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July 2025 Economic Review and Revenue Forecast Update

Prepared for the
State of Vermont
Emergency Board and
Legislative Joint Fiscal Office
Virtual and Live Presentation Materials

(Charts enlarged to full page for virtual presentation viewing)

July 31, 2025

Economic Review and Revenue Forecast Update

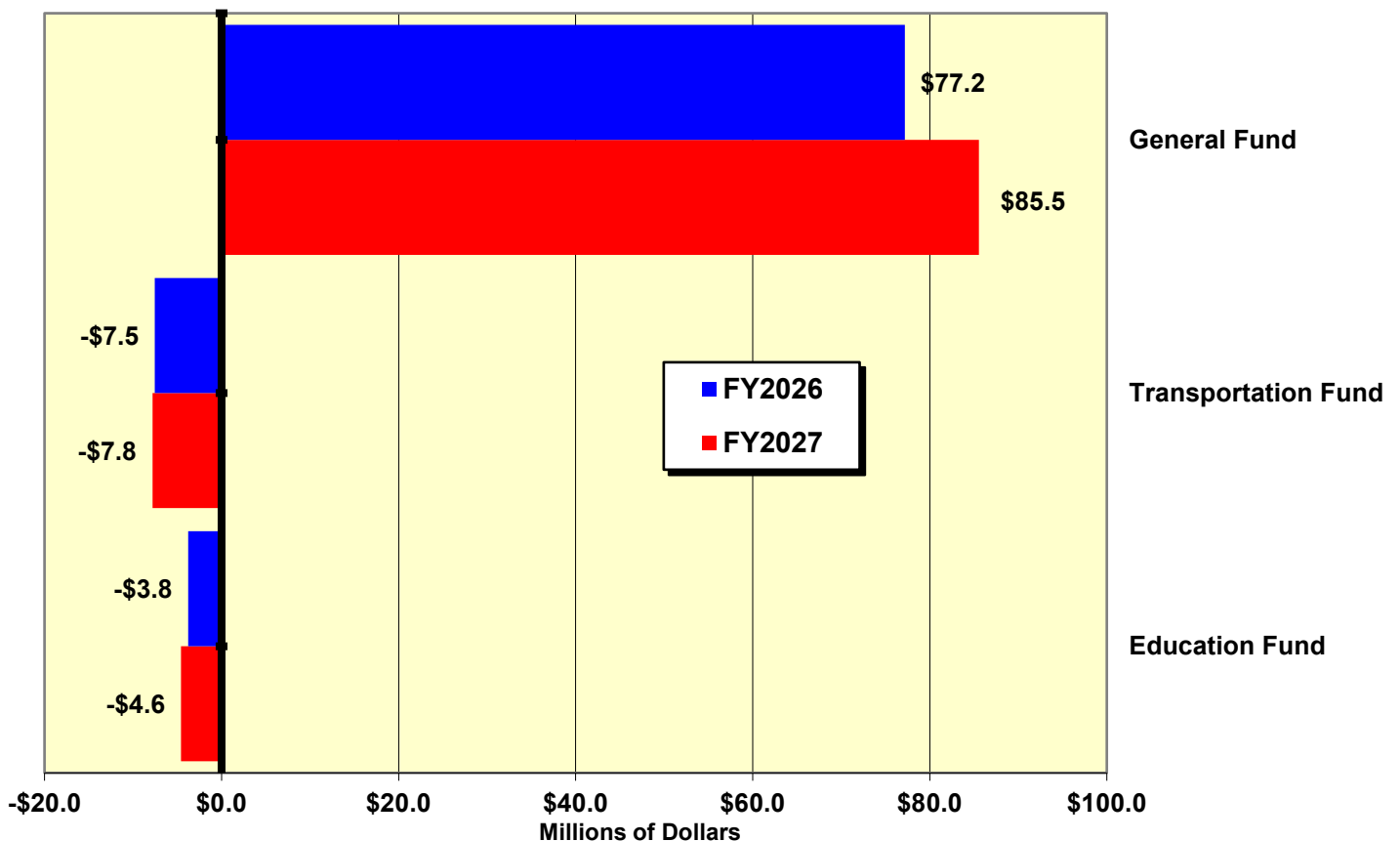
July 2025

Overview

To date, the U.S. economy has remained resilient in the face of mounting downside risks from policy chaos and tariff uncertainty, but this may not last. Implementation of the highest effective tariff rates in more than 90 years and a virtual cessation of immigration and expansive deportations will lead to slower economic growth and higher inflation in FY26 and FY27, making it harder for the Fed to shift back to a more neutral monetary policy. While the recently enacted Reconciliation Bill adds some short-term stimulus, it will also add nearly \$4 trillion in debt over the next decade and will exacerbate both Federal debt servicing costs and economic inequality.

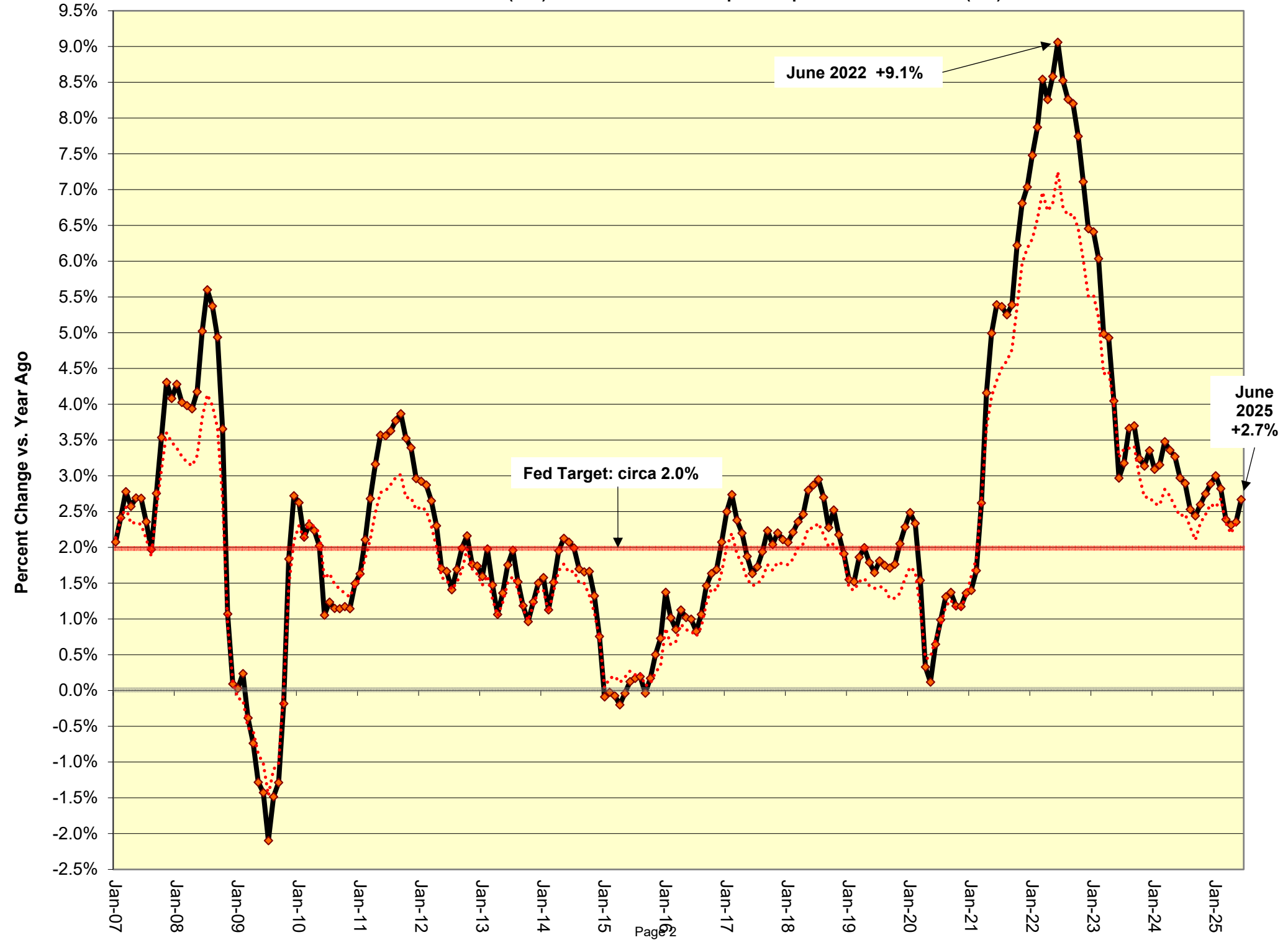
Amidst the din of constant U.S. policy drama, strength in two backward-looking revenue sources, Corporate and Personal income taxes, buoyed State revenues in FY25, which closed the year about 2.4% above target across all funds. Elevated asset prices will keep these (and related) tax sources slightly above prior January projections for FY26 and FY27, but risks abound. As tariff and other policies come into focus, these projections may need to be revisited.

Recommended Net Revenue Changes from January 2025 Forecasts



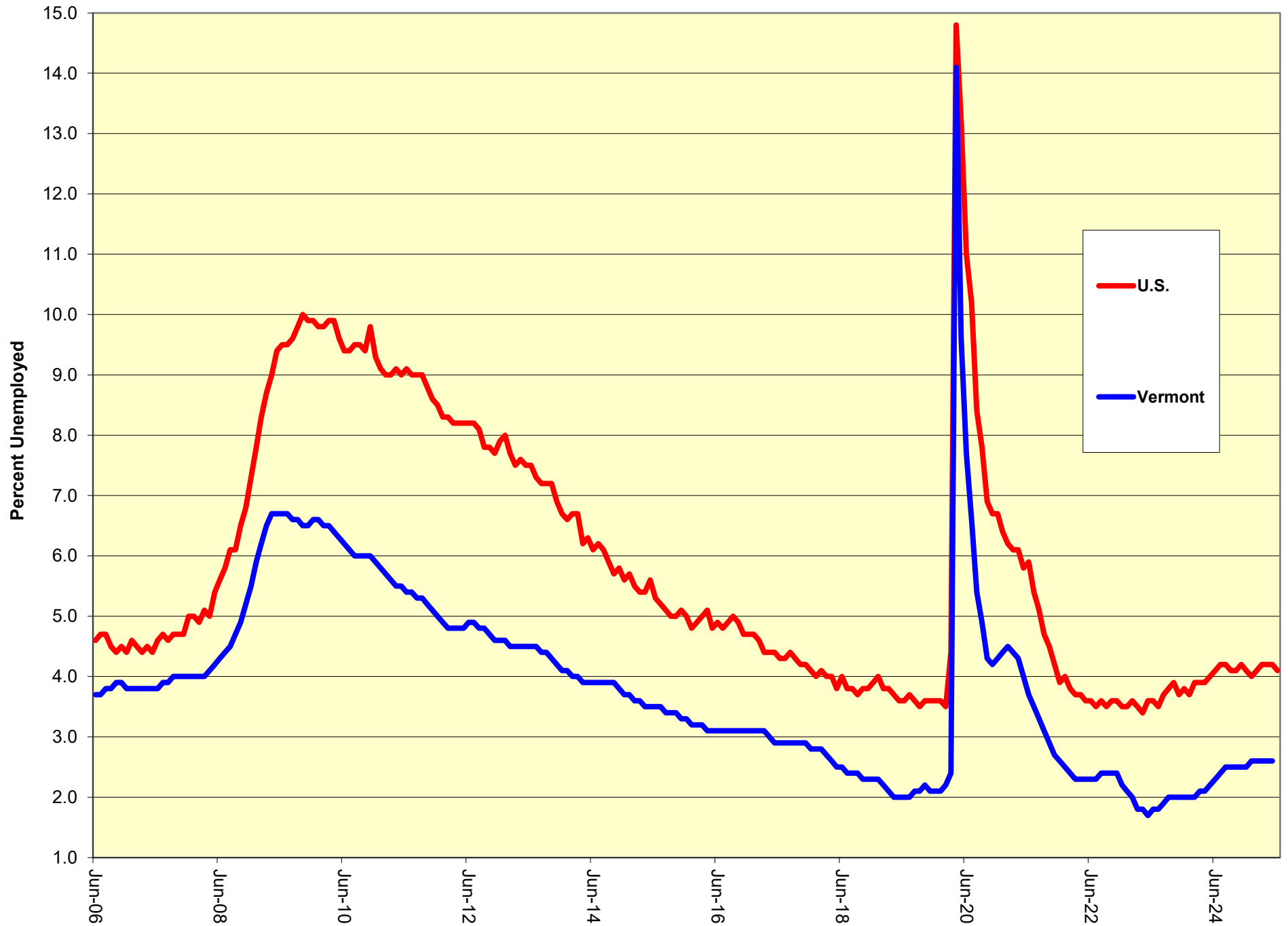
Inflation Metrics Close In on Fed Target, But Tariffs Muddy the Water

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



Unemployment Rates Inch Up But Remain Near Historic Lows

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

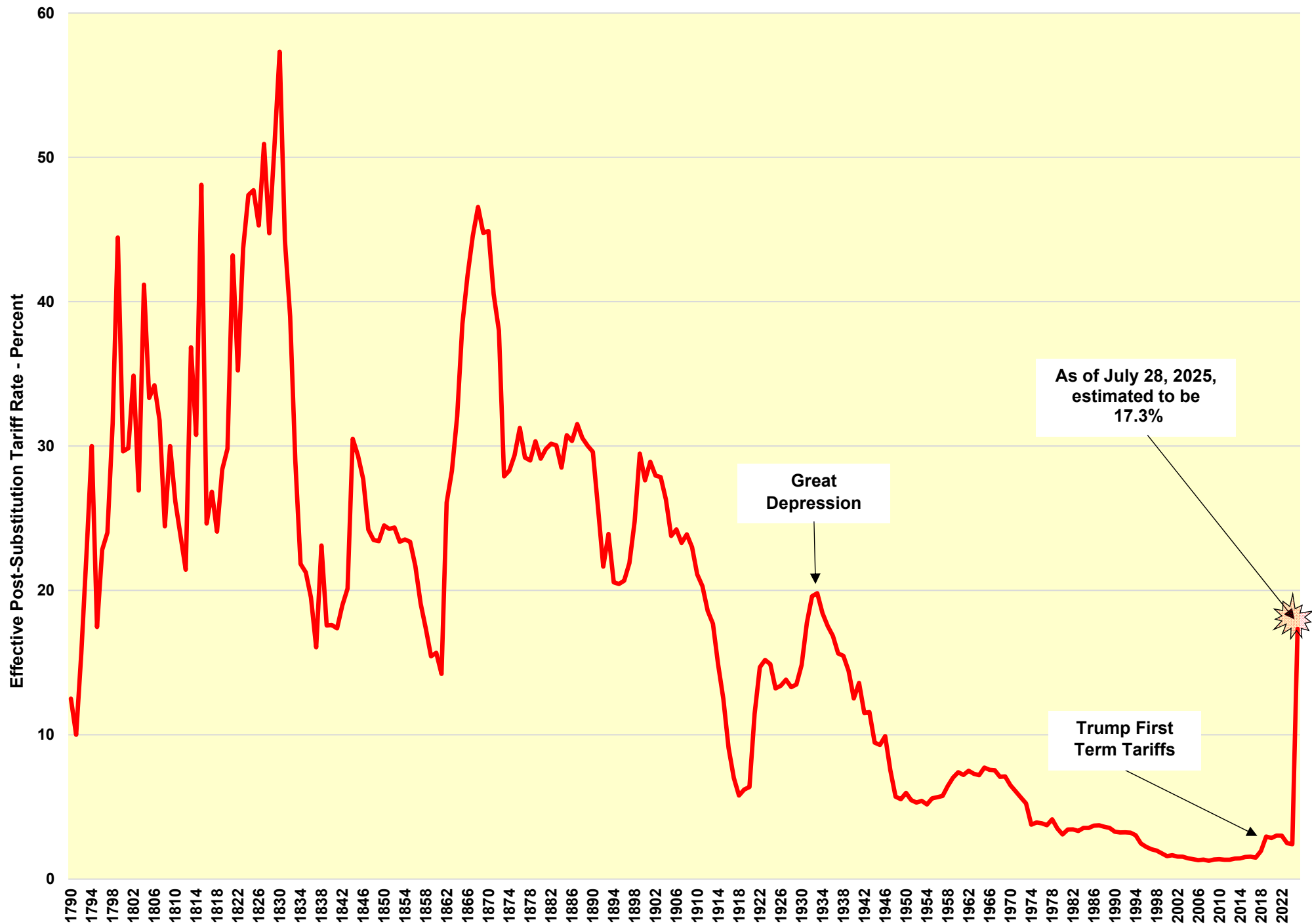


Economic, Fiscal and Monetary Policy Update

- A plethora of Federal policy changes in the last 178 days has muddled the macroeconomic waters and made this forecast among the least certain since the pandemic days. Although the general direction was clear in January, the speed and degree to which some of the policy promises have been announced, attempted or enacted have generally added downside risk to this forecast update. The most significant policy areas affecting the U.S. and State economic outlook are: the imposition of large and constantly changing tariff rates; the recently passed H.R.1 Reconciliation Bill (Public Law: 119-21, aka OBBBA); immigration and deportation policy implementation; and ongoing attempts to withhold significant federal funds appropriated to the states.
- There has been a bewildering array of tariff announcements, extensions, temporary rates and exclusions since January 20th, affecting virtually every country with whom the U.S. trades. These announcements have been strategically vacuous, often capricious, and with conflicting and sometimes mutually exclusive stated objectives. Sometimes they claim they will reshore high-quality manufacturing jobs to the U.S. Sometimes they claim they will raise enough in customs duty revenues to eliminate the personal income tax. Sometimes they claim to be “reciprocal,” so as to make trade “fair.” Sometimes they aim to eliminate the balance of trade deficit in goods with each trading partner. And, sometimes their only objective is to force nations and leaders with whom the President has personal or political animosity to bend to his will.
- Although persistent tariffs at specific rates may accomplish some portion of their stated objectives, some of the time, they cannot accomplish all of the objectives nor can they accomplish most of them without serious short and longer-term negative consequences. They provide no rational basis upon which other countries can negotiate in good faith and create ill-will that could harm the U.S. in a multitude of ways in both the short and longer-term. The most effective trade negotiations usually employ both “carrots and sticks.” Tariffs are only sticks. While reshoring some U.S. manufacturing is desirable, this can take many years to accomplish and requires predictable long-term rates. These are not. In order to raise revenues anywhere close to those collected via the personal income tax (circa \$2.4T per year), they would need to be so high as to choke off almost all trade. As of today, the tariffs announced and enacted would be expected to raise about \$229B per year, less than 10% of the revenue raised by the personal income tax. Reciprocity in trade is desirable and fair, but to be fair, it must include all trade – both in goods and services. The announced “Liberation Day” reciprocity calculations excluded trade in services, in which the U.S. has run global trade surpluses for the last 54 years, and in an embarrassing display of mathematical and conceptual incompetence, published a formula that calculated “reciprocity” based on differences in the balance of trade in goods only. Tariffs can affect trade balances, but they cannot control them. In fact, there is no statistical correlation between tariff rates and balance of trade deficits. Trade deficits with China, for example, have persisted despite years of high tariffs.

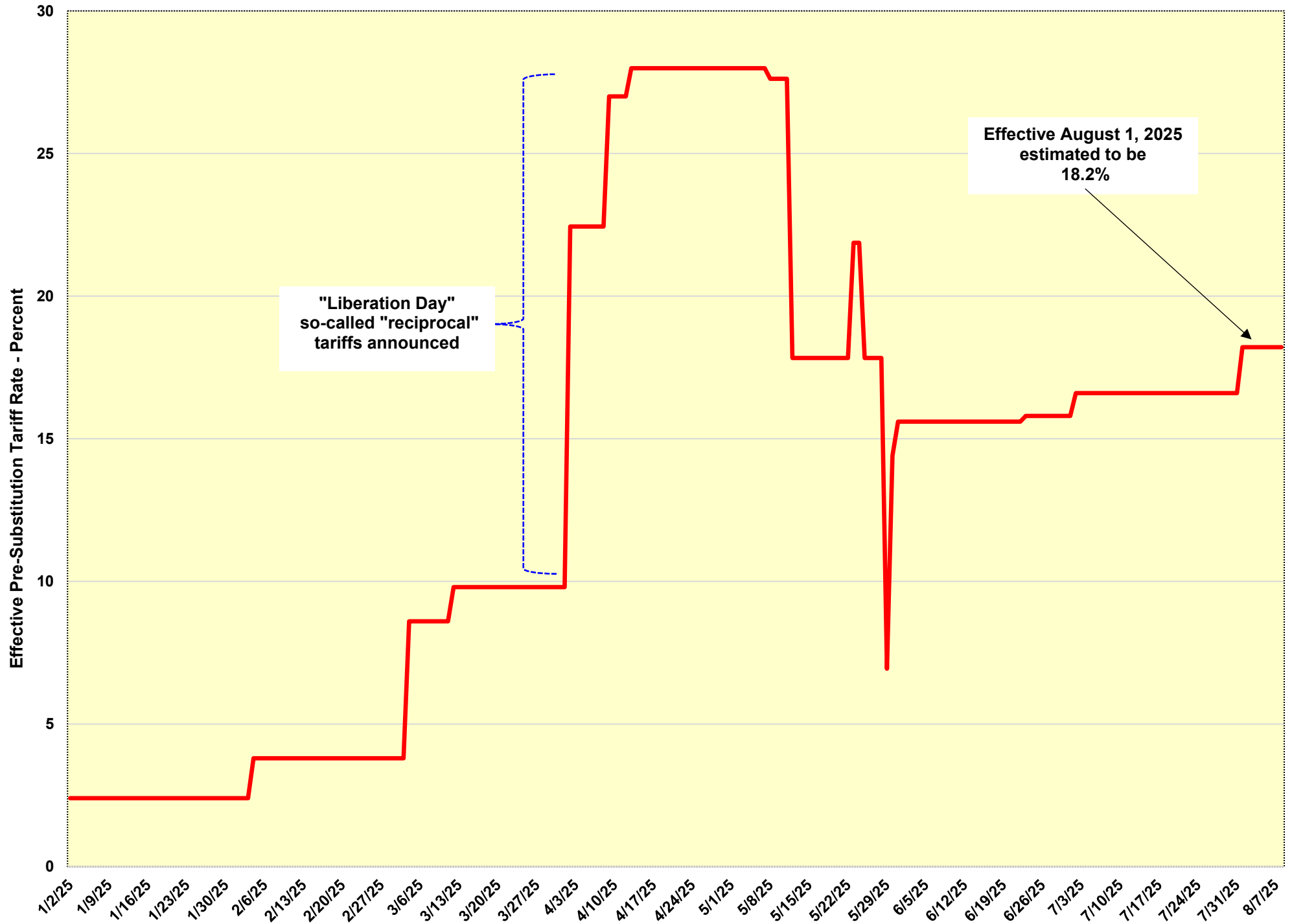
U.S. Average Effective Tariff Rate Since 1790

Customs Duty Revenue as a Percentage of Goods Imports, Source: U.S. Bureau of Economic Analysis, Yale Budget Lab



U.S. Average Effective Tariff Rate Since January 2025

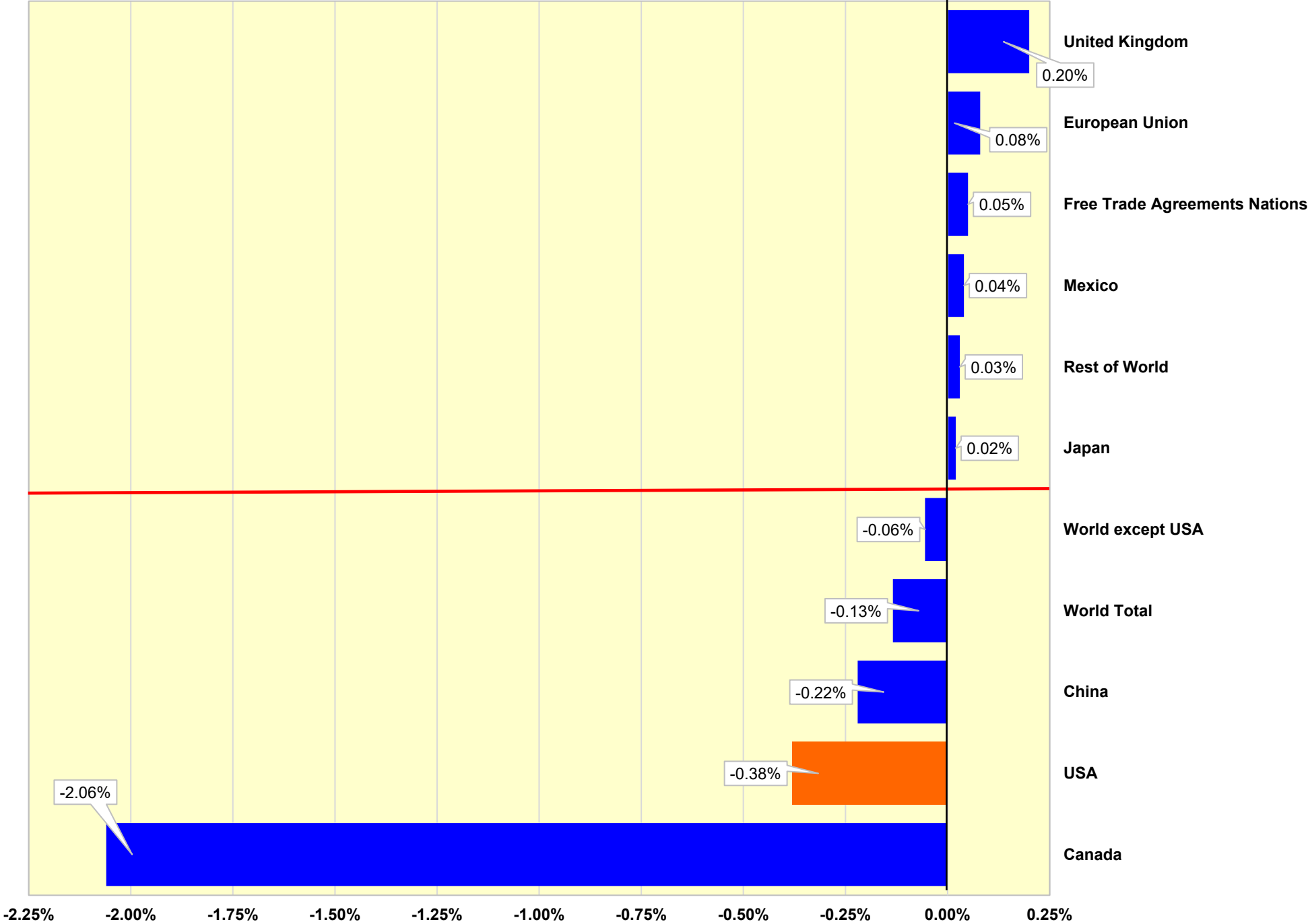
Customs Duty Revenue as a Percentage of Goods Imports, Source: U.S. Bureau of Economic Analysis, Yale Budget Lab



- On “Liberation Day,” the tiny African country of Lesotho was awarded the highest standalone tariff of any country. Lesotho has a population about four times that of Vermont in an area that is about the same size as Vermont. It exported about \$237M to the U.S. in 2024 (mostly textile and apparel products) and imported about \$2.8M from the U.S., resulting in a trade deficit in goods of -\$237.3M, which triggered a punishing 50% “reciprocal” tariff. The actual tariff Lesotho levies on U.S. products is controlled by the regional Southern African Customs Union and is about 7.5%. Per capita GDP in Vermont in 2024 was \$72,725. In Lesotho, it was \$945. No matter what the U.S. tariff rate is, there is no realistic way Lesotho could afford expensive U.S. imports to the tune of \$237.3M per year. And if the U.S. does set a 50% tariff, it might divert production from Lesotho to some other low wage country who somehow wins a lower U.S. tariff, but it would be unlikely to ever be high enough to reshore these jobs to the U.S.. And if it did, what kind of jobs would these be? The U.S. Bureau of Labor Statistics reports a mean hourly wage in 2023 for “Cut and Sew Apparel Manufacturing” of \$15.94 per hour – about \$33,160 per year. Adjusted for inflation, this is still lower than the \$17.01 per hour lowest Vermont Livable Wage (assuming two working adults, no children, in a rural location).
- The economic impacts from the tariffs announced through Sunday, July 27th, including the new 15% tariffs with the European Union and the very limited foreign retaliation to date, all in perpetuity, have been estimated and summarized by the Yale Budget Lab as follows: 1) An overall average effective tariff rate before substitution of 18.2%, the highest since 1934, and after consumption shifts, an average effective rate of 17.3%. 2) An initial price level impact of about 1.8% in 2025, which represents an average U.S. household income loss of \$2,400 with a longer-term post-substitution price increase of 1.5% and a per household loss of \$2,000 (in 2025 dollars). 3) Price impacts will be highest in clothing and textiles products, with short-run prices increasing 39% for leather products (shoes and hand bags), 37% for apparel, and 19% for textiles. After substitution and global supply shifts, in the long-run, prices for these product areas will still remain 18%, 17%, and 10% higher, respectively. Food prices will rise 3.4% in the short-run and stay 2.9% higher in the long-run. Fresh produce is initially 6.9% more expensive while stabilizing at 3.6% higher. Motor vehicle prices will rise 12.3% in the short-run and 9.5% in the long-run, the equivalent of an additional \$5,900 and \$4,600 respectively to the price of an average 2024 new car. 4) Real U.S. GDP losses in 2025 and 2026 of about -0.5 percentage points each year from all 2025 tariffs. In the long-run, the U.S. economy will be persistently 0.38% points smaller, the equivalent of \$115 billion annually in 2024 dollars. Notably, the long-term real GDP hit to China from the tariffs, at -0.22%, will be smaller than that to the U.S. 5) Although tariffs shrink the overall size of the US economy in the long-run by 0.38% per year, beneath aggregate GDP they also drive a reallocation across US sectors. Long-run output in the manufacturing sector will expand by 2.0% under the tariffs, with nonadvanced durable manufacturing output 3.8% larger and nondurable manufacturing 1.1% larger. However, advanced manufacturing will be 2.8% smaller. Moreover, the expansion of the overall manufacturing sector will more than crowd out the rest of the economy, with construction shrinking by 3.5%, agriculture by 0.9%, and mining and extraction by 1.3%. 6) The unemployment

Winners and Losers: Long-Run Change in Real GDP Level from 2025 Tariffs to Date

Sources: Yale Budget Lab analysis, GTAP Model, Version 7



rate in the U.S. will be 0.4 percentage points higher by the end of 2025 and 0.7 percentage points higher by the end of 2026. Payroll employment will be 494,000 lower by the end of 2025. 6) The tariffs are expected to raise about \$229 billion per year between 2026 and 2035 after substitution and output effects are included, about \$2.3 trillion over the ten-year period. 7) Tariffs are a regressive tax, especially in the short-run. This means that tariffs burden households at the bottom of the income distribution more than those at the top as a share of income. This regressivity is evident in the current tariff levels, with the short-run burden on the poorest decile, who will suffer a 3.4% income loss, being more than 3x that of the highest decile, who will suffer a 1.0% AGI loss. The average annual cost to households in the bottom decile will be \$1,300 and in the highest decile, \$4,900, with a median annual cost of \$2,200 per household in 2025 dollars.

- When the “Liberation Day” tariffs were first announced in early April, global markets immediately tanked and were soon followed by a simultaneous collapse in all U.S. assets including equities, the dollar and the bond market. This catastrophe prompted an immediate 90 day pause in the tariffs, scheduled to end on July 8th, but this date was later extended to August 1st. In the interim, many exemptions, temporary tariffs and even a few “deals” have been struck, almost all at rates well below the so-called “reciprocal” tariff rates. Believing that most of the tariff deals would ultimately involve much lower rates along with various carve-outs, delays, exclusions and possibly even be short-lived, U.S. equity markets have since rebounded to record highs. Meanwhile, most trade deals seem to be settling in the 15% range for U.S. tariffs vs. prior 2024 rates of 0%-5%.
- Notably, most countries have avoided retaliatory tariffs and have accepted the higher U.S. tariffs, knowing that they could be rescinded by pending legal challenges and/or a changed Congress or Presidency in 2 or 4 years. They also know that the current President could change his mind at any time and raise or lower tariffs at will. They also know that most retaliatory tariffs would hurt their countries more than they would hurt the U.S. – as Canada’s retaliatory tariffs to date show. These will all weigh against meaningful immediate investments in re-shoring by either American or foreign firms. In the meantime, U.S. firms not wishing to attract the ire of the President or lose market share will try to swallow the tariff costs through lower margins – which is currently happening for about 60% of the tariff costs in the three months ending in June - but ultimately, those firms who can pass on price increases will, and the U.S. consumer will ultimately bear most of the tariff costs.
- Because the current tariffs greatly exceed anything experienced in recent history, there is uncertainty regarding the precise timing and magnitude of the macroeconomic impacts, including effects on inflation and, importantly, inflation expectations. As a result, the Fed has paused planned interest rate cuts until there is greater clarity on what the tariff levels will be and how the economy will respond to these and other policy actions. We still expect the Fed to make two quarter point cuts in the second half of 2025 and further cuts in 2026, pending data on both inflation and labor markets.

After the April Tariff Scare, Markets Assume the Worst Will Not Come to Pass

(S&P 500 Index, Daily Close, Source: S&P Dow Jones Indices)

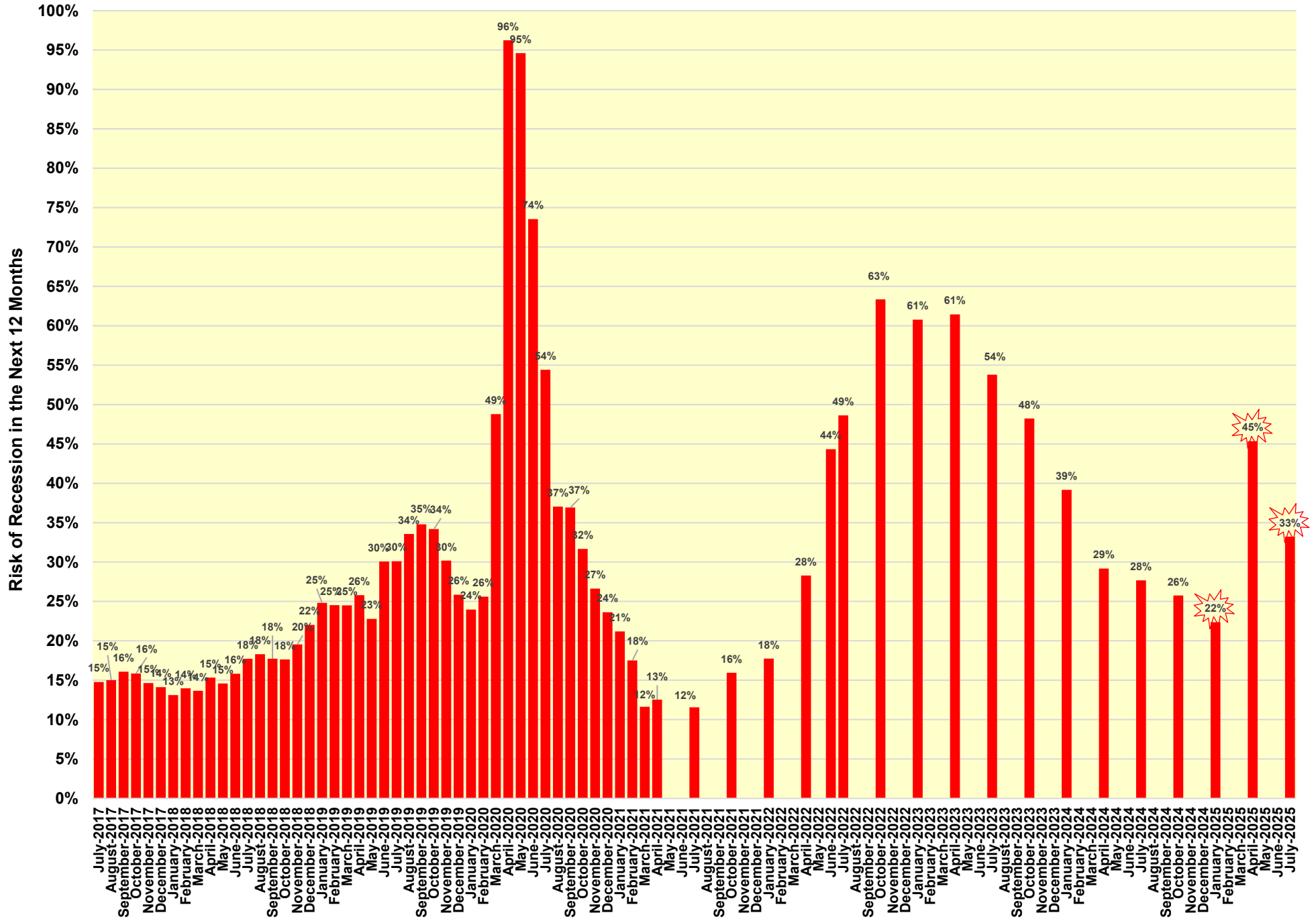


- On a less negative note, the recently enacted Reconciliation Bill, will provide some near-term stimulus through personal income gains and higher corporate profits and investment. Although the legislation is highly regressive, there are near-term net income gains across all income classes. When the Medicare cuts begin after the midterm elections, however, there will be net income losses for many, with the CBO estimating that those in the lowest decile will lose an average of \$1,600 per year due to benefit cuts and those in the highest decile will reap an additional \$12,000 per year in income from the tax cuts. To the extent the legislation streamlines and removes unnecessary regulatory burdens and accelerates depreciation, it will improve productivity, R&D spending, and corporate profitability.
- Other Federal actions and policies negatively affecting the economy, both near-term and longer-term, include performatively violent deportations, raids on places of work, removing persons legally in the U.S. for spurious reasons, defunding some of the nation's top tier research programs at universities, upending judiciary processes by politicizing the Department of Justice, ignoring judicial rulings, blackmailing law firms into political submission, threatening the independence of the Federal Reserve Board, withholding appropriated Federal funds from states based on vague personal or political rationales, reducing international student enrollments in higher education, and deterring international travel to the U.S.. Both tourism and higher education, of course, are major exporting sectors in the U.S. and Vermont economies. While some of these actions may not have obvious or immediate economic effects, job markets in some sectors and parts of the country are already reeling from the loss of immigrant labor.
- A year ago, the foreign- born labor force was growing at a 5% annual rate. In recent months, it has been declining. As a result, growth in the overall labor force has been close to stalling out, leaving little room for output growth. Some sectors are particularly hard hit by the loss of immigrant labor. About 30% of all U.S. construction workers are immigrants, and about half of these are undocumented. In some states, such as CA, TX, FL, NY, NJ and MD, the share of immigrant construction workers is as high as 40%. In some construction trades (like drywall, roofing, painting, plastering, flooring, etc.), the share approaches or exceeds 50%. Immigrants also represent 18% of all healthcare workers, including 27% of physicians and surgeons, 16% of registered nurses, and 23% of healthcare support staff. The Reconciliation Bill gives ICE an additional \$30 billion to accelerate arrests and deportations, \$45 billion to build new detention facilities, \$47 billion for border wall building, \$14 billion to states to help with arrests and deportations, and \$10 billion for other border enforcement actions. This will surely further dent labor force growth, economic output, tax payments and secondary spending from the immigrant labor force. It will also raise prices in sectors dependent upon these workers. Despite all the hand-wringing and money to fund sealing off the borders and evict those who have legally and illegally entered the U.S., the core problem is that Congress has been unable to enact any meaningful legislation that both controls the borders and provides reasonable and expeditious paths for prescribed legal immigration and/or temporary work provisions.

- The arbitrary and vindictive withholding of Federal funds from states, as highlighted in the recent (and ongoing) case of Maine, represents a meaningful budgetary and economic risk to any state government during this Administration, especially those not fully supporting the President and his policies. After incurring a minor slight over a policy difference with Maine Governor, Janet Mills, at a National Governors Association meeting, the President launched a series of harassing investigations and punishing economic actions by withholding appropriated funding from multiple Federal agencies to the State of Maine and the University of Maine. While the State has successfully fought back in the courts, the delays and funding gaps have disrupted planning, staffing and program operations in critical research and educational programs that may yet result in lasting economic impacts.
- Recession risks, as measured by a Wall Street Journal poll of 75 economists, spiked from 22% in January to 45% in April following the “reciprocal” tariff announcements, but have receded since then to 33% in July. Like the stock market, most economists now assume (or at least hope) the final tariff agreements will be blunted by work-arounds, exclusions and other provisions that significantly lower the effective announced rates. To date, this remains uncertain, although, in the case of China, this appears increasingly likely.
- Labor markets in Vermont and the U.S. have shown signs of softening, as unemployment rates tick up, quit rates drop and the gap between the number of unemployed persons and the number of job openings shrinks. Still, year-over-year nonagricultural employment levels have increased in both the U.S. and Vermont for more than 50 consecutive months (with one anomalous exception in VT), although slowing considerably of late. At 2.6% in June, Vermont still boasts the nation’s third lowest unemployment rate and has been the lowest in New England for the past 40 months.
- Home price growth rates continued to rise through the first quarter of 2025, with every state in the nation showing year-over-year growth for the 5th consecutive quarter. New England states continued to have higher than average price growth, with Connecticut and Rhode Island tied for the highest in the nation, at 8.4%, and all six NE states among the top 23 states. In the last four years, Vermont home prices have risen 55.8%, tied with Rhode Island for the fourth highest in the nation, after NC, SC and, in first place, Maine at 57.8%. During this period, home prices in all New England states grew by more than 50% except Massachusetts, where they rose 42.8%. With sellers frozen in place with low existing mortgages, the market has lacked inventory, causing prices to be driven higher. With some Fed easing in the next 18 months, the inventory of homes for sale should grow and prices will flatten and even decline in many markets. Home price growth has exceeded income growth to such an extent that home prices may be level or slightly declining for an extended period.
- It is important to once again note that in addition to the new federal fiscal stimulus in the Reconciliation Bill, there is still a huge pipeline of unspent federal funds parked in state bank accounts and not yet spent that will be powering economic activity in Vermont and throughout the nation – assuming

Near-Term Recession Risks Rise With Tariff and Other Policy Drama

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



it is not clawed back before it can be spent for its intended purposes. Vermont's average FY26 unrestricted cash balance is expected to be about \$1.5B, down from a peak balance of \$2.2B in FY23, and which would be loosely consistent with a total U.S. state cash reserve of more than \$700B. As this is spent down – and much of it is required to be spent or dedicated by FY26 – it will act as a significant economic stimulus and offset to the Fed's efforts to slow the economy and bring inflation down to its target rate.

- As of this writing, there is still considerable uncertainty regarding final trade agreement details, despite the announced August 1 deadline. We are assuming case-by-case flexibility that will mitigate some of the harm, but trade deals are complicated and usually take time to fully specify and implement. So, too, do the global tariff workarounds – and there will be many. This implies fairly long lags between announced agreements and actual economic impacts. As such, we may need to revisit these forecasts if negative impacts are not quickly mitigated, in whole or part. In addition to tariffs, there are many other downside risks scoped out in the Moody's Risk Matrix on the following page.

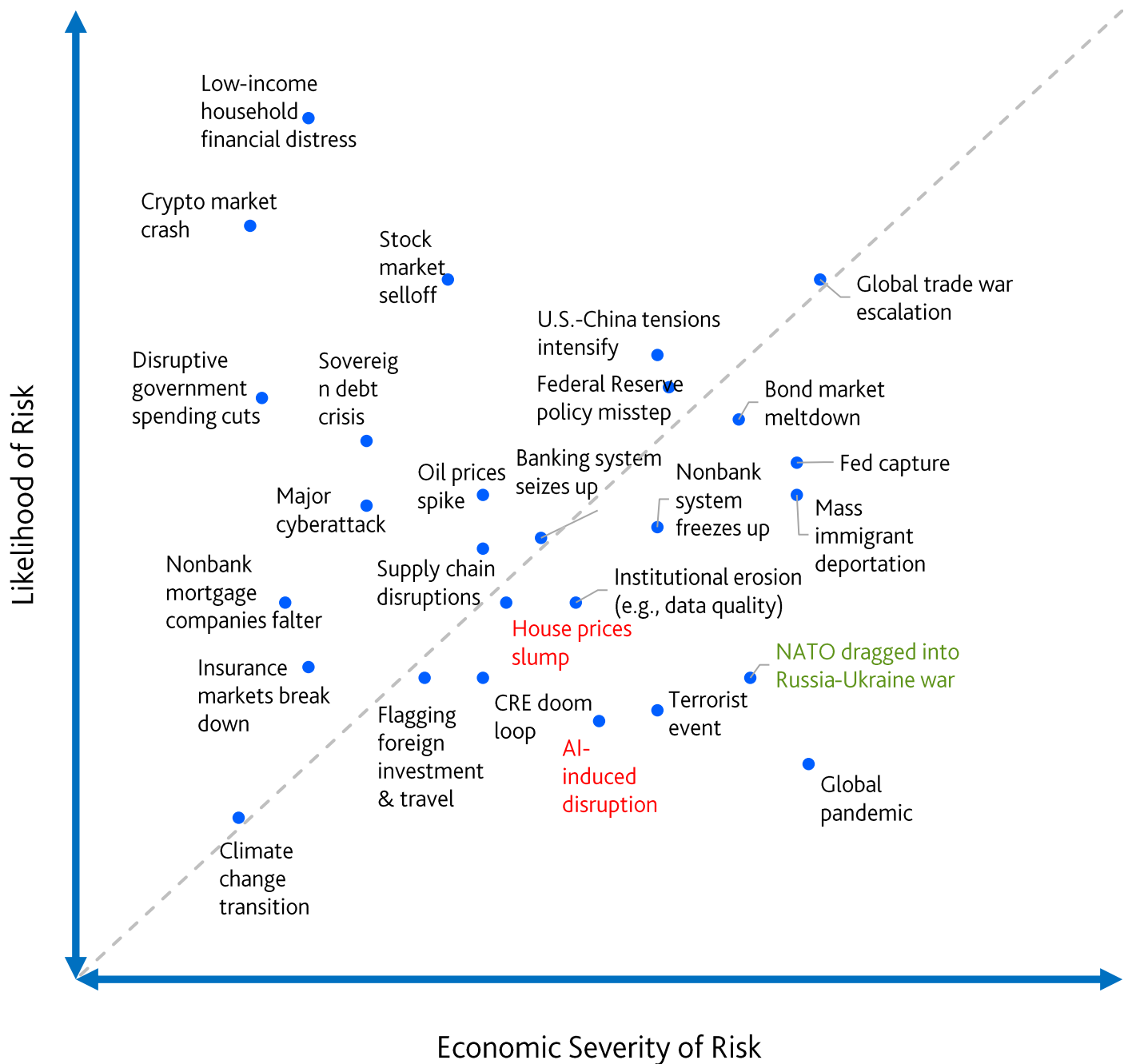
State Revenue Update

- Revenues in FY25 closed the year about 2.4% above target for all funds. Two large General Fund revenue sources, Personal and Corporate Income taxes, were responsible for most (about 90%) of the above target revenue, with both categories 5.1% above target.
- Per the below table, this revenue update represents relatively small changes to the prior January forecast, in the range of +1.4% to 2.0% of total revenue per year across all funds over the five-year horizon. Individual funds, however, will experience wider variation, generally ranging from minus 2.4% to plus 4.5% - with the exception of the Healthcare Fund in FY30, which will suffer from provisions in the recently enacted Reconciliation Bill, and face losses in the Hospital Provider Tax in FY30 that will cause it to exceed 10%.

July 2025 vs. January 2025						
	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Education Fund	\$0.1	-\$3.8	-\$4.6	-\$6.2	-\$7.5	-\$9.5
Transportation Fund	-\$7.4	-\$7.5	-\$7.8	-\$7.2	-\$6.3	-\$5.2
General Fund	\$88.1	\$77.2	\$85.5	\$83.5	\$76.2	\$68.4
(Healthcare Only)	\$5.5	\$9.3	\$13.4	\$1.7	-\$17.2	-\$39.1
(General Fund Ex HC)	\$82.6	\$67.9	\$72.2	\$81.7	\$93.4	\$107.5
Total All Funds	\$80.9	\$65.9	\$73.1	\$70.1	\$62.4	\$53.8
Variance Percent of Total	2.3%	1.9%	2.0%	1.9%	1.6%	1.4%

- Sustained job growth and inflated asset prices drove most of the strength in FY25 Personal Income Tax revenues, which finished FY25 \$66.5M above target. Although there will be mixed cross-currents in FY26 and FY27 as the economy slows, receipts are still likely to grow modestly. Asset appreciation

MOODY'S ANALYTICS MACRO-ECONOMIC RISK MATRIX JUNE 2025



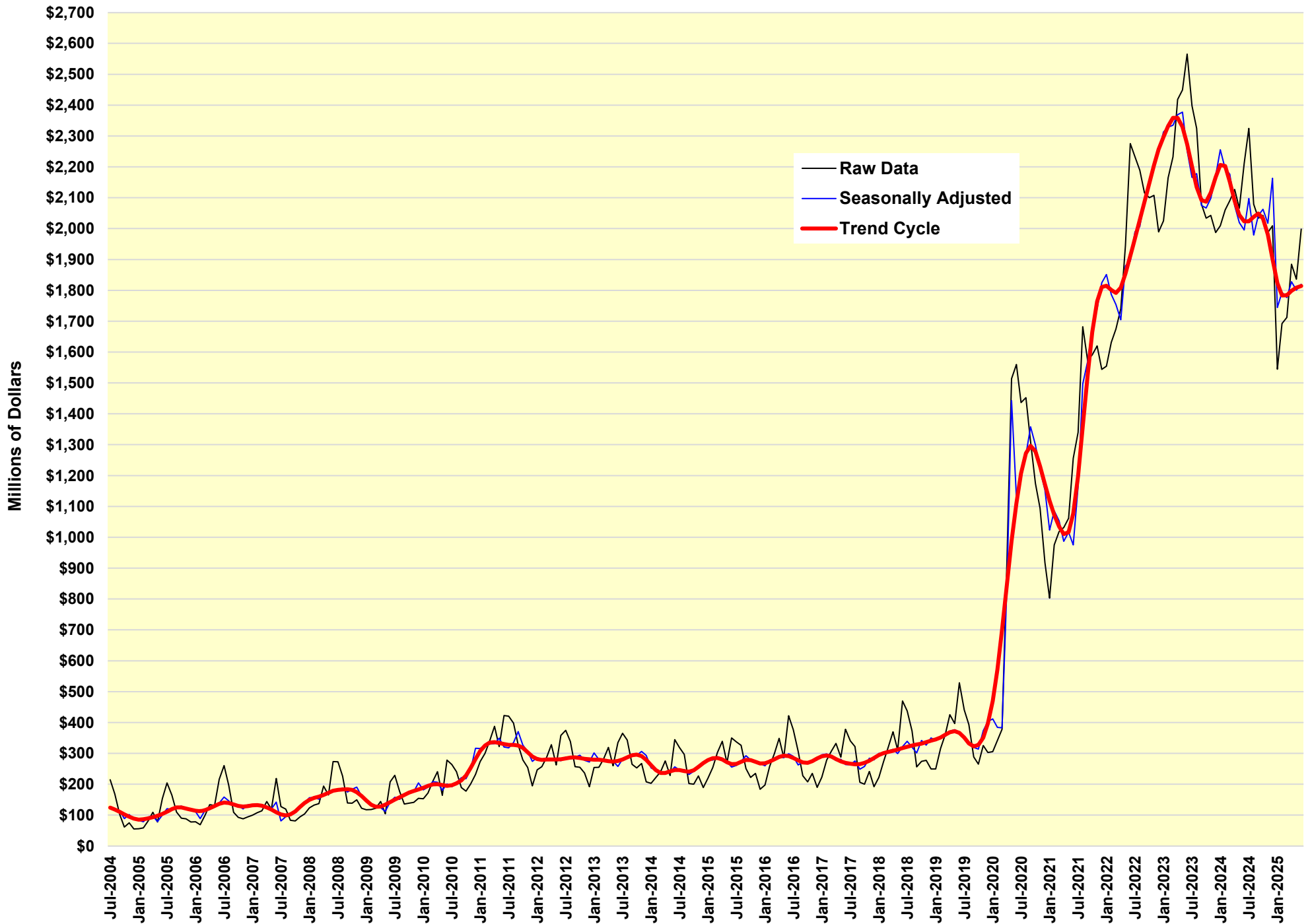
Note: Changes in **red** are either an increase in the odds or severity of a risk. Changes in **green** reflect a decline in the probability or severity of an event occurring. Changes in **blue** represent a new risk.

and related capital gains, along with corporate acquisition activity in calendar 2025 will also boost FY26 Personal Income liabilities and tax payments. Real estate prices in Vermont have continued to climb through early 2025 and show no signs of decline (yet) while equity markets have hit new record highs in recent weeks as investors are betting the negative tariff news will be less impactful than feared. Both of these asset classes, however, are arguably overvalued and could face corrections if stressed, creating volatility in PI tax receipts.

- The Childcare payroll tax yielded about \$12.4M less revenue in FY25 than expected, as compliance and actual tax base size were both lower than initially projected. While some of the compliance miss in FY25 will be collected in FY26, collections will still be about \$11M per year lower through 2030 than originally projected. This tax revenue derives from lagged Personal Income Withholding Tax revenues and is carried as a below the line item in General Fund Tables 1 and 1A.
- Corporate Income tax revenue benefitted from a few very large corporate transactions in FY25 and solid growth in profits, finishing the year \$13.3M above prior January projections. FY26 and FY27 will present a more challenging environment for profit growth, with a slowing economy and pressure to absorb tariff charges stressing profits, however, provisions in the Reconciliation Bill could more than offset these. Without some of the one-time events in FY25 reoccurring, FY26 will see Corporate Income receipts decline to more “normal” levels, before resuming solid growth in FY27 and beyond.
- Soaring asset prices led to the largest year ever in Estate tax revenues (\$55.2M) in FY25, however, only \$28.875 was sent to the Available General Fund, with the remainder allocated to the Higher Education Fund. Though notoriously volatile from year to year, continued high asset values will form the basis for significant future Estate Tax revenues in FY26 and beyond.
- Sales & Use Tax revenues in FY25 benefitted from a tax base extension that included prewritten software accessed remotely, growing 3.9% for the year. Though we cannot break out this component of the revenue, it appears it generated at least as much revenue as originally anticipated and led to a slight (1.3%) overperformance in the broader category. It will also provide a bit higher future growth than S&U would otherwise achieve, though weaker job growth and higher inflation from tariffs will limit near-term FY26 and FY27 revenue growth to between 2.0% to 2.5%.
- Melas and Rooms tax revenues in FY25 would probably have been about \$2 million to \$3 million higher except for a sharp drop in Canadian visitation beginning in February and affecting revenue collections in March and every month thereafter. Needless antagonism about making Canada a U.S. state and incivility towards the Canadian government and its people has created a loss of goodwill that has already had meaningful economic costs to Vermont and other border states. The hardline tariff policies proposed for Vermont’s

Average Monthly Vermont State Unrestricted Cash Balances

(Source: Office of the State Treasurer)

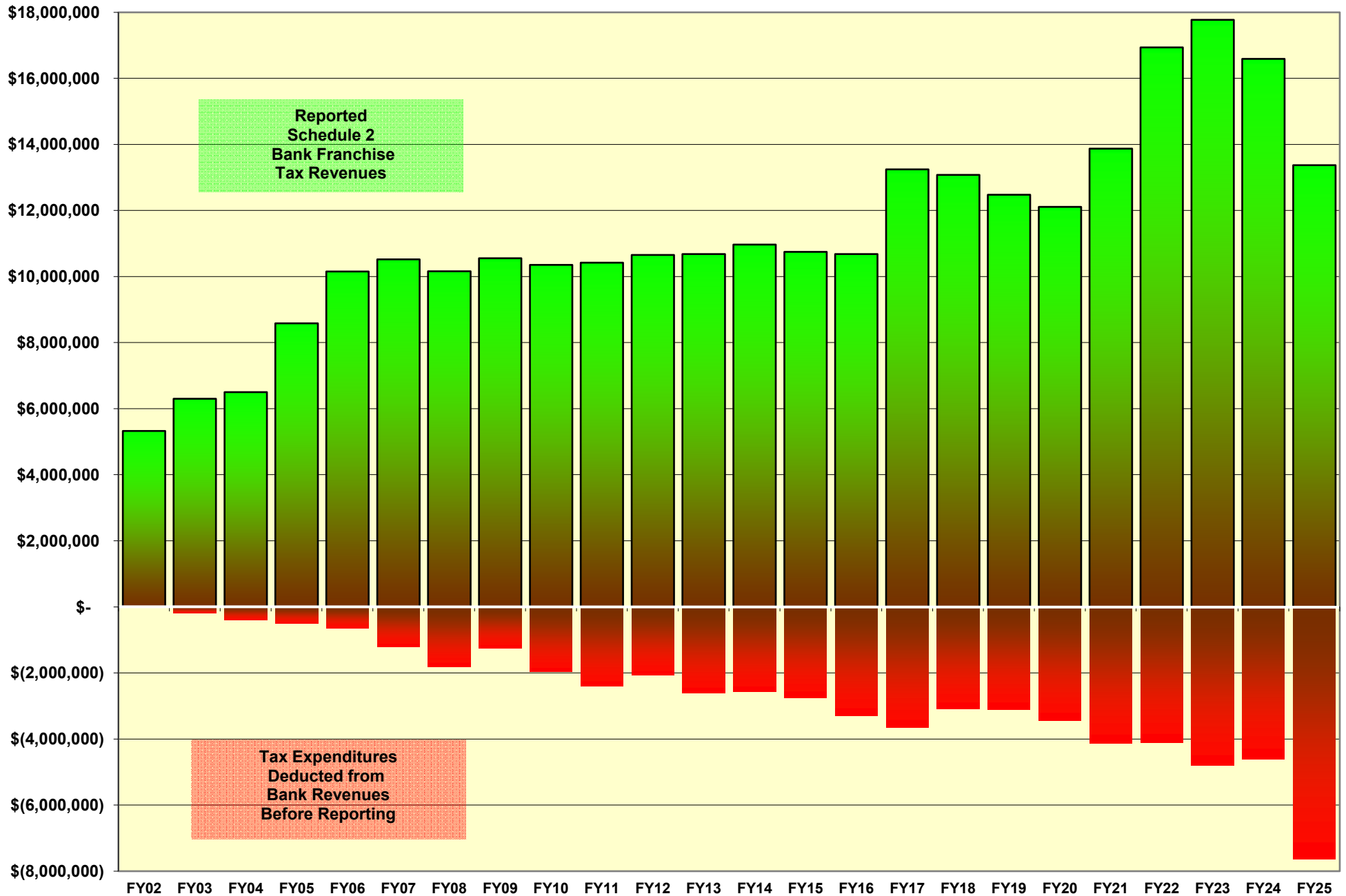


largest trading partner, if enacted, will not help us or them. We will be watching closely to see what the final resolution of both component tariff rate and the larger USMCA negotiations yield. In the meantime, we expect there will be continued near-term revenue losses in Canadian visitation and spending in Vermont. Aside from this, the new Short Term Rental tax boosted E-Fund M&R revenues by about \$8M in FY25 and will continue to support revenue growth in FY26 and beyond, despite the fact that this sector of the “rooms” market has slowed considerably from its early days.

- Bank Franchise Tax revenue finished FY25 nearly 15% below estimates due to large tax expenditures in the second half of the fiscal year. These tax expenditures totaled more than \$7.6M in FY25, up 65.8% from FY24 and reduced reported BFT revenues from \$21M to \$13.4M. BFT tax expenditures in FY25 represented a record 36.3% of BFT revenues before application of various tax credits. Even though the Bank Franchise Tax is reported as a revenue source, it is actually a net revenue and expenditure combination, with the expenditure portion unrelated to banking activity or external economic conditions. As such, future BFT revenue projections may be similarly erratic and unpredictable.
- Tariff chaos also affected FY25 Motor Vehicle Purchase & Use revenues as receipts were strong through February, with advance buying in front of the tariffs and then dropped steeply, closing the fiscal year \$7M (-4.6%) below target across both the E-Fund and T-Fund allocations. To date, automotive manufacturers have been absorbing most of the added tariff costs, but with the introduction of the 2026 model year vehicles, prices are expected to rise. The auto industry is likely to be one of the most heavily impacted sectors via both auto, steel and aluminum tariffs to date, which will ultimately result in price increases that will measurably reduce demand. Higher new car prices will also shift some demand to used cars, pushing up prices there as well. Although the higher prices will add to MVP&U revenues, lower demand will more than offset these gains, depressing FY26 and FY27 revenue growth, before returning to more “normal” growth in FY28 and beyond. No matter where the tariffs are initially absorbed, they will also affect overall ownership costs via insurance premiums and auto repair costs, further stunting demand.
- Interest Income came in very close to projections in FY25, accounting for a combined \$60.8M between the G-Fund (\$58.3M) and E-Fund (\$2.5M). Although declining with the required spend-out of substantial Federal funds over the next two years, along with declining interest rates, State cash reserves should still generate more than \$42M in FY26 Interest Income and about \$29M in FY27. Depending upon interest rates, cash balances and flows of revenues and expenditures after that, we expect between \$20M to \$30M per year in combined Interest Income after that.
- Lottery Revenue was disappointing in FY25, ending the year down almost 15%, and \$5M below target. A confluence of revenue-reducing factors affected the Lottery in FY25, including a paucity of billion-dollar jackpots in the national Draw Games (there was only one in FY25 vs. five in FY24), delays in the

Ever-Expanding Tax Expenditures Reduce General Fund Bank Revenues by More Than \$7.6M in FY25

Reported G-Fund Bank Revenues and Tax Credits Applied Against BFT Liabilities, Sources: Vermont Tax Department, JFO



installation of self-service vending machines costing about \$2M, and an accounting charge to zero-out a large longstanding deficit. Without these downdrafts, Lottery revenues should recover to at least \$33.8M (+10.4%) in FY26 and \$35.3M (+4.4%) in FY27, before growing at rates slightly above inflation in the out-years.

- Cigarette and tobacco taxes ended FY25 very close to expectations (+1.4% above target), as clarification regarding the taxation of nicotine pouches added some revenue and slightly cushioned the long-term decline in tobacco-related revenue sources. After a 6.5% drop in FY24 revenues, and despite being slightly above estimates in FY25, Cigarette and other tobacco taxes still closed the year 3.6% below FY24 levels. We expect rapid growth in nicotine pouch consumption, as billions of dollars are invested in ramping up manufacturing and marketing of the newest nicotine delivery product devised by the industry, but its revenue effects will be muted by both its cannibalization of other tobacco products, especially e-cigarettes, and the fact that per mg of nicotine delivered, it is not as aggressively taxed as cigarettes. Over the five-year forecast period, nicotine pouch revenues will continue to soften the long-term decline in overall in tobacco-related tax revenues, adding between \$1-\$3M per year in net tax revenues relative to prior projections.
- The U.S. and Vermont macroeconomic forecasts upon which the revenue forecasts in this update are based are summarized in Tables A and B on the following two pages, and represent a consensus JFO and Administration forecast developed using internal JFO and Administration State economic models with input from Moody's Analytics June 2025 projections and other major forecasting entities, including the Federal Reserve, EIA, CBO, IMF, The Conference Board and other private forecasting firms with whom we interact.

TABLE A
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
Real GDP Growth									
December 2023	2.5	-2.2	5.8	1.9	2.4	1.6	1.8	2.1	2.1
June 2024	2.5	-2.2	5.8	1.9	2.5	2.6	1.8	1.9	1.8
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
S&P 500 Growth (Annual Avg.)									
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
Employment Growth (Non-Ag)									
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
Unemployment Rate									
December 2022	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
West Texas Int. Crude Oil \$/Bbl									
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	77	69	68	67
June 2025	57	40	68	95	78	77	65	62	66
Prime Rate									
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	7.90	6.60	6.37
June 2025	5.29	3.54	3.25	4.85	8.2	8.31	7.59	6.77	6.36
Consumer Price Index Growth									
June 2023	1.8	1.3	4.7	8.0	4.3	3.1	2.6	2.5	2.5
December 2023	1.8	1.3	4.7	8.0	4.1	3.0	2.6	2.5	2.5
June 2024	1.8	1.3	4.7	8.0	4.1	3.3	2.6	2.5	2.4
December 2024	1.8	1.3	4.7	8.0	4.1	2.9	2.7	2.6	2.5
June 2025	1.8	1.2	4.7	8.0	4.0	3.0	2.9	3.4	2.4
Average Home Price Growth									
June 2023	4.6	5.2	13.7	17.0	4.9	-1.3	-2.1	0.4	2.2
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 B
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
Real GSP Growth									
December 2022	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
Population Growth									
December 2022	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
Employment Growth									
December 2022	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
Unemployment Rate									
December 2022	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
Personal Income Growth									
December 2022	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	4.2	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
Average Home Price Growth									
December 2022	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

Methodological Notes and Other Comments

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

**TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 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
REVENUE SOURCE														
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 ¹	\$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 ²	\$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 ⁷	\$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%
Total Tax Revenue	\$2068.5	13.1%	\$2468.2	19.3%	\$2536.1	2.7%	\$2560.1	0.9%	\$2805.3	9.6%	\$2818.5	0.5%	\$2898.2	2.8%
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 ³	\$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%
Total Other Revenue	\$84.1	-0.8%	\$83.9	-0.2%	\$143.1	70.5%	\$181.7	27.0%	\$153.3	-15.6%	\$137.2	-10.5%	\$126.5	-7.8%
Healthcare Revenue⁴	\$281.0	-1.3%	\$303.5	8.0%	\$319.3	5.2%	\$333.0	4.3%	\$357.1	7.2%	\$372.1	4.2%	\$387.4	4.1%
TOTAL GENERAL FUND	\$2433.6	10.7%	\$2855.6	17.3%	\$2998.5	5.0%	\$3074.8	2.5%	\$3315.7	7.8%	\$3327.8	0.4%	\$3412.1	2.5%
CHILDCARE TAX REVENUE⁸	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$80.4	NM	\$88.6	10.2%	\$92.2	4.1%

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

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

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

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

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

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

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

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

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

CURRENT LAW BASIS

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

	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%
	<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>
REVENUE SOURCE														
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 ¹	\$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 ⁶	\$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 ⁷	\$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 ³	\$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%
Total Tax Revenue	\$1438.1	10.4%	\$1777.4	23.6%	\$1805.1	1.6%	\$1803.0	-0.1%	\$1978.9	9.8%	\$2012.9	1.7%	\$2071.0	2.9%
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 ⁴	\$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%
Total Other Revenue	\$51.5	-9.9%	\$52.9	2.6%	\$105.2	99.1%	\$139.9	33.0%	\$120.2	-14.1%	\$101.9	-15.3%	\$90.0	-11.6%
Healthcare Revenue⁵	\$278.1	-1.0%	\$299.3	7.6%	\$314.3	5.0%	\$327.5	4.2%	\$351.3	7.3%	\$366.1	4.2%	\$381.0	4.1%
TOTAL GENERAL FUND	\$1767.7	7.8%	\$2129.5	20.5%	\$2224.6	4.5%	\$2270.5	2.1%	\$2450.5	7.9%	\$2480.9	1.2%	\$2542.1	2.5%
CHILDCARE TAX REVENUE⁸	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$80.4	NM	\$88.6	10.2%	\$92.2	4.1%

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

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

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

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

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

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

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

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

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

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

SOURCE HEALTHCARE¹

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

	FY2021 (Actual)	% Change	FY2022 (Actual)	% Change	FY2023 (Actual)	% Change	FY2024 (Actual)	% Change	FY2025 (Preliminary)	% Change	FY2026 (Forecast)	% Change	FY2027 (Forecast)	% Change
REVENUE SOURCE														
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%
TOTAL HEALTHCARE	\$281.0	-1.3%	\$303.5	8.0%	\$319.3	5.2%	\$333.0	4.3%	\$357.1	7.2%	\$372.1	4.2%	\$387.4	4.1%

**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 (Actual)	% Change	FY2022 (Actual)	% Change	FY2023 (Actual)	% Change	FY2024 (Actual)	% Change	FY2025 (Preliminary)	% Change	FY2026 (Forecast)	% Change	FY2027 (Forecast)	% Change
REVENUE SOURCE														
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%
TOTAL HEALTHCARE	\$278.1	-1.0%	\$299.3	7.6%	\$314.3	5.0%	\$327.5	4.2%	\$351.3	7.3%	\$366.1	4.2%	\$381.0	4.1%

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
REVENUE SOURCE														
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%
TOTAL TRANS. FUND	\$327.4	9.4%	\$333.5	1.9%	\$342.5	2.7%	\$351.3	2.6%	\$361.9	3.0%	\$368.1	1.7%	\$372.3	1.1%

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
REVENUE SOURCE														
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 ¹	\$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 ²	\$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%
TOTAL TRANS. FUND	\$282.7	7.0%	\$287.8	1.8%	\$295.1	2.5%	\$303.0	2.7%	\$313.6	3.5%	\$318.5	1.6%	\$321.1	0.8%

OTHER (TIB³)

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 ⁴	\$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%
TOTAL OTHER (TIB)	\$12.1	-17.5%	\$17.1	40.8%	\$22.3	30.4%	\$19.8	-11.2%	\$18.3	-7.7%	\$16.6	-9.3%	\$16.6	0.2%

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

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

3) Transportation Infrastructure Bond revenues

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

**TABLE 3 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE EDUCATION FUND¹ REVENUE FORECAST UPDATE
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - July 2025**

CURRENT LAW BASIS

Source General and Transportation

Fund taxes allocated to or associated

with the Education Fund only

	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%
	<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>
GENERAL FUND														
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 ²	\$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%
TRANSPORTATION FUND														
Purchase and Use ³	\$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%
TOTAL EDUCATION FUND	\$620.9	15.8%	\$676.2	8.9%	\$728.77	7.8%	\$746.8	2.5%	\$762.7	2.1%	\$782.2	2.6%	\$803.0	2.7%

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

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

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

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

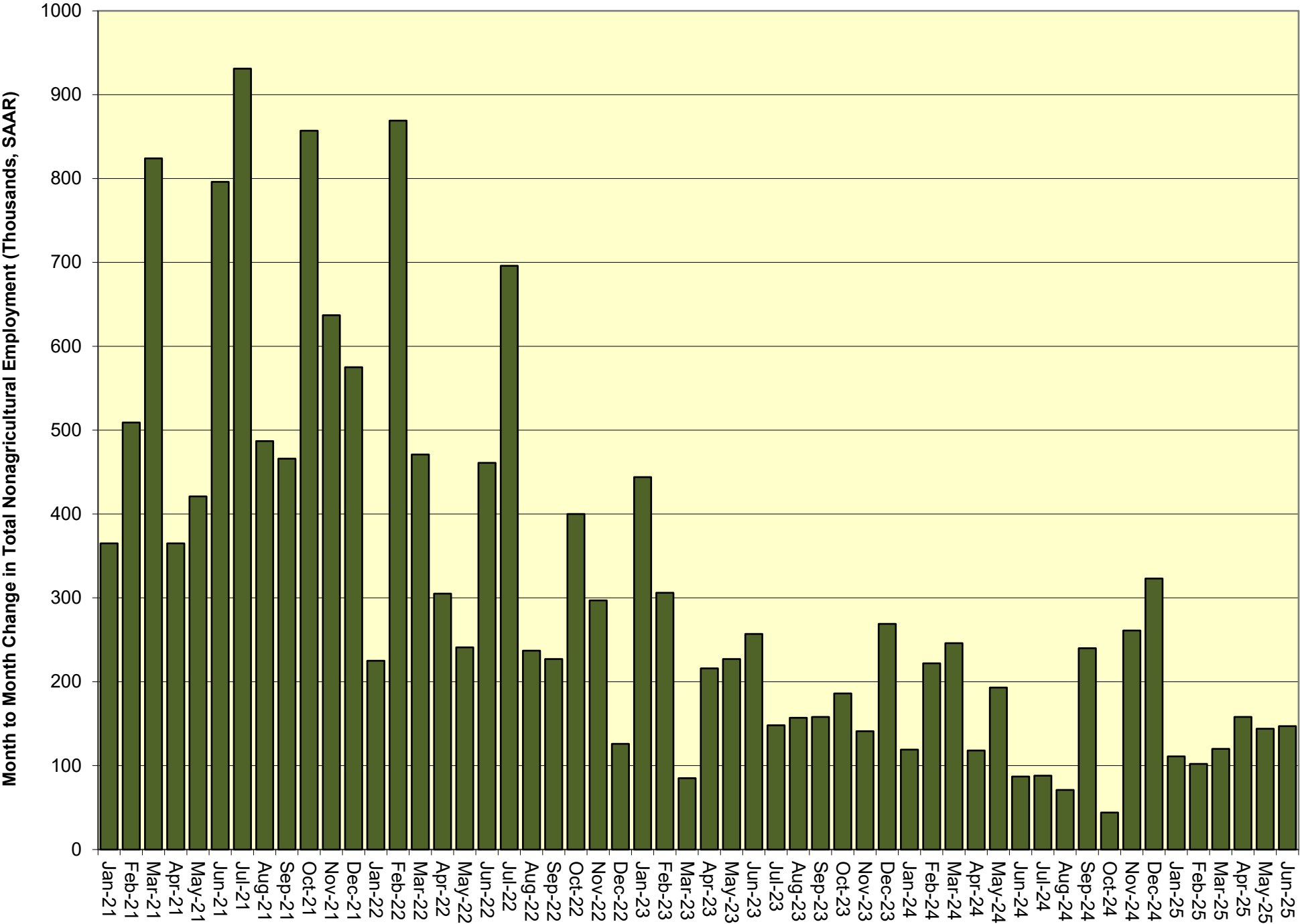
Includes Cannabis Sales tax revenues beginning in FY23 and the first 8-1/2 months of FY24, but then excludes them in FY25 and beyond

3) Includes Motor Vehicle Rental revenues, restated

Charts for Virtual Presentation and Discussion

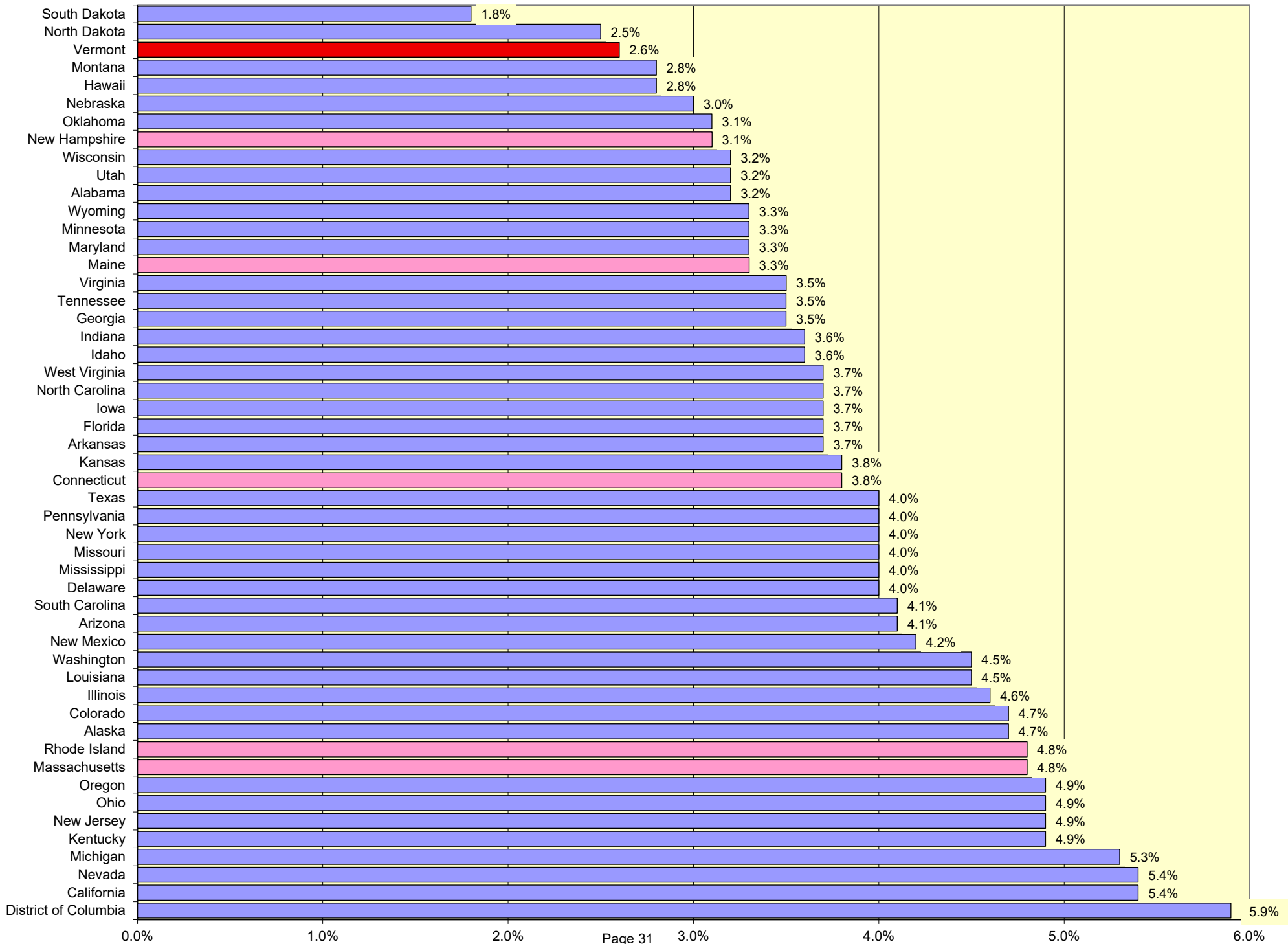
July 2025

U.S. Employment Remains Resilient, With 54 Consecutive Months of Growth
(Monthly Change in Total U.S. Nonfarm Payroll Employment, Seasonally-Adjusted
Source: U.S. Bureau of Labor Statistics)



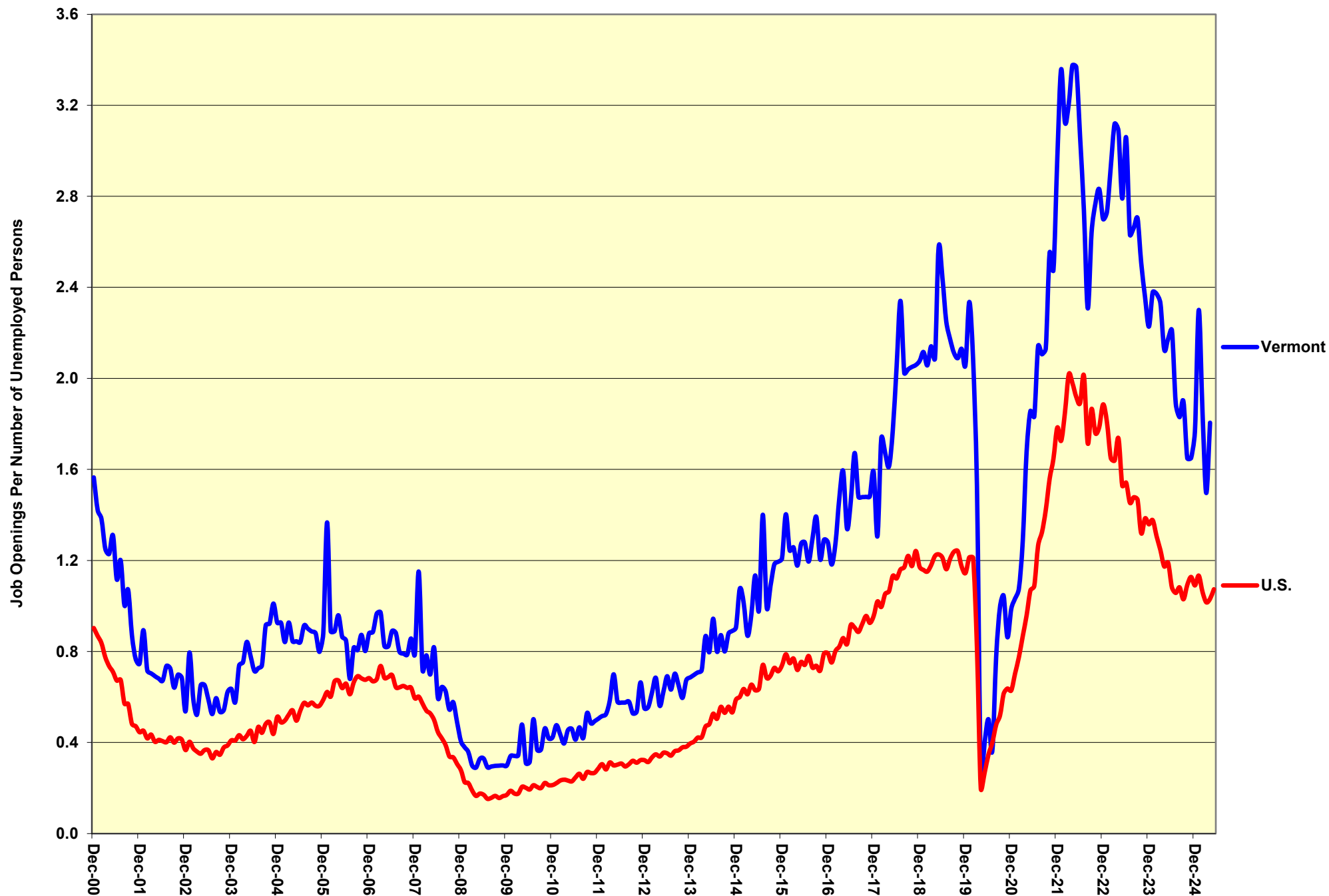
Unemployment Rate by State - June 2025

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



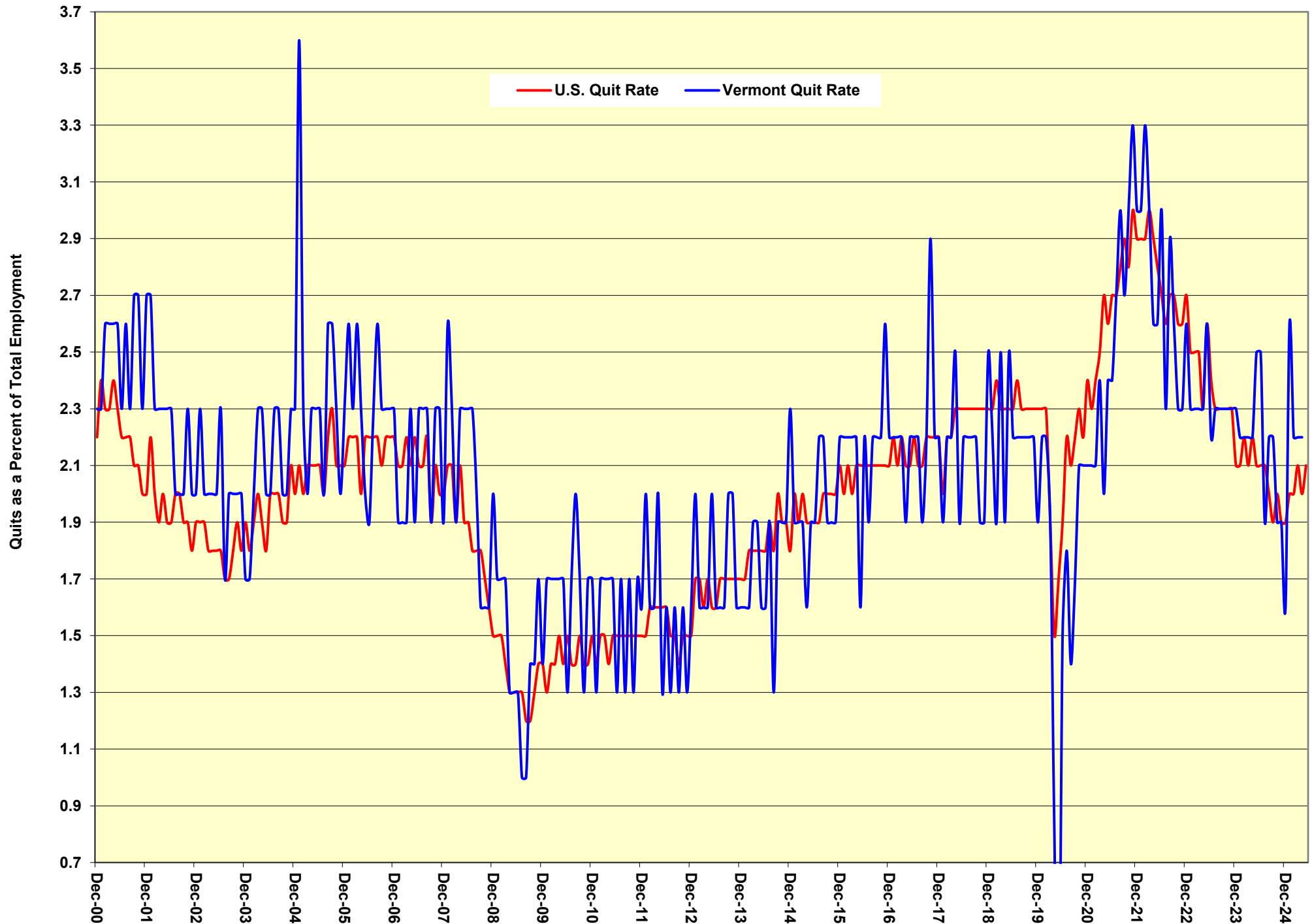
With Almost Two Job Openings for Every Unemployed Worker, Vermont Still Far Exceeds the U.S. Ratio

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



U.S. and VT Quit Rates Decline to More "Normal" Historical Levels as Labor Markets Soften

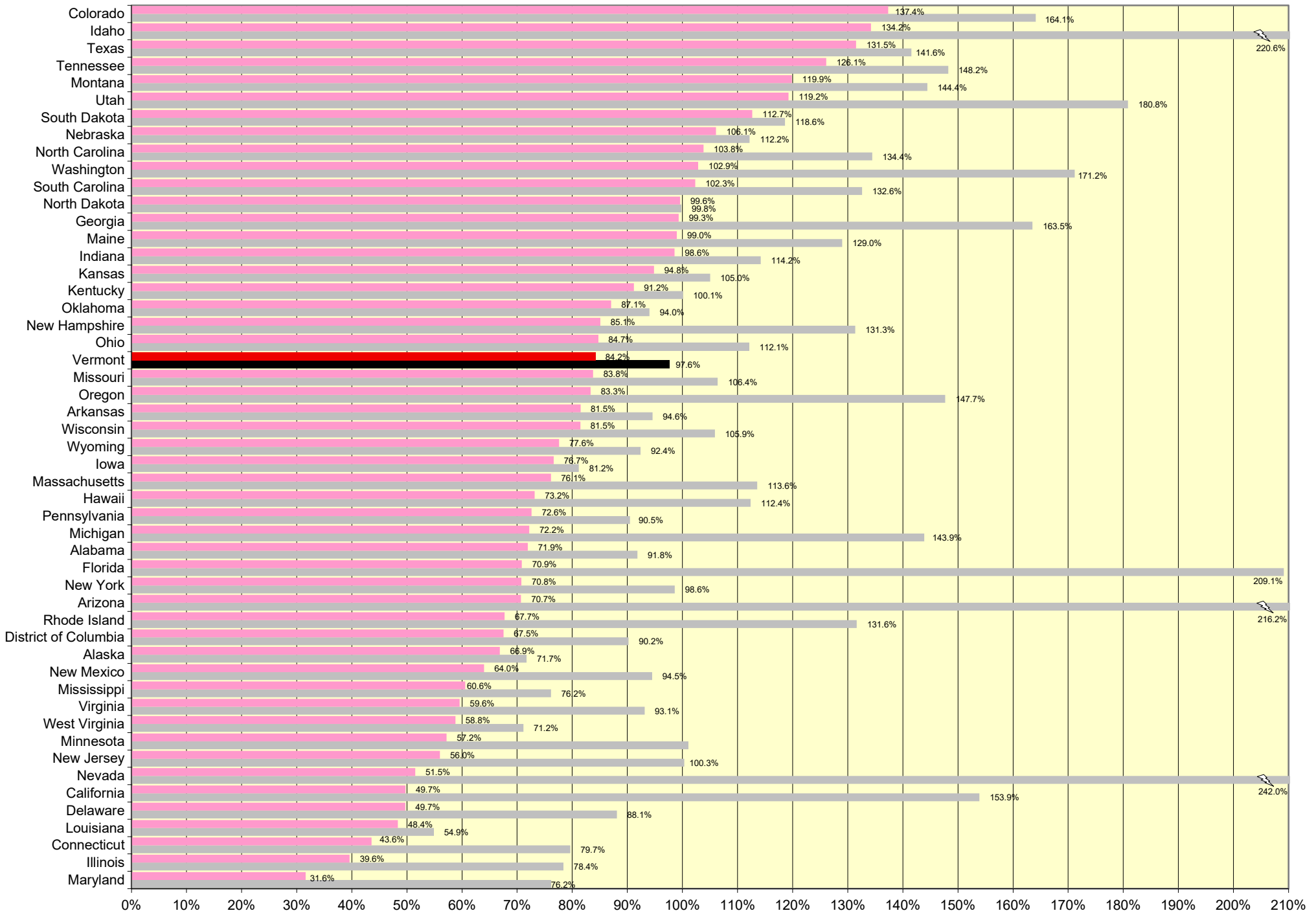
(Seasonally adjusted data, Source: Bureau of Labor Statistics, U.S. Department of Labor)

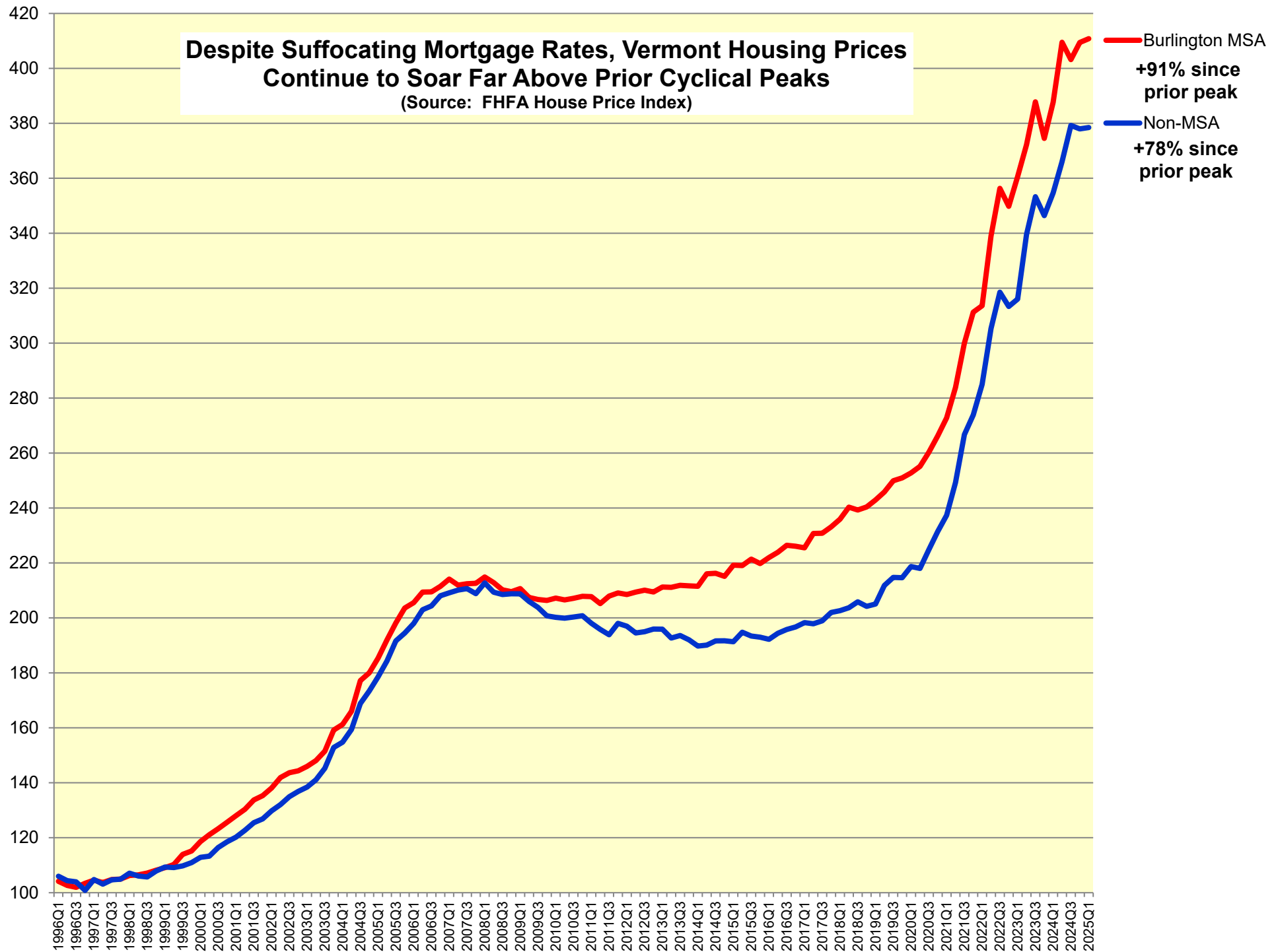


Real Estate Update: Housing Values Relative to Last Peak (pink) and Trough (grey)

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

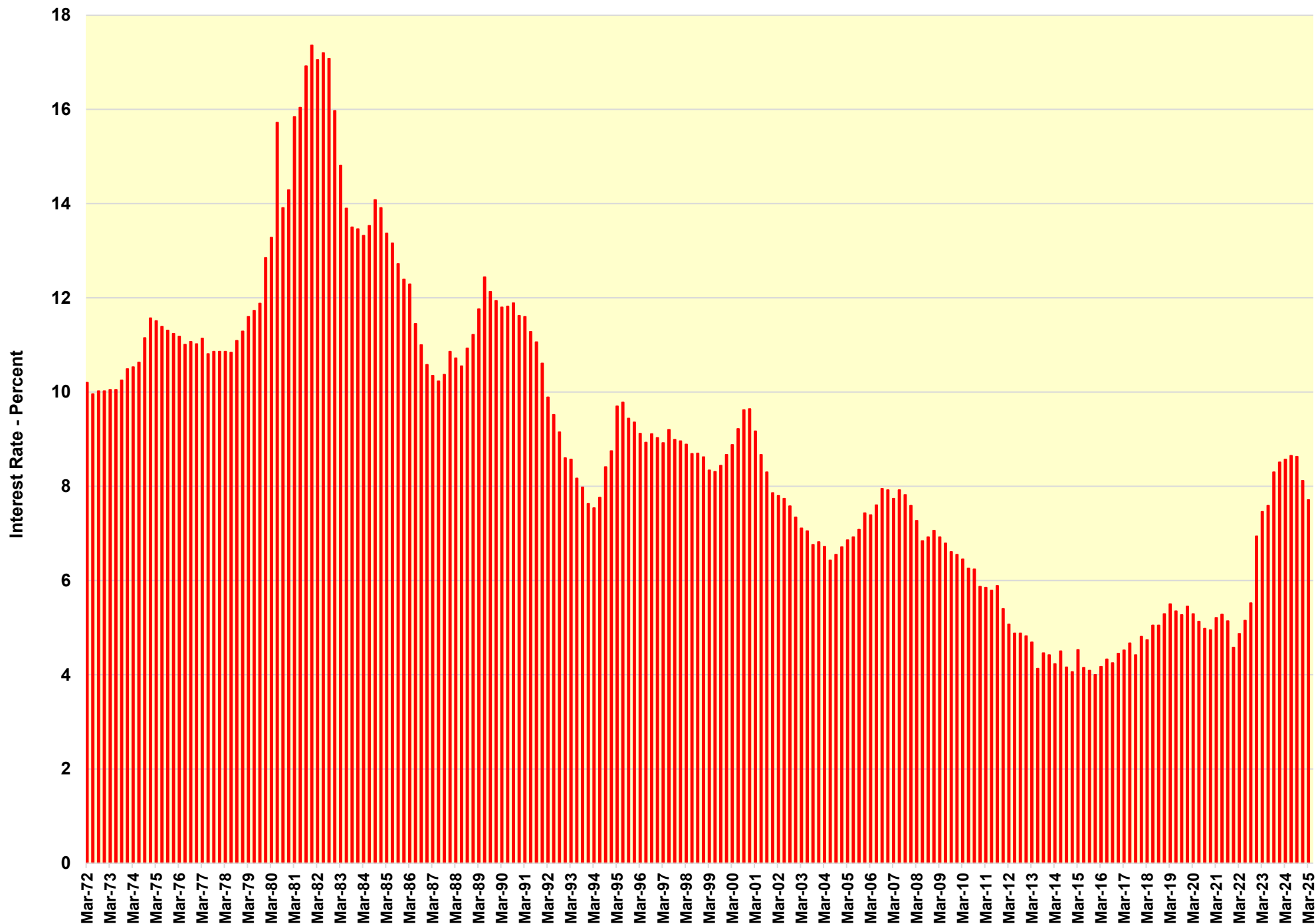
Source: FHFA House Price Index





Finance Rate on New Auto Consumer Installment Loans at Commercial Banks

(48 Month Loan, Percent, Not Seasonally Adjusted, Source: Board of Governors of the Federal Reserve System)



Appendix A

Five Year Revenue Forecast Tables

July 2025

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

	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%	FY2030	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																		
Personal Income	\$1267.8	18.5%	\$1210.0	-4.6%	\$1243.1	2.7%	\$1362.9	9.6%	\$1403.1	2.9%	\$1442.3	2.8%	\$1488.6	3.2%	\$1538.8	3.4%	\$1597.6	3.8%
Sales and Use ¹	\$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 ²	\$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 ³	\$2.5	10.9%	\$2.4	-5.7%	\$2.6	9.4%	\$3.3	26.3%	\$3.2	-2.4%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
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%
Total Tax Revenue	\$2468.2	19.3%	\$2536.1	2.7%	\$2560.1	0.9%	\$2805.3	9.6%	\$2818.5	0.5%	\$2898.2	2.8%	\$2993.6	3.3%	\$3100.2	3.6%	\$3221.0	3.9%
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 ⁴	\$1.0	96.4%	\$1.5	58.7%	\$0.6	-60.1%	\$2.9	371.5%	\$1.2	-58.3%	\$1.3	8.3%	\$1.4	7.7%	\$1.5	7.1%	\$1.6	6.7%
Total Other Revenue	\$83.9	-0.2%	\$143.1	70.5%	\$181.7	27.0%	\$153.3	-15.6%	\$137.2	-10.5%	\$126.5	-7.8%	\$128.6	1.6%	\$132.2	2.8%	\$134.2	1.5%
Healthcare Revenue⁵	\$303.5	8.0%	\$319.3	5.2%	\$333.0	4.3%	\$357.1	7.2%	\$372.1	4.2%	\$387.4	4.1%	\$387.9	0.1%	\$382.3	-1.5%	\$375.2	-1.9%
TOTAL GENERAL FUND	\$2855.6	17.3%	\$2998.5	5.0%	\$3074.8	2.5%	\$3315.7	7.8%	\$3327.8	0.4%	\$3412.1	2.5%	\$3510.1	2.9%	\$3614.7	3.0%	\$3730.4	3.2%
CHILDCARE TAX REVENUE⁶	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$80.4	NM	\$88.6	10.2%	\$92.2	4.1%	\$95.8	3.9%	\$99.4	3.8%	\$103.1	3.7%

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

	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%	FY2030	%
	<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>
REVENUE SOURCE																		
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 ¹	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
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 ²	\$5.0	5.0%	\$5.1	2.1%	\$5.0	-1.8%	\$5.0	-1.7%	\$5.0	1.0%	\$5.1	2.0%	\$5.2	2.0%	\$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 ³	\$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 ³	\$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%
Total Tax Revenue	\$1777.4	23.6%	\$1805.1	1.6%	\$1803.0	-0.1%	\$1978.9	9.8%	\$2012.9	1.7%	\$2071.0	2.9%	\$2142.4	3.4%	\$2222.4	3.7%	\$2313.9	4.1%
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 ⁴	\$1.0	96.4%	\$1.5	58.7%	\$0.6	-60.1%	\$2.9	371.5%	\$1.2	-58.3%	\$1.3	8.3%	\$1.4	7.7%	\$1.5	7.1%	\$1.6	6.7%
Total Other Revenue	\$52.9	2.6%	\$105.2	99.1%	\$139.9	33.0%	\$120.2	-14.1%	\$101.9	-15.3%	\$90.0	-11.6%	\$90.8	0.8%	\$93.0	2.5%	\$93.9	1.0%
Healthcare Revenue⁵	\$299.3	7.6%	\$314.3	5.0%	\$327.5	4.2%	\$351.3	7.3%	\$366.1	4.2%	\$381.0	4.1%	\$381.2	0.1%	\$375.3	-1.6%	\$367.8	-2.0%
TOTAL GENERAL FUND	\$2129.5	20.5%	\$2224.6	4.5%	\$2270.5	2.1%	\$2450.5	7.9%	\$2480.9	1.2%	\$2542.1	2.5%	\$2614.4	2.8%	\$2690.7	2.9%	\$2775.7	3.2%
CHILDCARE TAX REVENUE⁶	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$80.4	NM	\$88.6	10.2%	\$92.2	4.1%	\$95.8	3.9%	\$99.4	3.8%	\$103.1	3.7%

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 HEALTHCARE¹

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

	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%	FY2030	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																		
Cigarette, Tobacco, E-Cig	\$76.0	-1.9%	\$74.8	-1.5%	\$70.0	-6.5%	\$67.4	-3.6%	\$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%
TOTAL HEALTHCARE	\$303.5	8.0%	\$319.3	5.2%	\$333.0	4.3%	\$357.1	7.2%	\$372.1	4.2%	\$387.4	4.1%	\$387.9	0.1%	\$382.3	-1.5%	\$375.2	-1.9%

**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

	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%	FY2030	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																		
Cigarette, Tobacco, E-Cig	\$76.0	-1.9%	\$74.8	-1.6%	\$70.0	-6.4%	\$67.4	-3.6%	\$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%
TOTAL HEALTHCARE	\$299.3	7.6%	\$314.3	5.0%	\$327.5	4.2%	\$351.3	7.3%	\$366.1	4.2%	\$381.0	4.1%	\$381.2	0.1%	\$375.3	-1.6%	\$367.8	-2.0%

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

	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%	FY2030	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																		
Gasoline	\$71.9	6.9%	\$73.8	2.7%	\$71.5	-3.2%	\$71.5	0.0%	\$71.3	-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%
TOTAL TRANS. FUND	\$333.5	1.9%	\$342.5	2.7%	\$351.3	2.6%	\$361.9	3.0%	\$368.1	1.7%	\$372.3	1.1%	\$378.8	1.7%	\$386.1	1.9%	\$393.4	1.9%

**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

	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%	FY2030	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																		
Gasoline	\$71.9	6.9%	\$73.8	2.7%	\$71.5	-3.2%	\$71.5	0.0%	\$71.3	-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 ¹	\$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 ²	\$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%
TOTAL TRANS. FUND	\$287.8	1.8%	\$295.1	2.5%	\$303.0	2.7%	\$313.6	3.5%	\$318.5	1.6%	\$321.1	0.8%	\$325.7	1.4%	\$330.8	1.6%	\$335.8	1.5%

OTHER (TIB³)

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 ⁴	\$1.9	1.7%	\$2.2	13.6%	\$2.2	0.8%	\$2.2	-1.6%	\$2.1	-3.2%	\$2.0	-4.2%	\$2.0	-3.0%	\$1.9	-1.5%	\$1.9	-1.5%
TOTAL OTHER (TIB)	\$17.1	40.8%	\$22.3	30.4%	\$19.8	-11.2%	\$18.3	-7.7%	\$16.6	-9.3%	\$16.6	0.2%	\$16.2	-2.6%	\$16.1	-0.4%	\$16.0	-0.6%

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

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

3) Transportation Infrastructure Bond revenues

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

**TABLE 3 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE EDUCATION FUND¹ REVENUE FORECAST UPDATE
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - July 2025**

CURRENT LAW BASIS

Source General and Transportation

<i>Fund taxes allocated to or associated with the Education Fund only</i>	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%	FY2030	%
	<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>
GENERAL FUND																		
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 ²	\$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%
TRANSPORTATION FUND																		
Purchase and Use ³	\$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%
TOTAL EDUCATION FUND	\$676.2	8.9%	\$728.77	7.8%	\$746.8	2.5%	\$762.7	2.1%	\$782.2	2.6%	\$803.0	2.7%	\$826.7	3.0%	\$852.9	3.2%	\$881.3	3.3%

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