +\$13.4 million in fiscal year 2027.

- For the fiscal planning period fiscal years of 2028 and 2030, the staff recommends a consensus forecast upgrade of +\$1.78 million for fiscal year 2028, before recommending declines of -\$17.2 million for fiscal year 2029 and another -\$39.1 million consensus forecast downgrade for fiscal year 2030 as the BBBA federal budget reconciliation bill “kick in” to pull back on health provider taxes.
- The staff recommended forecast for revenues T-Fund TIB revenues includes a combined TIB fund forecast downgrade of -\$0.6 million for fiscal year 2026, and a +\$0.3 million forecast upgrade for fiscal year 2027.
  - For fiscal years 2028 through 2030 (as the other three fiscal planning years forecasted last January), the staff recommends forecast upgrades of +\$0.3 million for fiscal year 2028, +\$0.4 million for fiscal year 2029, and +\$0.2 million for fiscal year 2030 for total T-Fund TIB revenues.
  - All of the T-Fund TIB consensus forecast recommendations are on a current law basis and reflect consensus expectations for the changing energy price situation, fuel consumption, and other items such as commercial vehicle trips by in- and out-of-state operators for Diesel Tax TIB category.
- The updated July 2025 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, 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 transition is likely to result in a “new normal” in this regard at some point in the future.
  - 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.

- The staff recommended consensus forecast update also includes full consideration of the underlying trends and the actual collections data through the end of fiscal year 2025 (as of June monthly receipts)—with emphasis on recent trends in underlying Personal Income Tax, Corporate Income Tax, the major consumption taxes across all three funds, and Net Interest receipts activities—related to changing State unrestricted bank balances and the still elevated level of key interest rates.
- The updated Net Interest revenue forecast for the G-Fund and E-Fund also reflect expectations for a “wait and see” approach to further interest rate reductions by the Federal Reserve—although a reduction is expected by the end of calendar year 2025 as long as federal foreign, tariff-immigration, and fiscal policies do not end up stoking underlying inflationary pressures.



- 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 \$2,480.9 million for fiscal year 2026, current law revenues of \$2,542.1 million for fiscal year 2027, and current law revenues of \$2,614.4 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 \$366.1 million in fiscal year 2026, a total of \$381.0 million for fiscal year 2028, and a total of \$381.2 million for fiscal year 2029.

**Table 6: 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--July FY 2026 "Staff Recommended" Consensus Forecast Update (\$ Millions)			
	2026	2027	2028
Available to the General Fund (Including Health Care Revenues)	\$ 2,480.9	\$ 2,542.1	\$ 2,614.4
Available to the Transportation Fund	\$ 318.5	\$ 321.1	\$ 325.7
E-Fund [Partial]	\$ 782.2	\$ 803.0	\$ 826.7
Total--Three Funds	\$ 3,581.6	\$ 3,666.2	\$ 3,766.7
MEMO: Available Health Care Revenues	\$ 366.1	\$ 381.0	\$ 381.2
TIB Funds:			
Gasoline TIB	\$ 14.4	\$ 14.6	\$ 14.2
Diesel TIB	\$ 2.1	\$ 2.0	\$ 2.0
Total TIB Funds	\$ 16.6	\$ 16.6	\$ 16.2

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 \$318.5 million for fiscal year 2026, and an updated staff recommended forecast total of \$321.1 million for fiscal year 2027 and a staff recommended forecast of \$325.7 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 \$14.4 million in Gasoline TIB receipts in fiscal year 2026, \$14.6 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 \$782.2 million in “Available to the E-Fund” revenues for fiscal year 2026, an updated staff recommended consensus forecast of \$803.0 million in “Available to the E-Fund” revenues for fiscal year 2027, and a total of \$826.7 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 the end of July of calendar year 2025.

## ❖ **Update on the State Economy—Including Vermont’s Labor Market Recovery from the COVID-Induced Recession.**

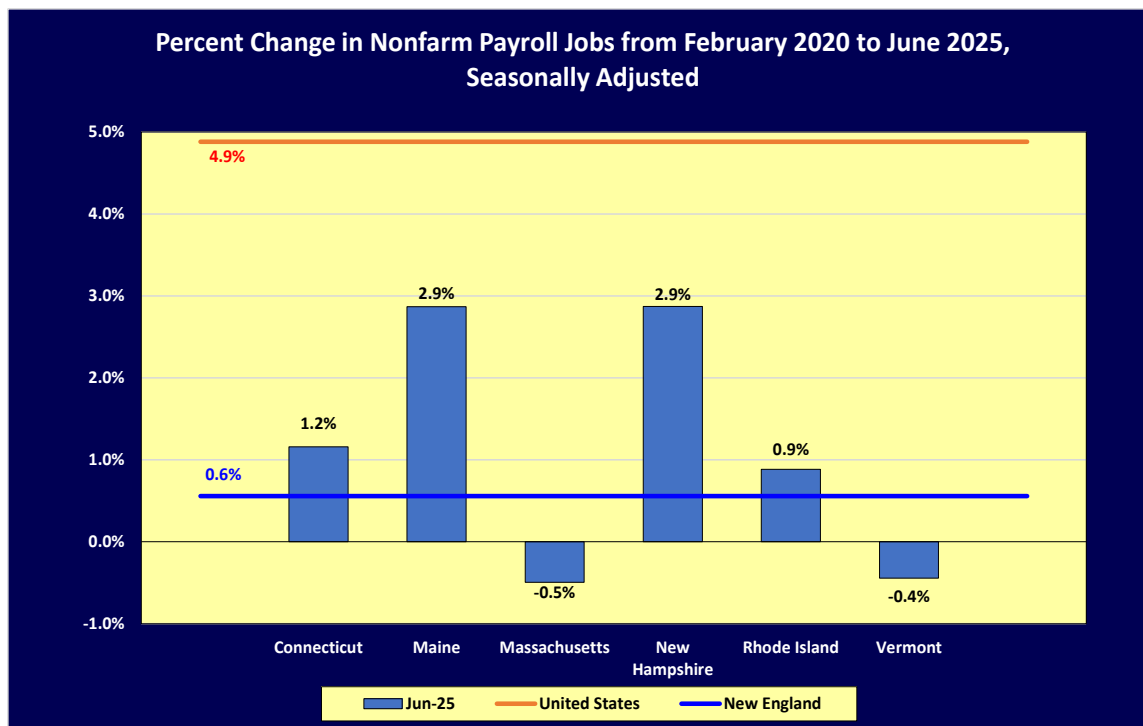
- Reviewing the latest data for the Vermont economy through June 2025—the updated nonfarm payroll job count and household survey data from the Vermont Department of Labor showed that the Vermont labor market’s progress this Spring-Summer has slowed considerably (see Table 7 below).

**Table 7: 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**

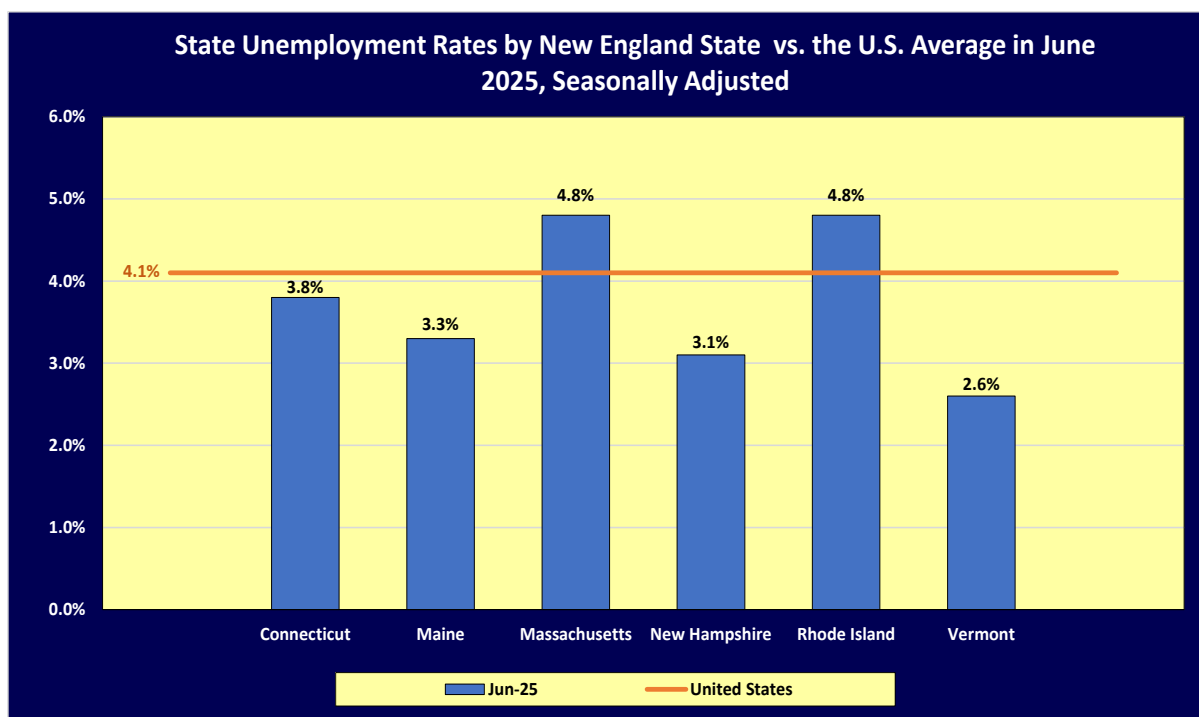
Payroll Jobs-Recession Losses (Feb.-April)/Recovered (April 2020-June 2025)					%	%	#
	Lost	% of Total	Recovered	% of Total	Recovered	Left-to-Go	Left-to-Go
Connecticut	(291.1)	-17.1%	310.8	22.1%	106.8%	--	--
Maine	(94.2)	-14.8%	112.5	20.7%	119.4%	--	--
Massachusetts	(688.8)	-18.4%	670.2	21.9%	97.3%	2.7%	(18.6)
New Hampshire	(117.7)	-17.1%	137.5	24.0%	116.8%	--	--
Rhode Island	(109.2)	-21.5%	113.7	28.5%	104.1%	--	--
Vermont	(66.7)	-21.1%	65.3	26.2%	97.9%	2.1%	(1.4)
United States	(21,868.0)	-14.4%	29,300.0	22.5%	134.0%	--	--
N.E. TOTAL	(1,367.7)	-18.0%	1,410.0	22.6%	103.1%	--	--

- In some respects, there appears to have been some modest backtracking in Vermont since March in the state’s still incomplete labor market recovery from the COVID pandemic-induced economic downturn.
- From the data, the state’s nonfarm payroll job count through June still had a total of 1,400 nonfarm payroll jobs (or 2.1% of the nonfarm payroll jobs lost during that economic downturn) left-to-go to finish its labor market recovery from the revised 66,700 nonfarm payroll jobs lost by the Vermont economy during 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.

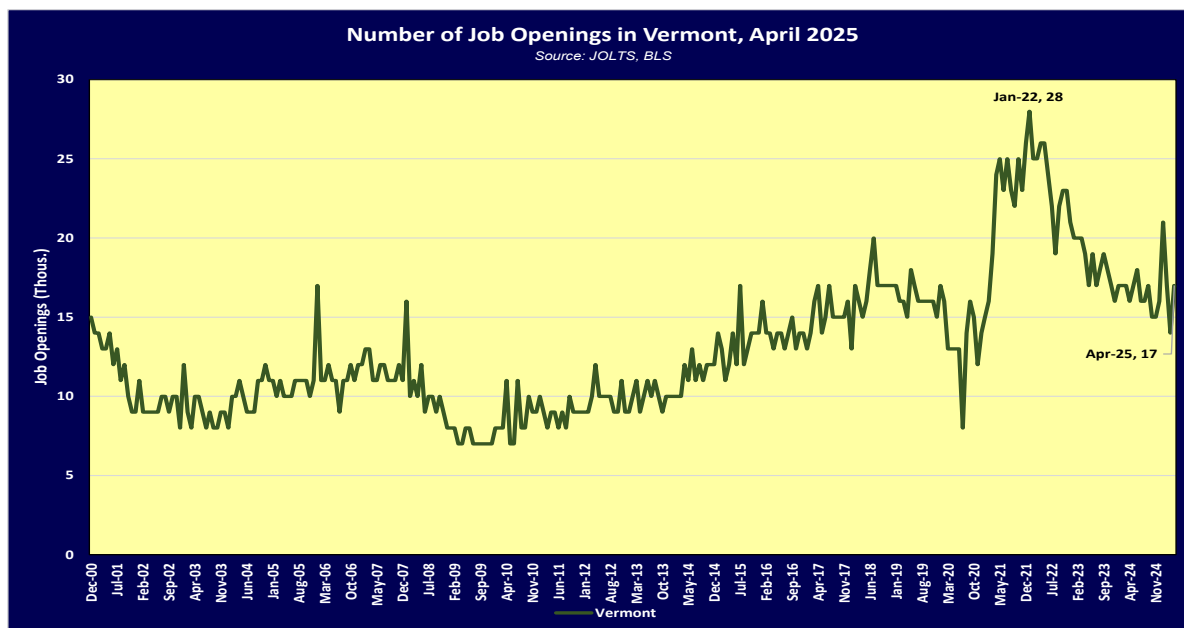
- The slower than average rate of nonfarm payroll job recovery since April of 2020 has left Vermont's nonfarm payroll job base somewhat lower than the state's nonfarm payroll job count going into the COVID pandemic-induced recession and lower than the current nonfarm payroll jobs levels in all other New England states except for the state of Massachusetts (see the next chart below)—more than five years past the bottom of the last recession.
  - As the two New England states that have not yet completed their respective nonfarm payroll job recoveries, they represent the only two remaining negative nonfarm payroll job count positions among the six New England states relative to their respective previous nonfarm payroll job peaks.
  - Among the other New England states, post-recovery nonfarm payroll job count positions ranged from a high of +2.9% of their February 2020 previous pre-pandemic job count position through June in the states of Maine and New Hampshire to a low of +0.9% above its February 2020 previous pre-pandemic job count position for the state of Rhode Island.
  - The June 2025 state labor market data also included a +1.2% reading for the state of Connecticut to round out the nonfarm payroll job level positions of the six New England states as of June 2025.



- Turning to the household survey data for the period through June 2020, we once again see that the primary reason for the state’s “slower than average” pace of nonfarm payroll job additions becomes evident when looking at the still very tight condition of Vermont’s labor markets.
  - According to the June labor market data, the state unemployment rate stood at a very low 2.6% rate, reflecting the tightness Vermont’s labor markets that have characterized employment condition across the state for quite some time. As such, we have often noted that Vermont’s apparent that Vermont’s slower than average pace to its job market recovery from the pandemic-induced economic downturn continues to reflect a relative lack of available workers as opposed to necessarily being reflective of weak labor markets across the stater (see the chart below).
  - As such, it seems to be that Vermont’s relatively slower than average rate of nonfarm payroll job recovery since the end of the pandemic is more a function of the lack of available workers versus being the result of a lagging economy. This has been evidenced by Vermont’s continued very low rate of unemployment (at 2.6% in June) versus the unemployment rate readings of the New England States (see the chart below) and the statewide rates of unemployment in almost every other state in the country (see the chart below).

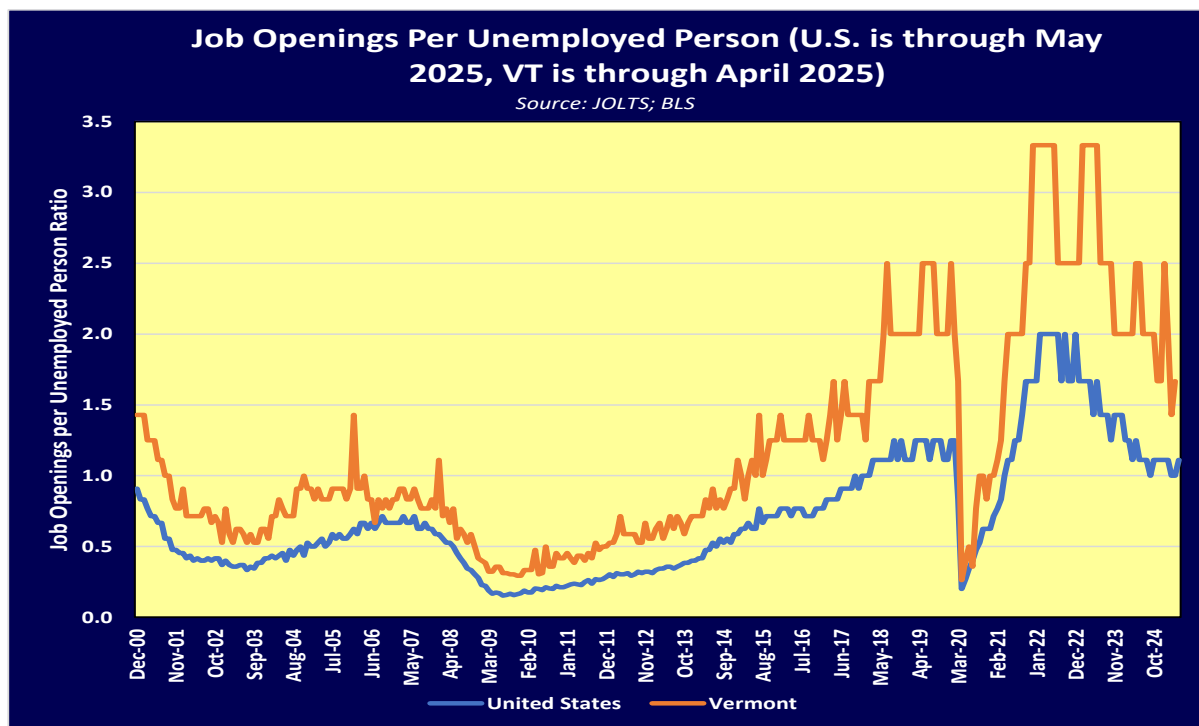


- In that regard, the latest data for June 2025 showed that Vermont’s “top-line” unemployment rate stood at just 2.6%—which was only 0.8 percentage points above the all-time low established in July 2023 and August 2023 (at 1.8%).
  - Vermont’s June 2025 seasonally-adjusted unemployment rate remained as the lowest unemployment rate among the six New England states by at least one-half of one percent and ranked as 3<sup>rd</sup> lowest among the 50 states and the District of Columbia. During the month of June, no other state in the New England region had an unemployment rate that was below 3.0% (with the state of New Hampshire’s unemployment rate during June of 2025 at 3.1%).
  - Once again, only the states of South Dakota (with a seasonally-adjusted 1.8% rate of unemployment in April 2025) and the state of North Dakota (with a 2.5% statewide rate of unemployment in April 2025) had a lower statewide seasonally-adjusted rates of unemployment that were lower than that of the state of Vermont (at 2.6% for its “top line” statewide unemployment rate for April) as of April 2025.
- Turning to the most recent readings of the U.S. Department of Labor’s Job Openings and Labor Turnover (“JOLTS”) data—including data through May 2025 for the U.S. economy and through April 2025 for the Vermont economy—the latest readings showed that there were a total of 16,000 available jobs in Vermont (up from the previous month’s 14,000 available jobs reading for the month of March 2025).
  - However, that reading was still down from a high of 28,000 available jobs back in January of 2022 and down from a surprisingly high number of 21,000 jobs opening reading for the month of January 2025—which at that time was a sharp increase in available jobs in the state—see the chart below).
  - The April 2025 reading of Vermont job openings seems to have re-settled at a level that seemed more reasonable than either the January bump-up or the March downstroke in the number of available jobs. As such, the recent data may look as though they have “calmed down” a bit from the volatility of last Winter and into the early-Spring.



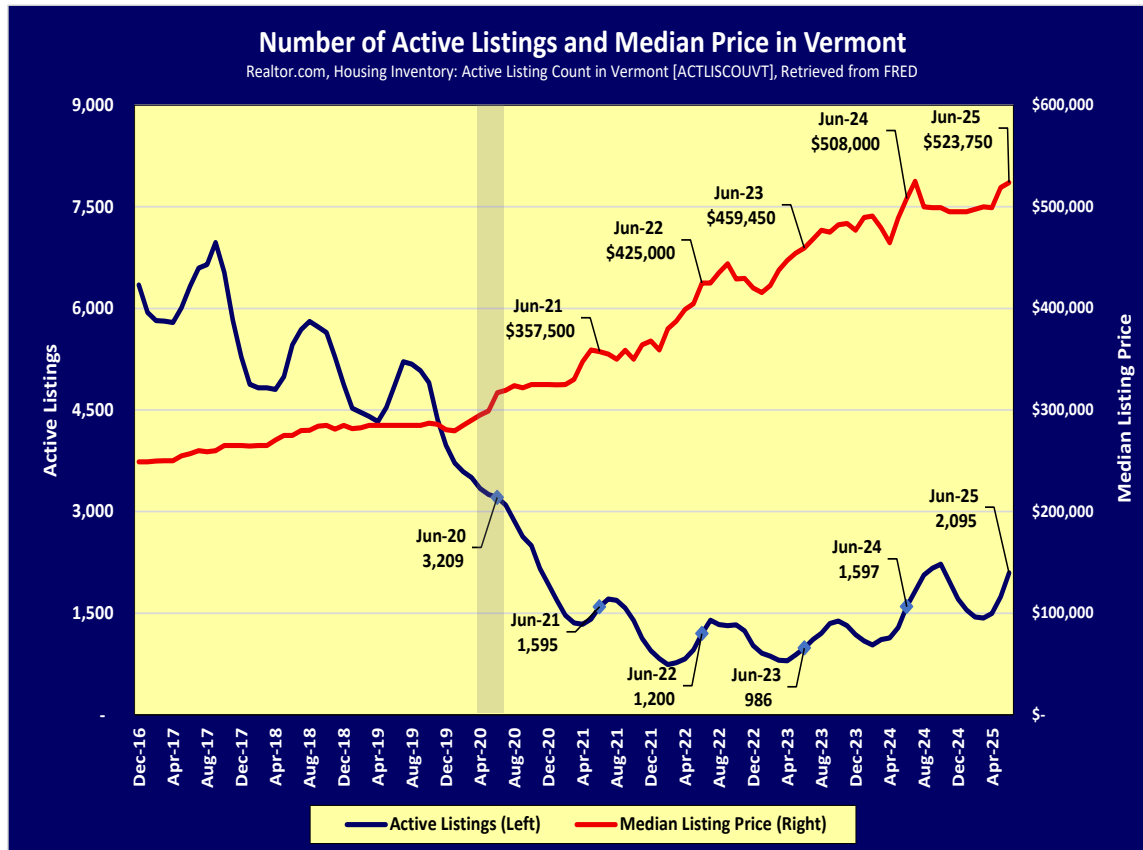
- As a result, that latest job openings-unemployed worker counts reading from the JOLTS survey saw significant declines in the number of available job opportunities for every available unemployed worker in Vermont recently down to the 1.4 to 1.7 range over the last two months (for the months of March and April of 2025)—down significantly from 2.5 job openings per unemployed worker readings of recent vintage that occurred as recently as January 2025—see the chart below.
  - The level of available jobs per unemployed worker in Vermont still compared unfavorably with the —roughly half a worker higher than the 1.0 openings per unemployed U.S. worker to 1.2 openings per unemployed U.S. worker in April 2025 and May 2025 readings for the U.S. economy.
- For both the U.S. and Vermont economies, the trend in this labor turnover indicator has at least begun to trend in the right direction and is perhaps even becoming indicative of a move toward normalization in labor markets.
  - For the U.S. economy, the number of openings per unemployed worker has stayed at or below the level of 1.1 job openings per unemployed worker since June of 2024 (or for a total of 12 consecutive months as of June of 2025).





- For Vermont labor markets, the latest 1.7 available positions per unemployed worker for April was above the 1.4 available job openings per unemployed worker for March—but was still well below the 2.5 reading for January 2025.
  - Prior to January 2025, the level of available jobs per unemployed worker in Vermont had tracked at or below the level of 2.0 available jobs per unemployed worker for six straight months. Prior to that, this reading had tracked at or above the 2.5 level since October of 2021 or in 28 of the previous 34 months.
  - Although it is only two months of recent data, the sub-2.0 available jobs for each unemployed worker readings for the months of March 2025 and April 2025 have been encouraging and suggest that Vermont’s labor market conditions have also perhaps begun to move in a more “normalizing direction.”
- 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 June 2017 through June 2025. The data include data detailing the median “listed” housing unit price statewide and for each Vermont county.

- The data also included the accompanying number of units listed for the state as a whole and the fourteen counties across the state (see Tables 8 and 9 below), and they continue to show the on-going mixed nature of the state's housing market improvement for the state and in some counties as of June 2025.



- Although there appears to be some 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 slightly.
- However, because mortgage interest rates continue to be “relatively high” (see the second chart below) the state's housing markets remain in a relatively long process of adjustment.
- This is evidenced by the still upward track of housing prices as the median price of listed units in June of 2025 still stood at \$523,750 or 3.1% above June of 2024 even though the number of units was up by 31.2% or by 498 units versus the number of units listed back in June of 2024.

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

County	Median Listed Price (\$)				Number of Listed Units (#)			
	June 2025	June 2024	Dollar Change	Percent Change	June 2025	June 2024	Number Change	Percent Change
Addison	\$ 575,000	\$ 529,000	\$ 46,000	8.7%	66	53	13	24.5%
Bennington	\$ 619,500	\$ 599,000	\$ 20,500	3.4%	131	108	23	21.3%
Caledonia	\$ 399,000	\$ 479,250	\$ (80,250)	-16.7%	80	84	(4)	-4.8%
Chittenden	\$ 622,000	\$ 625,000	\$ (3,000)	-0.5%	331	209	122	58.4%
Essex	\$ 337,500	\$ 309,500	\$ 28,000	9.0%	45	25	20	80.0%
Franklin	\$ 439,725	\$ 399,000	\$ 40,725	10.2%	122	108	14	13.0%
Grand Isle	\$ 581,225	\$ 624,900	\$ (43,675)	-7.0%	51	41	10	24.4%
Lamoille	\$ 737,250	\$ 622,450	\$ 114,800	18.4%	151	129	22	17.1%
Orange	\$ 435,975	\$ 499,000	\$ (63,025)	-12.6%	85	56	29	51.8%
Orleans	\$ 425,750	\$ 397,500	\$ 28,250	7.1%	126	83	43	51.8%
Rutland	\$ 437,225	\$ 399,000	\$ 38,225	9.6%	201	162	39	24.1%
Washington	\$ 483,000	\$ 449,000	\$ 34,000	7.6%	179	85	94	110.6%
Windham	\$ 497,000	\$ 532,000	\$ (35,000)	-6.6%	234	191	43	22.5%
Windsor	\$ 590,000	\$ 575,000	\$ 15,000	2.6%	290	262	28	10.7%
Vermont	\$ 523,750	\$ 499,000	\$ 24,750	5.0%	2,095	1,597	498	31.2%

**Memo: Difference from June 2024 Levels**

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

County	Median Listed Price (\$)				Number of Listed Units (#)			
	June 2025	June 2017	Dollar Change	Percent Change	June 2025	June 2017	Number Change	Percent Change
Addison	\$ 575,000	\$ 320,725	\$ 254,275	79.3%	66	257	(191)	-74.3%
Bennington	\$ 619,500	\$ 312,350	\$ 307,150	98.3%	131	567	(436)	-76.9%
Caledonia	\$ 399,000	\$ 177,250	\$ 221,750	125.1%	80	313	(233)	-74.4%
Chittenden	\$ 622,000	\$ 416,450	\$ 205,550	49.4%	331	558	(227)	-40.7%
Essex	\$ 337,500	\$ 154,675	\$ 182,825	118.2%	45	109	(64)	-58.7%
Franklin	\$ 439,725	\$ 227,954	\$ 211,771	92.9%	122	353	(231)	-65.4%
Grand Isle	\$ 581,225	\$ 266,575	\$ 314,650	118.0%	51	186	(135)	-72.6%
Lamoille	\$ 737,250	\$ 269,000	\$ 468,250	174.1%	151	346	(195)	-56.4%
Orange	\$ 435,975	\$ 225,000	\$ 210,975	93.8%	85	242	(157)	-64.9%
Orleans	\$ 425,750	\$ 199,000	\$ 226,750	113.9%	126	455	(329)	-72.3%
Rutland	\$ 437,225	\$ 198,750	\$ 238,475	120.0%	201	711	(510)	-71.7%
Washington	\$ 483,000	\$ 249,450	\$ 233,550	93.6%	179	465	(286)	-61.5%
Windham	\$ 497,000	\$ 249,000	\$ 248,000	99.6%	234	749	(515)	-68.8%
Windsor	\$ 590,000	\$ 282,000	\$ 308,000	109.2%	290	1,026	(736)	-71.7%
Vermont	\$ 523,750	\$ 257,000	\$ 266,750	103.8%	2,095	6,328	(4,233)	-66.9%

**Memo: Difference from June 2017 Values**

- Even so, looking at the number of units listed in June of 2025 versus June of 2017 — or prior to the COVID pandemic, the large secular decline in the number of listed units comes into better focus.
  - Clearly, the state’s real estate markets would be working more normally “but for” the decline in the number of listed units on the market has fallen to the level of roughly one-third of the number of listed units on the market across the state when housing markets were functioning more normally—with the 66.9% listed unit count decline since June of 2017.
- Looking closely at the county data there look to be some possible signs of hope in some counties—and particularly in Chittenden County where the decline in the number of listed units relative to the number of listed units back in June of 2017.
  - As a bellwether county, the easing back in the decline in the number of listed units—and the corresponding increase in the number of listed units—may be an early signal that housing markets in the northwest corner of Vermont may be now tangibly moving toward “normal.”
  - This merits close watching as we see whether or not that improvement continues or if it was just a subtle tease.

## ❖ **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.
  - This consensus economic forecast update overall reflects a downward adjustment in the overall outlook relative to what was expected last Winter in terms of continuing forward economic progress-growth but with somewhat higher and stickier levels of inflation for the U.S. and Vermont economies.

**Table 10**

**Comparison of Recent Consensus U.S. Macroeconomic Forecasts  
December 2023 through June 2025, Selected Variables, Calendar Year Basis**

	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Real GDP Growth</b>									
December 2023	2.5	-2.2	5.8	1.9	2.4	1.6	1.8	2.1	2.3
June 2024	2.5	-2.2	5.8	1.9	2.5	2.6	2.0	1.9	2.1
December 2024	2.6	-2.2	6.1	2.5	2.9	2.8	2.2	1.9	1.8
June 2025	2.6	-2.2	6.1	2.5	2.9	2.8	1.4	1.2	1.6
<b>S&amp;P 500 Growth (Annual Avg.)</b>									
December 2023	6.1	10.5	32.6	-3.9	4.5	6.5	2.5	4.6	6.3
June 2024	6.1	10.5	32.6	-3.9	4.5	17.5	3.2	4.5	6.1
December 2024	6.1	10.5	32.6	-3.9	4.5	26.7	10.5	3.5	2.5
June 2025	6.1	10.5	32.6	-3.9	4.5	26.7	6.5	1.8	2.9
<b>Employment Growth (Non-Ag)</b>									
December 2022	1.3	-5.8	2.9	4.3	2.3	0.7	0.4	0.5	0.6
June 2024	1.3	-5.8	2.9	4.3	2.3	1.6	0.9	0.5	0.4
December 2024	1.3	-5.8	2.9	4.3	2.3	1.6	0.9	0.5	0.4
June 2025	1.4	-5.8	2.9	4.3	2.2	1.3	0.8	0.1	0.2
<b>Unemployment Rate</b>									
December 2023	3.7	8.1	5.4	3.6	3.6	3.9	4.0	4.0	4.0
June 2024	3.7	8.1	5.4	3.6	3.6	3.9	4.1	4.2	4.3
December 2024	3.7	8.1	5.4	3.6	3.6	4.0	4.2	4.3	4.3
June 2025	3.7	8.1	5.4	3.6	3.6	4.0	4.3	4.8	4.8
<b>West Texas Int. Crude Oil \$/Bbl</b>									
December 2023	57	40	68	94	78	79	83	84	84
June 2024	57	40	68	94	78	80	78	76	76
December 2024	57	40	68	94	78	80	69	68	67
June 2025	57	40	68	95	78	77	65	62	66
<b>Prime Rate</b>									
December 2023	5.29	3.54	3.25	4.85	8.20	8.28	7.33	6.36	6.12
June 2024	5.29	3.54	3.25	4.85	8.20	8.33	7.90	6.60	6.30
December 2024	5.29	3.54	3.25	4.85	8.20	8.33	7.47	6.74	6.37
June 2025	5.29	3.54	3.25	4.85	8.20	8.31	7.59	6.77	6.36
<b>Consumer Price Index Growth</b>									
December 2023	1.8	1.3	4.7	8.0	4.1	3.0	2.6	2.5	2.5
June 2024	1.8	1.2	4.7	8.0	4.1	3.3	2.6	2.5	2.4
December 2024	1.8	1.2	4.7	8.0	4.1	2.9	2.7	2.6	2.5
June 2025	1.8	1.2	4.7	8.0	4.1	3.0	2.9	3.4	2.4
<b>Average Home Price Growth</b>									
December 2023	4.6	5.2	13.7	16.9	5.4	0.1	-1.6	0.4	1.8
June 2024	4.6	5.2	13.7	16.8	5.8	4.7	2.7	1.1	-0.8
December 2024	4.6	5.2	13.7	16.7	5.7	5.4	1.2	0.5	1.5
June 2025	4.6	5.1	13.8	16.6	5.5	5.8	1.9	-0.3	0.2

**Table 11**

**Comparison of Consensus Administration and JFO Vermont State  
Forecasts**

**December 2022 through June 2025, Selected Variables, Calendar Year Basis**

	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Real GSP Growth</b>									
December-22	1.1	-2.9	5.1	2.7	0.5	1.5	2.5	2.6	2.4
June 2023	1.1	-2.9	5.1	2.8	1.6	1.2	2.1	2.5	2.4
December 2023	1.2	-2.7	4.8	2.2	1.5	1.1	1.2	1.8	1.9
June 2024	1.2	-2.7	4.8	2.2	1.3	2.1	1.5	1.5	1.6
December 2024	1.6	-3.3	4.6	3.1	1.4	2.1	1.6	1.3	1.4
June 2025	1.6	-3.3	4.6	3.1	1.4	2.3	1.5	1.2	1.3
<b>Population Growth</b>									
December-22	0.3	0.3	0.6	0.0	0.3	0.3	0.3	0.2	0.2
June 2023	0.0	-0.1	0.6	0.0	0.3	0.3	0.2	0.2	0.2
December 2023	0.0	-0.1	0.6	0.0	0.1	0.2	0.2	0.2	0.1
June 2024	0.0	-0.1	0.6	0.0	0.1	0.2	0.2	0.2	0.1
December 2024	0.2	0.2	0.7	0.1	0.1	-0.0	0.1	0.1	0.1
June 2025	0.2	0.2	0.7	0.1	0.1	-0.0	0.1	0.1	0.1
<b>Employment Growth (Non-Ag)</b>									
December-22	0.1	-9.3	2.4	2.5	0.9	0.5	0.6	0.7	0.7
June 2023	0.1	-9.3	2.7	3.0	1.9	0.8	1.1	0.8	0.7
December 2023	0.1	-9.3	2.7	3.0	1.5	0.6	0.9	0.8	0.7
June 2024	0.1	-9.3	2.7	3.2	1.7	1.7	1.0	0.9	0.8
December 2024	0.1	-9.3	2.7	3.2	1.7	1.6	0.8	0.8	0.7
June 2025	0.1	-9.3	2.7	3.3	1.9	0.5	0.8	0.1	0.2
<b>Unemployment Rate</b>									
December-22	2.3	5.6	3.4	2.4	2.8	3.1	3.1	3.3	3.4
June 2023	2.1	5.7	3.7	2.6	2.7	3.1	3.2	3.3	3.4
December 2023	2.1	5.7	3.7	2.6	2.2	2.7	3.0	3.1	3.2
June 2024	2.1	5.6	3.6	2.3	2.0	2.6	3.1	3.2	3.3
December 2024	2.1	5.6	3.6	2.3	2.0	2.2	2.7	2.9	3.0
June 2025	2.1	5.7	3.6	2.3	1.9	2.3	2.8	3.3	3.4
<b>Personal Income Growth</b>									
December-22	6.0	7.1	4.9	2.1	5.0	4.8	4.3	4.6	4.5
June 2023	6.0	7.1	4.9	2.4	5.6	5.2	4.5	4.4	4.3
December 2023	5.2	7.0	6.3	3.0	5.5	4.2	4.3	4.4	4.3
June 2024	5.2	7.0	6.3	3.0	5.5	5.0	4.5	4.4	4.3
December 2024	5.2	7.3	5.3	4.6	5.3	5.0	4.5	4.3	4.2
June 2025	5.2	7.3	5.3	4.6	5.3	4.9	5.6	4.5	4.0
<b>Average Home Price Growth</b>									
December-22	3.7	5.1	14.1	17.8	5.9	1.4	-1.1	0.5	2.1
June 2023	3.7	5.1	14.0	18.2	6.7	0.3	-1.4	-0.3	1.9
December 2023	3.7	5.1	14.0	18.1	9.6	1.1	-1.5	-0.5	1.8
June 2024	3.8	5.1	14.0	18.0	10.6	6.9	2.5	-0.1	-0.6
December 2024	3.8	5.1	14.0	17.8	10.7	7.6	1.9	-0.5	-0.8
June 2025	3.7	5.1	14.0	17.8	10.5	8.6	4.7	-0.3	-0.8

## ❖ **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 and 2027 that are part of the official July 31, 2025 Emergency Board motion.
  - Fiscal years 2028 through 2030, are presented for fiscal planning purposes only by staff, and are subject to less rigorous forecasting methods and protocols than the consensus forecasts for the two fiscal year 2026 and fiscal year 2027 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 Commissioner Bill Shouldice, Sharon Asay, Rebecca Sameroff, Ian Kimmel, Selena Macdonald, and Andrew Stein.
  - Special thanks also are due to staff of the Department of Financial Regulation; 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, Gavin Boyles, Dan Currier, and Treasurer Michael Pieciak. In the Department of Liquor and Lottery, Commissioner Wendy Knight and supporting analysts provided important data and insights into Lottery issues affecting fiscal year 2025 and 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.
  - 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/Five-Year Fiscal Planning Estimates**

**TABLE 1A - STATE OF VERMONT  
LEGISLATIVE JOINT FISCAL OFFICE  
SOURCE GENERAL FUND REVENUE FORECAST UPDATE  
Consensus JFO and Administration Forecast - July 2025**

**SOURCE G-FUND**

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

	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>														
Personal Income	\$1069.8	15.5%	\$1267.8	18.5%	\$1210.0	-4.6%	\$1243.1	2.7%	\$1362.9	9.6%	\$1403.1	2.9%	\$1442.3	2.8%
Sales and Use <sup>1</sup>	\$507.6	17.4%	\$545.2	7.4%	\$584.0	7.1%	\$595.2	1.9%	\$618.1	3.9%	\$631.8	2.2%	\$648.2	2.6%
Corporate	\$133.4	-9.8%	\$223.3	67.3%	\$281.4	26.0%	\$238.8	-15.1%	\$272.6	14.2%	\$240.3	-11.9%	\$251.2	4.5%
Meals and Rooms <sup>2</sup>	\$143.8	-12.1%	\$216.8	50.8%	\$237.7	9.6%	\$246.2	3.5%	\$262.3	6.5%	\$271.0	3.3%	\$279.5	3.1%
Liquor	\$28.7	32.8%	\$30.1	5.0%	\$30.8	2.1%	\$30.2	-1.8%	\$29.7	-1.7%	\$30.0	1.0%	\$30.6	2.0%
Insurance	\$60.4	4.0%	\$65.7	8.7%	\$68.8	4.8%	\$75.6	9.8%	\$82.6	9.2%	\$85.1	3.1%	\$87.8	3.2%
Telephone <sup>7</sup>	\$2.3	-28.8%	\$2.5	10.9%	\$2.4	-5.7%	\$2.6	9.4%	\$3.3	26.3%	\$3.2	-2.4%	\$0.0	NM
Beverage	\$7.2	1.3%	\$7.0	-2.9%	\$7.3	3.1%	\$6.9	-4.4%	\$6.7	-3.7%	\$6.6	-1.3%	\$6.5	-1.5%
Estate	\$26.9	77.5%	\$14.0	-48.0%	\$18.6	33.1%	\$23.9	28.2%	\$55.2	131.4%	\$31.7	-42.6%	\$33.0	4.1%
Property	\$73.9	74.8%	\$77.7	5.1%	\$69.2	-10.9%	\$62.4	-9.9%	\$77.2	23.7%	\$79.6	3.1%	\$82.0	3.0%
Bank	\$13.9	14.6%	\$16.9	22.1%	\$17.8	4.9%	\$16.6	-6.6%	\$13.4	-19.4%	\$12.8	-4.3%	\$12.5	-2.3%
Cannabis Excise	\$0.0	NM	\$0.0	NM	\$6.7	NM	\$17.4	158.5%	\$20.2	16.4%	\$22.1	9.3%	\$23.3	5.4%
Other Tax	\$0.7	74.6%	\$1.3	91.3%	\$1.4	11.7%	\$1.3	-9.5%	\$1.2	-8.1%	\$1.2	3.1%	\$1.3	8.3%
<b>Total Tax Revenue</b>	<b>\$2068.5</b>	<b>13.1%</b>	<b>\$2468.2</b>	<b>19.3%</b>	<b>\$2536.1</b>	<b>2.7%</b>	<b>\$2560.1</b>	<b>0.9%</b>	<b>\$2805.3</b>	<b>9.6%</b>	<b>\$2818.5</b>	<b>0.5%</b>	<b>\$2898.2</b>	<b>2.8%</b>
Business Licenses	\$1.3	13.9%	\$1.2	-4.4%	\$0.6	-54.5%	\$1.3	130.2%	\$1.3	-2.0%	\$1.30	1.7%	\$1.33	2.3%
Fees	\$42.7	-4.5%	\$42.2	-1.3%	\$45.6	8.1%	\$44.3	-3.0%	\$49.6	12.2%	\$51.2	3.1%	\$52.2	2.0%
Services	\$3.0	24.3%	\$2.8	-7.7%	\$3.7	33.2%	\$4.1	10.0%	\$4.2	1.6%	\$4.2	0.5%	\$4.3	2.4%
Fines	\$3.1	-35.6%	\$3.3	7.5%	\$2.6	-21.1%	\$2.5	-6.8%	\$4.0	61.3%	\$2.9	-26.9%	\$3.0	3.4%
Interest	\$0.9	-77.9%	\$2.6	185.2%	\$56.9	2102%	\$93.0	63.4%	\$60.8	-34.7%	\$42.6	-29.9%	\$29.1	-31.7%
Lottery	\$32.5	21.2%	\$30.8	-5.2%	\$32.1	4.3%	\$36.0	12.1%	\$30.6	-14.9%	\$33.8	10.4%	\$35.3	4.4%
All Other <sup>3</sup>	\$0.5	-34.4%	\$1.0	96.4%	\$1.5	58.7%	\$0.6	-60.1%	\$2.9	371.5%	\$1.2	-58.3%	\$1.3	8.3%
<b>Total Other Revenue</b>	<b>\$84.1</b>	<b>-0.8%</b>	<b>\$83.9</b>	<b>-0.2%</b>	<b>\$143.1</b>	<b>70.5%</b>	<b>\$181.7</b>	<b>27.0%</b>	<b>\$153.3</b>	<b>-15.6%</b>	<b>\$137.2</b>	<b>-10.5%</b>	<b>\$126.5</b>	<b>-7.8%</b>
<b>Healthcare Revenue<sup>4</sup></b>	<b>\$281.0</b>	<b>-1.3%</b>	<b>\$303.5</b>	<b>8.0%</b>	<b>\$319.3</b>	<b>5.2%</b>	<b>\$333.0</b>	<b>4.3%</b>	<b>\$357.1</b>	<b>7.2%</b>	<b>\$372.1</b>	<b>4.2%</b>	<b>\$387.4</b>	<b>4.1%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$2433.6</b>	<b>10.7%</b>	<b>\$2855.6</b>	<b>17.3%</b>	<b>\$2998.5</b>	<b>5.0%</b>	<b>\$3074.8</b>	<b>2.5%</b>	<b>\$3315.7</b>	<b>7.8%</b>	<b>\$3327.8</b>	<b>0.4%</b>	<b>\$3412.1</b>	<b>2.5%</b>
<b>CHILDCARE TAX REVENUE<sup>8</sup></b>	<b>\$0.0</b>	<b>NM</b>	<b>\$0.0</b>	<b>NM</b>	<b>\$0.0</b>	<b>NM</b>	<b>\$0.0</b>	<b>NM</b>	<b>\$80.4</b>	<b>NM</b>	<b>\$88.6</b>	<b>10.2%</b>	<b>\$92.2</b>	<b>4.1%</b>

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 - July 2025**

**CURRENT LAW BASIS**

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

	<b>FY2021</b>	<b>%</b>	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>	<b>FY2026</b>	<b>%</b>	<b>FY2027</b>	<b>%</b>
	<i>(Actual)</i>	<i>Change</i>	<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>
<b>REVENUE SOURCE</b>														
Personal Income	\$1069.8	15.5%	\$1267.8	18.5%	\$1210.0	-4.6%	\$1243.1	2.7%	\$1362.9	9.6%	\$1403.1	2.9%	\$1442.3	2.8%
Sales and Use <sup>1</sup>	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Corporate	\$133.4	-9.8%	\$223.3	67.3%	\$281.4	26.0%	\$238.8	-15.1%	\$272.6	14.2%	\$240.3	-11.9%	\$251.2	4.5%
Meals and Rooms	\$99.2	-14.5%	\$149.6	50.8%	\$164.0	9.6%	\$169.8	3.5%	\$175.4	3.3%	\$180.4	2.8%	\$186.0	3.1%
Liquor <sup>6</sup>	\$4.8	32.8%	\$5.0	5.0%	\$5.1	2.1%	\$5.0	-1.8%	\$5.0	-1.7%	\$5.0	1.0%	\$5.1	2.0%
Insurance	\$60.4	4.0%	\$65.7	8.7%	\$68.8	4.8%	\$75.6	9.8%	\$82.6	9.2%	\$85.1	3.1%	\$87.8	3.2%
Telephone <sup>7</sup>	\$2.3	-28.8%	\$2.5	10.9%	\$2.4	-5.7%	\$2.6	9.4%	\$3.3	26.3%	\$3.2	NM	\$0.0	NM
Beverage	\$7.2	1.3%	\$7.0	-2.9%	\$7.3	3.1%	\$6.9	-4.4%	\$6.7	-3.7%	\$6.6	-1.3%	\$6.5	-1.5%
Estate <sup>3</sup>	\$23.4	54.1%	\$14.0	-40.1%	\$18.6	33.1%	\$23.9	28.2%	\$28.9	20.9%	\$31.7	9.8%	\$33.0	4.1%
Property	\$23.1	79.6%	\$24.3	5.3%	\$21.6	-11.2%	\$19.4	-10.2%	\$27.0	39.5%	\$28.1	4.0%	\$29.0	3.1%
Bank	\$13.9	14.6%	\$16.9	22.1%	\$17.8	4.9%	\$16.6	-6.6%	\$13.4	-19.4%	\$12.8	-4.3%	\$12.5	-2.3%
Cannabis Excise	\$0.0	NM	\$0.0	NM	\$6.7	NM	\$0.0	-100.0%	\$0.0	NM	\$15.5	NM	\$16.3	5.4%
Other Tax	\$0.7	74.6%	\$1.3	91.3%	\$1.4	11.7%	\$1.3	-9.5%	\$1.2	-8.1%	\$1.2	3.1%	\$1.3	8.3%
<b>Total Tax Revenue</b>	<b>\$1438.1</b>	<b>10.4%</b>	<b>\$1777.4</b>	<b>23.6%</b>	<b>\$1805.1</b>	<b>1.6%</b>	<b>\$1803.0</b>	<b>-0.1%</b>	<b>\$1978.9</b>	<b>9.8%</b>	<b>\$2012.9</b>	<b>1.7%</b>	<b>\$2071.0</b>	<b>2.9%</b>
Business Licenses	\$1.3	13.9%	\$1.2	-4.4%	\$0.6	-54.5%	\$1.3	130.2%	\$1.3	-2.0%	\$1.3	1.7%	\$1.3	2.3%
Fees	\$42.7	-4.5%	\$42.2	-1.3%	\$45.6	8.1%	\$44.3	-3.0%	\$49.6	12.2%	\$51.2	3.1%	\$52.2	2.0%
Services	\$3.0	24.3%	\$2.8	-7.7%	\$3.7	33.2%	\$4.1	10.0%	\$4.2	1.6%	\$4.2	0.5%	\$4.3	2.4%
Fines	\$3.1	-35.6%	\$3.3	7.5%	\$2.6	-21.1%	\$2.5	-6.8%	\$4.0	61.3%	\$2.9	-26.9%	\$3.0	3.4%
Interest	\$0.8	-75.5%	\$2.3	187.4%	\$51.2	2129%	\$87.2	70.5%	\$58.3	-33.1%	\$41.1	-29.5%	\$27.9	-32.1%
All Other <sup>4</sup>	\$0.5	-34.4%	\$1.0	96.4%	\$1.5	58.7%	\$0.6	-60.1%	\$2.9	371.5%	\$1.2	-58.3%	\$1.3	8.3%
<b>Total Other Revenue</b>	<b>\$51.5</b>	<b>-9.9%</b>	<b>\$52.9</b>	<b>2.6%</b>	<b>\$105.2</b>	<b>99.1%</b>	<b>\$139.9</b>	<b>33.0%</b>	<b>\$120.2</b>	<b>-14.1%</b>	<b>\$101.9</b>	<b>-15.3%</b>	<b>\$90.0</b>	<b>-11.6%</b>
<b>Healthcare Revenue<sup>5</sup></b>	<b>\$278.1</b>	<b>-1.0%</b>	<b>\$299.3</b>	<b>7.6%</b>	<b>\$314.3</b>	<b>5.0%</b>	<b>\$327.5</b>	<b>4.2%</b>	<b>\$351.3</b>	<b>7.3%</b>	<b>\$366.1</b>	<b>4.2%</b>	<b>\$381.0</b>	<b>4.1%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$1767.7</b>	<b>7.8%</b>	<b>\$2129.5</b>	<b>20.5%</b>	<b>\$2224.6</b>	<b>4.5%</b>	<b>\$2270.5</b>	<b>2.1%</b>	<b>\$2450.5</b>	<b>7.9%</b>	<b>\$2480.9</b>	<b>1.2%</b>	<b>\$2542.1</b>	<b>2.5%</b>
<b>CHILDCARE TAX REVENUE<sup>8</sup></b>	<b>\$0.0</b>	<b>NM</b>	<b>\$0.0</b>	<b>NM</b>	<b>\$0.0</b>	<b>NM</b>	<b>\$0.0</b>	<b>NM</b>	<b>\$80.4</b>	<b>NM</b>	<b>\$88.6</b>	<b>10.2%</b>	<b>\$92.2</b>	<b>4.1%</b>

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 - July 2025

**SOURCE HEALTHCARE<sup>1</sup>**

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

	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>														
Cigarette, Tobacco, E-Cig	\$77.5	8.6%	\$76.0	-1.9%	\$74.8	-1.5%	\$70.0	-6.5%	\$67.4	-3.6%	\$65.1	-3.6%	\$62.9	-3.6%
Claims Assessment	\$19.7	-4.7%	\$21.7	10.3%	\$23.0	5.7%	\$27.3	18.6%	\$28.8	5.5%	\$30.2	5.5%	\$31.7	5.5%
Employer Assessment	\$17.9	-11.4%	\$21.9	22.2%	\$24.9	13.9%	\$26.9	7.8%	\$31.8	18.3%	\$35.0	18.3%	\$37.5	18.3%
Hospital Provider Tax	\$143.7	-4.4%	\$161.5	12.4%	\$173.9	7.6%	\$192.4	10.6%	\$212.3	10.4%	\$225.1	10.4%	\$238.6	10.4%
Nursing Home Provider Tax	\$14.6	-1.0%	\$14.7	0.7%	\$14.6	-0.6%	\$14.4	-1.5%	\$14.4	0.6%	\$14.4	0.6%	\$14.4	0.6%
Home Health Provider Tax	\$5.8	4.1%	\$5.8	-0.3%	\$6.1	5.6%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM	\$0.0	NM
All Other HC Revenues	\$1.8	-3.6%	\$1.8	0.9%	\$2.0	6.2%	\$2.1	7.8%	\$2.3	8.6%	\$2.3	8.6%	\$2.3	8.6%
<b>TOTAL HEALTHCARE</b>	<b>\$281.0</b>	<b>-1.3%</b>	<b>\$303.5</b>	<b>8.0%</b>	<b>\$319.3</b>	<b>5.2%</b>	<b>\$333.0</b>	<b>4.3%</b>	<b>\$357.1</b>	<b>7.2%</b>	<b>\$372.1</b>	<b>4.2%</b>	<b>\$387.4</b>	<b>4.1%</b>

**TABLE 1C - STATE OF VERMONT**  
**LEGISLATIVE JOINT FISCAL OFFICE**  
**AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE**  
Consensus JFO and Administration Forecast - July 2025

**CURRENT LAW BASIS**

including all Education Fund  
allocations and other out-transfers

	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>														
Cigarette, Tobacco, E-Cig	\$77.5	8.6%	\$76.0	-1.9%	\$74.8	-1.6%	\$70.0	-6.4%	\$67.4	-3.6%	\$65.1	-3.5%	\$62.9	-3.4%
Claims Assessment	\$16.4	-3.0%	\$17.6	7.3%	\$18.0	2.6%	\$21.8	21.0%	\$23.0	5.5%	\$24.2	5.0%	\$25.4	5.0%
Employer Assessment	\$18.4	-9.2%	\$21.9	19.2%	\$24.9	13.9%	\$26.9	7.8%	\$31.8	18.3%	\$35.0	10.0%	\$37.5	7.0%
Hospital Provider Tax	\$143.7	-4.4%	\$161.5	12.4%	\$173.9	7.6%	\$192.4	10.6%	\$212.3	10.4%	\$225.1	6.0%	\$238.6	6.0%
Nursing Home Provider Tax	\$14.6	-1.0%	\$14.7	0.7%	\$14.6	-0.6%	\$14.4	-1.5%	\$14.4	0.6%	\$14.4	0.0%	\$14.4	0.0%
Home Health Provider Tax	\$5.8	4.1%	\$5.8	-0.3%	\$6.1	5.6%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM	\$0.0	NM
All Other HC Revenues	\$1.8	-3.6%	\$1.8	0.9%	\$2.0	6.2%	\$2.1	7.8%	\$2.3	8.6%	\$2.3	0.0%	\$2.3	0.0%
<b>TOTAL HEALTHCARE</b>	<b>\$278.1</b>	<b>-1.0%</b>	<b>\$299.3</b>	<b>7.6%</b>	<b>\$314.3</b>	<b>5.0%</b>	<b>\$327.5</b>	<b>4.2%</b>	<b>\$351.3</b>	<b>7.3%</b>	<b>\$366.1</b>	<b>4.2%</b>	<b>\$381.0</b>	<b>4.1%</b>

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.

**TABLE 2A - STATE OF VERMONT**  
**LEGISLATIVE JOINT FISCAL OFFICE**  
**SOURCE TRANSPORTATION FUND REVENUE FORECAST UPDATE**  
Consensus JFO and Administration Forecast - July 2025

**SOURCE T-FUND**

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

	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>														
Gasoline	\$67.3	-5.3%	\$71.9	6.9%	\$73.8	2.7%	\$71.5	-3.2%	\$71.5	0.0%	\$71.3	-0.2%	\$70.9	-0.6%
Diesel****	\$17.9	0.2%	\$18.3	2.0%	\$17.6	-3.7%	\$17.8	1.2%	\$18.2	2.1%	\$18.1	-0.6%	\$18.0	-0.6%
Purchase and Use*	\$134.1	27.2%	\$137.1	2.3%	\$142.2	3.7%	\$144.9	1.9%	\$145.0	0.1%	\$148.9	2.7%	\$153.5	3.1%
Motor Vehicle Fees	\$87.6	4.7%	\$86.0	-1.9%	\$87.5	1.8%	\$93.6	6.9%	\$100.3	7.2%	\$101.7	1.3%	\$102.6	0.9%
Other Revenue**	\$20.5	-3.4%	\$20.3	-1.1%	\$21.4	5.3%	\$23.6	10.4%	\$26.9	13.7%	\$28.1	4.6%	\$27.3	-2.8%
<b>TOTAL TRANS. FUND</b>	<b>\$327.4</b>	<b>9.4%</b>	<b>\$333.5</b>	<b>1.9%</b>	<b>\$342.5</b>	<b>2.7%</b>	<b>\$351.3</b>	<b>2.6%</b>	<b>\$361.9</b>	<b>3.0%</b>	<b>\$368.1</b>	<b>1.7%</b>	<b>\$372.3</b>	<b>1.1%</b>

**TABLE 2 - STATE OF VERMONT**  
**LEGISLATIVE JOINT FISCAL OFFICE**  
**AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE**  
Consensus JFO and Administration Forecast - July 2025

**CURRENT LAW BASIS**

including all Education Fund  
allocations and other out-transfers

	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>														
Gasoline	\$67.3	-5.3%	\$71.9	6.9%	\$73.8	2.7%	\$71.5	-3.2%	\$71.5	0.0%	\$71.3	-0.2%	\$70.9	-0.6%
Diesel	\$17.9	0.2%	\$18.3	2.0%	\$17.6	-3.7%	\$17.8	1.2%	\$18.2	2.1%	\$18.1	-0.6%	\$18.0	-0.6%
Purchase and Use <sup>1</sup>	\$89.4	27.2%	\$91.4	2.3%	\$94.8	3.7%	\$96.6	1.9%	\$96.7	0.1%	\$99.3	2.7%	\$102.3	3.1%
Motor Vehicle Fees	\$87.6	4.7%	\$86.0	-1.9%	\$87.5	1.8%	\$93.6	6.9%	\$100.3	7.2%	\$101.7	1.3%	\$102.6	0.9%
Other Revenue <sup>2</sup>	\$20.5	-3.4%	\$20.3	-1.1%	\$21.4	5.3%	\$23.6	10.4%	\$26.9	13.7%	\$28.1	4.6%	\$27.3	-2.8%
<b>TOTAL TRANS. FUND</b>	<b>\$282.7</b>	<b>7.0%</b>	<b>\$287.8</b>	<b>1.8%</b>	<b>\$295.1</b>	<b>2.5%</b>	<b>\$303.0</b>	<b>2.7%</b>	<b>\$313.6</b>	<b>3.5%</b>	<b>\$318.5</b>	<b>1.6%</b>	<b>\$321.1</b>	<b>0.8%</b>

**OTHER (TIB<sup>3</sup>)**

TIB Gasoline	\$10.2	-19.5%	\$15.1	48.2%	\$20.1	32.6%	\$17.6	-12.6%	\$16.1	-8.5%	\$14.4	-10.1%	\$14.6	0.9%
TIB Diesel and Other <sup>4</sup>	\$1.9	-4.5%	\$1.9	1.7%	\$2.2	13.6%	\$2.2	0.8%	\$2.2	-1.6%	\$2.1	-3.2%	\$2.0	-4.2%
<b>TOTAL OTHER (TIB)</b>	<b>\$12.1</b>	<b>-17.5%</b>	<b>\$17.1</b>	<b>40.8%</b>	<b>\$22.3</b>	<b>30.4%</b>	<b>\$19.8</b>	<b>-11.2%</b>	<b>\$18.3</b>	<b>-7.7%</b>	<b>\$16.6</b>	<b>-9.3%</b>	<b>\$16.6</b>	<b>0.2%</b>

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 FUND<sup>1</sup> REVENUE FORECAST UPDATE**  
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)  
Consensus JFO and Administration Forecast - July 2025

**CURRENT LAW BASIS**

Source General and Transportation

Fund taxes allocated to or associated

with the Education Fund only

	<b>FY2021</b>	<b>%</b>	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>	<b>FY2026</b>	<b>%</b>	<b>FY2027</b>	<b>%</b>
	<i>(Actual)</i>	<i>Change</i>	<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>
<b>GENERAL FUND</b>														
Meals and Rooms	\$36.0	-12.1%	\$54.2	50.8%	\$59.4	9.6%	\$61.5	3.5%	\$71.6	16.3%	\$75.0	4.7%	\$77.3	3.1%
Sales & Use <sup>2</sup>	\$507.6	17.4%	\$545.2	7.4%	\$584.0	7.1%	\$595.2	1.9%	\$609.7	2.4%	\$622.3	2.1%	\$638.0	2.5%
Interest	\$0.1	-87.1%	\$0.3	169.1%	\$5.8	1892%	\$5.8	0.3%	\$2.5	-57.6%	\$1.5	-38.9%	\$1.2	-20.0%
Lottery	\$32.5	21.2%	\$30.8	-5.2%	\$32.1	4.3%	\$36.0	12.1%	\$30.6	-14.9%	\$33.8	10.4%	\$35.3	4.4%
<b>TRANSPORTATION FUND</b>														
Purchase and Use <sup>3</sup>	\$44.7	27.2%	\$45.7	2.3%	\$47.4	3.7%	\$48.3	1.9%	\$48.3	0.1%	\$49.6	2.7%	\$51.2	3.1%
<b>TOTAL EDUCATION FUND</b>	<b>\$620.9</b>	<b>15.8%</b>	<b>\$676.2</b>	<b>8.9%</b>	<b>\$728.77</b>	<b>7.8%</b>	<b>\$746.8</b>	<b>2.5%</b>	<b>\$762.7</b>	<b>2.1%</b>	<b>\$782.2</b>	<b>2.6%</b>	<b>\$803.0</b>	<b>2.7%</b>

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 - July 2025**

**SOURCE G-FUND**

revenues are prior to all E-Fund allocations

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

	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>	<b>FY2026</b>	<b>%</b>	<b>FY2027</b>	<b>%</b>	<b>FY2028</b>	<b>%</b>	<b>FY2029</b>	<b>%</b>	<b>FY2030</b>	<b>%</b>
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>																		
Personal Income	\$1267.8	18.5%	\$1210.0	-4.6%	\$1243.1	2.7%	\$1362.9	9.6%	\$1403.1	2.9%	\$1442.3	2.8%	\$1488.6	3.2%	\$1538.8	3.4%	\$1597.6	3.8%
Sales and Use <sup>1</sup>	\$545.2	7.4%	\$584.0	7.1%	\$595.2	1.9%	\$618.1	3.9%	\$631.8	2.2%	\$648.2	2.6%	\$666.3	2.8%	\$686.3	3.0%	\$708.5	3.2%
Corporate	\$223.3	67.3%	\$281.4	26.0%	\$238.8	-15.1%	\$272.6	14.2%	\$240.3	-11.9%	\$251.2	4.5%	\$263.8	5.0%	\$280.2	6.2%	\$298.7	6.6%
Meals and Rooms <sup>2</sup>	\$216.8	50.8%	\$237.7	9.6%	\$246.2	3.5%	\$262.3	6.5%	\$271.0	3.3%	\$279.5	3.1%	\$289.1	3.4%	\$299.6	3.6%	\$311.1	3.8%
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%
Insurance	\$65.7	8.7%	\$68.8	4.8%	\$75.6	9.8%	\$82.6	9.2%	\$85.1	3.1%	\$87.8	3.2%	\$90.7	3.3%	\$93.8	3.4%	\$97.0	3.4%
Telephone <sup>3</sup>	\$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
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%
Estate	\$14.0	-48.0%	\$18.6	33.1%	\$23.9	28.2%	\$55.2	131.4%	\$31.7	-42.6%	\$33.0	4.1%	\$34.1	3.3%	\$35.2	3.2%	\$36.3	3.1%
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%	\$85.1	3.8%	\$88.8	4.3%	\$92.7	4.4%
Bank	\$16.9	22.1%	\$17.8	4.9%	\$16.6	-6.6%	\$13.4	-19.4%	\$12.8	-4.3%	\$12.5	-2.3%	\$12.7	1.6%	\$13.0	2.4%	\$13.3	2.3%
Cannabis Excise	\$0.0	NM	\$6.7	NM	\$17.4	158.5%	\$20.2	16.4%	\$22.1	9.3%	\$23.3	5.4%	\$24.3	4.4%	\$25.1	3.1%	\$25.8	2.8%
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%	\$1.35	3.8%	\$1.4	3.7%	\$1.45	3.6%
<b>Total Tax Revenue</b>	<b>\$2468.2</b>	<b>19.3%</b>	<b>\$2536.1</b>	<b>2.7%</b>	<b>\$2560.1</b>	<b>0.9%</b>	<b>\$2805.3</b>	<b>9.6%</b>	<b>\$2818.5</b>	<b>0.5%</b>	<b>\$2898.2</b>	<b>2.8%</b>	<b>\$2993.6</b>	<b>3.3%</b>	<b>\$3100.2</b>	<b>3.6%</b>	<b>\$3221.0</b>	<b>3.9%</b>
Business Licenses	\$1.2	-4.4%	\$0.6	-54.5%	\$1.3	130.2%	\$1.3	-2.0%	\$1.30	1.7%	\$1.33	2.3%	\$1.36	2.3%	\$1.39	2.2%	\$1.42	2.2%
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%
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%
Fines	\$3.3	7.5%	\$2.6	-21.1%	\$2.5	-6.8%	\$4.0	61.3%	\$2.9	-26.9%	\$3.0	3.4%	\$3.1	3.3%	\$3.2	3.2%	\$3.3	3.1%
Interest	\$2.6	185.2%	\$56.9	2102%	\$93.0	63.4%	\$60.8	-34.7%	\$42.6	-29.9%	\$29.1	-31.7%	\$28.4	-2.4%	\$29.3	3.2%	\$28.5	-2.7%
Lottery	\$30.8	-5.2%	\$32.1	4.3%	\$36.0	12.1%	\$30.6	-14.9%	\$33.8	10.4%	\$35.3	4.4%	\$36.5	3.4%	\$37.7	3.3%	\$38.9	3.2%
All Other <sup>3</sup>	\$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%
<b>Total Other Revenue</b>	<b>\$83.9</b>	<b>-0.2%</b>	<b>\$143.1</b>	<b>70.5%</b>	<b>\$181.7</b>	<b>27.0%</b>	<b>\$153.3</b>	<b>-15.6%</b>	<b>\$137.2</b>	<b>-10.5%</b>	<b>\$126.5</b>	<b>-7.8%</b>	<b>\$128.6</b>	<b>1.6%</b>	<b>\$132.2</b>	<b>2.8%</b>	<b>\$134.2</b>	<b>1.5%</b>
<b>Healthcare Revenue<sup>4</sup></b>	<b>\$303.5</b>	<b>8.0%</b>	<b>\$319.3</b>	<b>5.2%</b>	<b>\$333.0</b>	<b>4.3%</b>	<b>\$357.1</b>	<b>7.2%</b>	<b>\$372.1</b>	<b>4.2%</b>	<b>\$387.4</b>	<b>4.1%</b>	<b>\$387.9</b>	<b>0.1%</b>	<b>\$382.3</b>	<b>-1.5%</b>	<b>\$375.2</b>	<b>-1.9%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$2855.6</b>	<b>17.3%</b>	<b>\$2998.5</b>	<b>5.0%</b>	<b>\$3074.8</b>	<b>2.5%</b>	<b>\$3315.7</b>	<b>7.8%</b>	<b>\$3327.8</b>	<b>0.4%</b>	<b>\$3412.1</b>	<b>2.5%</b>	<b>\$3510.1</b>	<b>2.9%</b>	<b>\$3614.7</b>	<b>3.0%</b>	<b>\$3730.4</b>	<b>3.2%</b>
<b>CHILDCARE TAX REVENUE<sup>5</sup></b>	<b>\$0.0</b>	<b>NM</b>	<b>\$0.0</b>	<b>NM</b>	<b>\$0.0</b>	<b>NM</b>	<b>\$80.4</b>	<b>NM</b>	<b>\$88.6</b>	<b>10.2%</b>	<b>\$92.2</b>	<b>4.1%</b>	<b>\$95.8</b>	<b>3.9%</b>	<b>\$99.4</b>	<b>3.8%</b>	<b>\$103.1</b>	<b>3.7%</b>

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 - July 2025**

**CURRENT LAW BASIS**

*including all Education Fund*

*allocations and other out-transfers*

	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>	<b>FY2026</b>	<b>%</b>	<b>FY2027</b>	<b>%</b>	<b>FY2028</b>	<b>%</b>	<b>FY2029</b>	<b>%</b>	<b>FY2030</b>	<b>%</b>
	<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>
<b>REVENUE SOURCE</b>																		
Personal Income	\$1267.8	18.5%	\$1210.0	-4.6%	\$1243.1	2.7%	\$1362.9	9.6%	\$1403.1	2.9%	\$1442.3	2.8%	\$1488.6	3.2%	\$1538.8	3.4%	\$1597.6	3.8%
Sales and Use <sup>1</sup>	\$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%	\$240.3	-11.9%	\$251.2	4.5%	\$263.8	5.0%	\$280.2	6.2%	\$298.7	6.6%
Meals and Rooms	\$149.6	50.8%	\$164.0	9.6%	\$169.8	3.5%	\$175.4	3.3%	\$180.4	2.8%	\$186.0	3.1%	\$192.4	3.4%	\$199.4	3.6%	\$207.1	3.8%
Liquor <sup>6</sup>	\$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%
Insurance	\$65.7	8.7%	\$68.8	4.8%	\$75.6	9.8%	\$82.6	9.2%	\$85.1	3.1%	\$87.8	3.2%	\$90.7	3.3%	\$93.8	3.4%	\$97.0	3.4%
Telephone <sup>7</sup>	\$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
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%
Estate <sup>3</sup>	\$14.0	-40.1%	\$18.6	33.1%	\$23.9	28.2%	\$28.9	20.9%	\$31.7	9.8%	\$33.0	4.1%	\$34.1	3.3%	\$35.2	3.2%	\$36.3	3.1%
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	3.9%	\$31.5	4.5%	\$32.9	4.5%
Bank	\$16.9	22.1%	\$17.8	4.9%	\$16.6	-6.6%	\$13.4	-19.4%	\$12.8	-4.3%	\$12.5	-2.3%	\$12.7	1.6%	\$13.0	2.4%	\$13.3	2.3%
Cannabis Excise	\$0.0	NM	\$6.7	NM	\$0.0	-100.0%	\$0.0	NM	\$15.5	NM	\$16.3	5.4%	\$17.0	4.4%	\$17.6	3.1%	\$18.0	2.8%
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%
<b>Total Tax Revenue</b>	<b>\$1777.4</b>	<b>23.6%</b>	<b>\$1805.1</b>	<b>1.6%</b>	<b>\$1803.0</b>	<b>-0.1%</b>	<b>\$1978.9</b>	<b>9.8%</b>	<b>\$2012.9</b>	<b>1.7%</b>	<b>\$2071.0</b>	<b>2.9%</b>	<b>\$2142.4</b>	<b>3.4%</b>	<b>\$2222.4</b>	<b>3.7%</b>	<b>\$2313.9</b>	<b>4.1%</b>
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%
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%
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%
Fines	\$3.3	7.5%	\$2.6	-21.1%	\$2.5	-6.8%	\$4.0	61.3%	\$2.9	-26.9%	\$3.0	3.4%	\$3.1	3.3%	\$3.2	3.2%	\$3.3	3.1%
Interest	\$2.3	187.4%	\$51.2	2129%	\$87.2	70.5%	\$58.3	-33.1%	\$41.1	-29.5%	\$27.9	-32.1%	\$27.1	-2.9%	\$27.8	2.6%	\$27.1	-2.5%
All Other <sup>4</sup>	\$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%
<b>Total Other Revenue</b>	<b>\$52.9</b>	<b>2.6%</b>	<b>\$105.2</b>	<b>99.1%</b>	<b>\$139.9</b>	<b>33.0%</b>	<b>\$120.2</b>	<b>-14.1%</b>	<b>\$101.9</b>	<b>-15.3%</b>	<b>\$90.0</b>	<b>-11.6%</b>	<b>\$90.8</b>	<b>0.8%</b>	<b>\$93.0</b>	<b>2.5%</b>	<b>\$93.9</b>	<b>1.0%</b>
<b>Healthcare Revenue<sup>5</sup></b>	<b>\$299.3</b>	<b>7.6%</b>	<b>\$314.3</b>	<b>5.0%</b>	<b>\$327.5</b>	<b>4.2%</b>	<b>\$351.3</b>	<b>7.3%</b>	<b>\$366.1</b>	<b>4.2%</b>	<b>\$381.0</b>	<b>4.1%</b>	<b>\$381.2</b>	<b>0.1%</b>	<b>\$375.3</b>	<b>-1.6%</b>	<b>\$367.8</b>	<b>-2.0%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$2129.5</b>	<b>20.5%</b>	<b>\$2224.6</b>	<b>4.5%</b>	<b>\$2270.5</b>	<b>2.1%</b>	<b>\$2450.5</b>	<b>7.9%</b>	<b>\$2480.9</b>	<b>1.2%</b>	<b>\$2542.1</b>	<b>2.5%</b>	<b>\$2614.4</b>	<b>2.8%</b>	<b>\$2690.7</b>	<b>2.9%</b>	<b>\$2775.7</b>	<b>3.2%</b>
<b>CHILDCARE TAX REVENUE<sup>8</sup></b>	<b>\$0.0</b>	<b>NM</b>	<b>\$0.0</b>	<b>NM</b>	<b>\$0.0</b>	<b>NM</b>	<b>\$80.4</b>	<b>NM</b>	<b>\$88.6</b>	<b>10.2%</b>	<b>\$92.2</b>	<b>4.1%</b>	<b>\$95.8</b>	<b>3.9%</b>	<b>\$99.4</b>	<b>3.8%</b>	<b>\$103.1</b>	<b>3.7%</b>

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 - July 2025**

**SOURCE HEALTHCARE<sup>1</sup>**

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

	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>	<b>FY2026</b>	<b>%</b>	<b>FY2027</b>	<b>%</b>	<b>FY2028</b>	<b>%</b>	<b>FY2029</b>	<b>%</b>	<b>FY2030</b>	<b>%</b>
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>																		
Cigarette, Tobacco, E-Cig	\$76.0	-1.9%	\$74.8	-1.5%	\$70.0	-6.5%	\$67.4	-3.6%	\$65.1	-3.6%	\$62.9	-3.6%	\$60.7	-3.6%	\$58.7	-3.6%	\$56.8	-3.6%
Claims Assessment	\$21.7	10.3%	\$23.0	5.7%	\$27.3	18.6%	\$28.8	5.5%	\$30.2	5.5%	\$31.7	5.5%	\$33.3	5.5%	\$35.0	5.5%	\$36.7	5.5%
Employer Assessment	\$21.9	22.2%	\$24.9	13.9%	\$26.9	7.8%	\$31.8	18.3%	\$35.0	18.3%	\$37.5	18.3%	\$40.1	18.3%	\$42.9	18.3%	\$45.9	18.3%
Hospital Provider Tax	\$161.5	12.4%	\$173.9	7.6%	\$192.4	10.6%	\$212.3	10.4%	\$225.1	10.4%	\$238.6	10.4%	\$237.1	10.4%	\$229.0	10.4%	\$219.0	10.4%
Nursing Home Provider Tax	\$14.7	0.7%	\$14.6	-0.6%	\$14.4	-1.5%	\$14.4	0.6%	\$14.4	0.6%	\$14.4	0.6%	\$14.4	0.6%	\$14.4	0.6%	\$14.4	0.6%
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
All Other HC Revenues	\$1.8	0.9%	\$2.0	6.2%	\$2.1	7.8%	\$2.3	8.6%	\$2.3	8.6%	\$2.3	8.6%	\$2.3	8.6%	\$2.3	8.6%	\$2.3	8.6%
<b>TOTAL HEALTHCARE</b>	<b>\$303.5</b>	<b>8.0%</b>	<b>\$319.3</b>	<b>5.2%</b>	<b>\$333.0</b>	<b>4.3%</b>	<b>\$357.1</b>	<b>7.2%</b>	<b>\$372.1</b>	<b>4.2%</b>	<b>\$387.4</b>	<b>4.1%</b>	<b>\$387.9</b>	<b>0.1%</b>	<b>\$382.3</b>	<b>-1.5%</b>	<b>\$375.2</b>	<b>-1.9%</b>

**TABLE 1C - STATE OF VERMONT  
LEGISLATIVE JOINT FISCAL OFFICE  
AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE  
Consensus JFO and Administration Forecast - July 2025**

**CURRENT LAW BASIS**

including all Education Fund  
allocations and other out-transfers

	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>	<b>FY2026</b>	<b>%</b>	<b>FY2027</b>	<b>%</b>	<b>FY2028</b>	<b>%</b>	<b>FY2029</b>	<b>%</b>	<b>FY2030</b>	<b>%</b>
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>																		
Cigarette, Tobacco, E-Cig	\$76.0	-1.9%	\$74.8	-1.6%	\$70.0	-6.4%	\$67.4	-3.6%	\$65.1	-3.5%	\$62.9	-3.4%	\$60.7	-3.5%	\$58.7	-3.3%	\$56.8	-3.2%
Claims Assessment	\$17.6	7.3%	\$18.0	2.6%	\$21.8	21.0%	\$23.0	5.5%	\$24.2	5.0%	\$25.4	5.0%	\$26.6	5.0%	\$28.0	5.0%	\$29.4	5.0%
Employer Assessment	\$21.9	19.2%	\$24.9	13.9%	\$26.9	7.8%	\$31.8	18.3%	\$35.0	10.0%	\$37.5	7.0%	\$40.1	7.0%	\$42.9	7.0%	\$45.9	7.0%
Hospital Provider Tax	\$161.5	12.4%	\$173.9	7.6%	\$192.4	10.6%	\$212.3	10.4%	\$225.1	6.0%	\$238.6	6.0%	\$237.1	-0.6%	\$229.0	-3.4%	\$219.0	-4.3%
Nursing Home Provider Tax	\$14.7	0.7%	\$14.6	-0.6%	\$14.4	-1.5%	\$14.4	0.6%	\$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
All Other HC Revenues	\$1.8	0.9%	\$2.0	6.2%	\$2.1	7.8%	\$2.3	8.6%	\$2.3	0.0%	\$2.3	0.0%	\$2.3	0.0%	\$2.3	0.0%	\$2.3	0.0%
<b>TOTAL HEALTHCARE</b>	<b>\$299.3</b>	<b>7.6%</b>	<b>\$314.3</b>	<b>5.0%</b>	<b>\$327.5</b>	<b>4.2%</b>	<b>\$351.3</b>	<b>7.3%</b>	<b>\$366.1</b>	<b>4.2%</b>	<b>\$381.0</b>	<b>4.1%</b>	<b>\$381.2</b>	<b>0.1%</b>	<b>\$375.3</b>	<b>-1.6%</b>	<b>\$367.8</b>	<b>-2.0%</b>

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.

**TABLE 2A - STATE OF VERMONT**  
**LEGISLATIVE JOINT FISCAL OFFICE**  
**SOURCE TRANSPORTATION FUND REVENUE FORECAST UPDATE**  
Consensus JFO and Administration Forecast - July 2025

**SOURCE T-FUND**

revenues are prior to all E-Fund allocations

and other out-transfers; used for

analytic and comparative purposes only

	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>	<b>FY2026</b>	<b>%</b>	<b>FY2027</b>	<b>%</b>	<b>FY2028</b>	<b>%</b>	<b>FY2029</b>	<b>%</b>	<b>FY2030</b>	<b>%</b>
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>																		
Gasoline	\$71.9	6.9%	\$73.8	2.7%	\$71.5	-3.2%	\$71.5	0.0%	\$71.3	-0.2%	\$70.9	-0.6%	\$70.3	-0.8%	\$69.6	-1.0%	\$68.6	-1.4%
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%
Purchase and Use*	\$137.1	2.3%	\$142.2	3.7%	\$144.9	1.9%	\$145.0	0.1%	\$148.9	2.7%	\$153.5	3.1%	\$159.4	3.8%	\$165.9	4.1%	\$172.9	4.2%
Motor Vehicle Fees	\$86.0	-1.9%	\$87.5	1.8%	\$93.6	6.9%	\$100.3	7.2%	\$101.7	1.3%	\$102.6	0.9%	\$103.3	0.7%	\$104.2	0.9%	\$105.0	0.8%
Other Revenue**	\$20.3	-1.1%	\$21.4	5.3%	\$23.6	10.4%	\$26.9	13.7%	\$28.1	4.6%	\$27.3	-2.8%	\$27.9	2.2%	\$28.6	2.5%	\$29.3	2.4%
<b>TOTAL TRANS. FUND</b>	<b>\$333.5</b>	<b>1.9%</b>	<b>\$342.5</b>	<b>2.7%</b>	<b>\$351.3</b>	<b>2.6%</b>	<b>\$361.9</b>	<b>3.0%</b>	<b>\$368.1</b>	<b>1.7%</b>	<b>\$372.3</b>	<b>1.1%</b>	<b>\$378.8</b>	<b>1.7%</b>	<b>\$386.1</b>	<b>1.9%</b>	<b>\$393.4</b>	<b>1.9%</b>

**TABLE 2 - STATE OF VERMONT**  
**LEGISLATIVE JOINT FISCAL OFFICE**  
**AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE**  
Consensus JFO and Administration Forecast - July 2025

**CURRENT LAW BASIS**

including all Education Fund

allocations and other out-transfers

	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>	<b>FY2026</b>	<b>%</b>	<b>FY2027</b>	<b>%</b>	<b>FY2028</b>	<b>%</b>	<b>FY2029</b>	<b>%</b>	<b>FY2030</b>	<b>%</b>
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>																		
Gasoline	\$71.9	6.9%	\$73.8	2.7%	\$71.5	-3.2%	\$71.5	0.0%	\$71.3	-0.2%	\$70.9	-0.6%	\$70.3	-0.8%	\$69.6	-1.0%	\$68.6	-1.4%
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%
Purchase and Use <sup>1</sup>	\$91.4	2.3%	\$94.8	3.7%	\$96.6	1.9%	\$96.7	0.1%	\$99.3	2.7%	\$102.3	3.1%	\$106.3	3.8%	\$110.6	4.1%	\$115.3	4.2%
Motor Vehicle Fees	\$86.0	-1.9%	\$87.5	1.8%	\$93.6	6.9%	\$100.3	7.2%	\$101.7	1.3%	\$102.6	0.9%	\$103.3	0.7%	\$104.2	0.9%	\$105.0	0.8%
Other Revenue <sup>2</sup>	\$20.3	-1.1%	\$21.4	5.3%	\$23.6	10.4%	\$26.9	13.7%	\$28.1	4.6%	\$27.3	-2.8%	\$27.9	2.2%	\$28.6	2.5%	\$29.3	2.4%
<b>TOTAL TRANS. FUND</b>	<b>\$287.8</b>	<b>1.8%</b>	<b>\$295.1</b>	<b>2.5%</b>	<b>\$303.0</b>	<b>2.7%</b>	<b>\$313.6</b>	<b>3.5%</b>	<b>\$318.5</b>	<b>1.6%</b>	<b>\$321.1</b>	<b>0.8%</b>	<b>\$325.7</b>	<b>1.4%</b>	<b>\$330.8</b>	<b>1.6%</b>	<b>\$335.8</b>	<b>1.5%</b>

**OTHER (TIB<sup>3</sup>)**

TIB Gasoline	\$15.1	48.2%	\$20.1	32.6%	\$17.6	-12.6%	\$16.1	-8.5%	\$14.4	-10.1%	\$14.6	0.9%	\$14.2	-2.5%	\$14.2	-0.3%	\$14.1	-0.4%
TIB Diesel and Other <sup>4</sup>	\$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%
<b>TOTAL OTHER (TIB)</b>	<b>\$17.1</b>	<b>40.8%</b>	<b>\$22.3</b>	<b>30.4%</b>	<b>\$19.8</b>	<b>-11.2%</b>	<b>\$18.3</b>	<b>-7.7%</b>	<b>\$16.6</b>	<b>-9.3%</b>	<b>\$16.6</b>	<b>0.2%</b>	<b>\$16.2</b>	<b>-2.6%</b>	<b>\$16.1</b>	<b>-0.4%</b>	<b>\$16.0</b>	<b>-0.6%</b>

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 FUND<sup>1</sup> REVENUE FORECAST UPDATE  
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)  
Consensus JFO and Administration Forecast - July 2025**

**CURRENT LAW BASIS**

Source General and Transportation

<i>Fund taxes allocated to or associated with the Education Fund only</i>	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>	<b>FY2026</b>	<b>%</b>	<b>FY2027</b>	<b>%</b>	<b>FY2028</b>	<b>%</b>	<b>FY2029</b>	<b>%</b>	<b>FY2030</b>	<b>%</b>
	<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>
<b>GENERAL FUND</b>																		
Meals and Rooms	\$54.2	50.8%	\$59.4	9.6%	\$61.5	3.5%	\$71.6	16.3%	\$75.0	4.7%	\$77.3	3.1%	\$79.9	3.4%	\$82.9	3.7%	\$86.0	3.8%
Sales & Use <sup>2</sup>	\$545.2	7.4%	\$584.0	7.1%	\$595.2	1.9%	\$609.7	2.4%	\$622.3	2.1%	\$638.0	2.5%	\$655.8	2.8%	\$675.5	3.0%	\$697.3	3.2%
Interest	\$0.3	169.1%	\$5.8	1892%	\$5.8	0.3%	\$2.5	-57.6%	\$1.5	-38.9%	\$1.2	-20.0%	\$1.3	8.3%	\$1.5	15.4%	\$1.4	-6.7%
Lottery	\$30.8	-5.2%	\$32.1	4.3%	\$36.0	12.1%	\$30.6	-14.9%	\$33.8	10.4%	\$35.3	4.4%	\$36.5	3.4%	\$37.7	3.3%	\$38.9	3.2%
<b>TRANSPORTATION FUND</b>																		
Purchase and Use <sup>3</sup>	\$45.7	2.3%	\$47.4	3.7%	\$48.3	1.9%	\$48.3	0.1%	\$49.6	2.7%	\$51.2	3.1%	\$53.1	3.8%	\$55.3	4.1%	\$57.6	4.2%
<b>TOTAL EDUCATION FUND</b>	<b>\$676.2</b>	<b>8.9%</b>	<b>\$728.77</b>	<b>7.8%</b>	<b>\$746.8</b>	<b>2.5%</b>	<b>\$762.7</b>	<b>2.1%</b>	<b>\$782.2</b>	<b>2.6%</b>	<b>\$803.0</b>	<b>2.7%</b>	<b>\$826.7</b>	<b>3.0%</b>	<b>\$852.9</b>	<b>3.2%</b>	<b>\$881.3</b>	<b>3.3%</b>

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