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# July 2017 Economic Review and Revenue Forecast Update

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Prepared for the  
State of Vermont  
Emergency Board and  
Legislative Joint Fiscal Office

July 21, 2017

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# Economic Review and Revenue Forecast Update

## July 2017

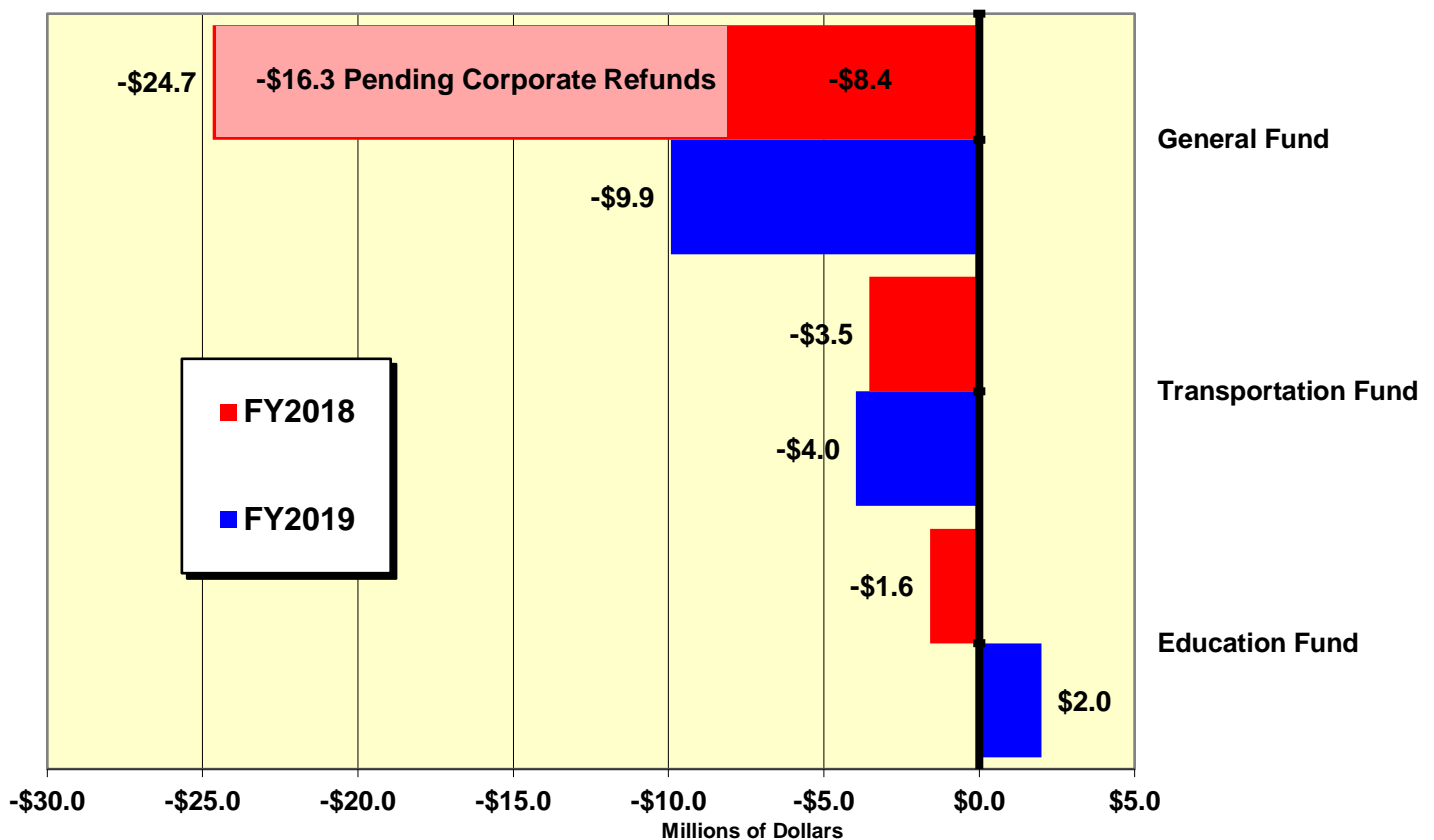
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### Overview

*State revenues across all three major funds reviewed herein closed FY17 within 0.16% of prior January forecasts, the lowest margin of error in the last 20 years. The General Fund closed the year a mere 0.07% above targets, with the T-Fund falling about 1% below estimates due primarily to shortfalls in new Motor Vehicle Fees implemented in FY17. The Education Fund was about 0.5% below prior projections, caused by soft Sales & Use tax receipts.*

*FY18 revenues are expected to be slightly below prior January projections, as macroeconomic assumptions have been downgraded and several large “one-time” corporate refunds are in the pipeline. Most other changes to the revenue and economic forecast are technical adjustments based on recent revenue experience and tax law changes. For example, almost half of the FY19 G-Fund reduction and all of the E-Fund increase in the same year are due to a change in the share of the Sales & Use tax allocated to the E-Fund. Joint Fiscal Office budgetary perspectives associated with these revenue changes are outlined on the next page.*

### Recommended Net Revenue Changes from January 2017 Forecast

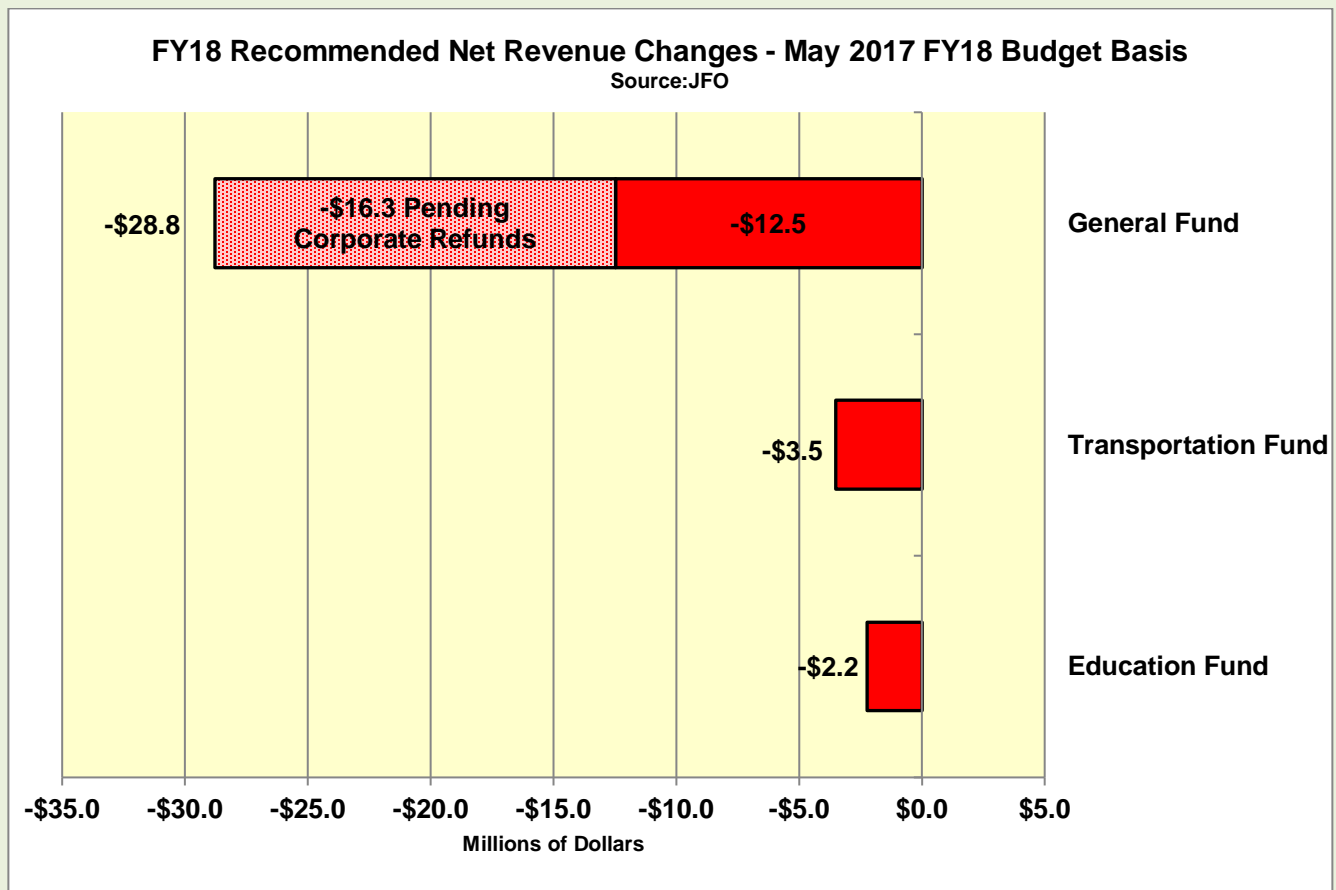


**Note from the Joint Fiscal Office: Revenue Changes Relative to May 2017 Assumptions  
During the Legislative Session and Related Budget Implications**

The Fiscal Year 2018 Budget as passed and enacted in Act 85 of 2017 was based upon the January adopted official forecast and revenue adjustments estimated by JFO that were enacted during the legislative session. These adjustments had been estimated to total \$4.1 million for the General Fund and \$0.6 million for the Education Fund. For the purpose of identifying the FY18 budget impact and subsequent rescission impact of the current forecast update, the July 2017 recommended revenue forecast is compared in the below chart to the budget position when enacted in May of 2017.

Sec. D.105 of Act 85 required State economists to identify the portion of the General Fund forecast that is due to higher than normal corporate tax refunds, estimated to be \$16.3 million, and authorized specified fund transfers to address this portion of any revenue downgrade. The remaining portion of any downgrade is to be addressed by the existing rescission statute in 32 V.S.A. § 704.

The result of the new revenue forecast is a General Fund budget position below the budgeted level by about \$28.8 million of which \$16.3 million is due to pending corporate tax refunds and \$12.5 million is a base revenue reduction.

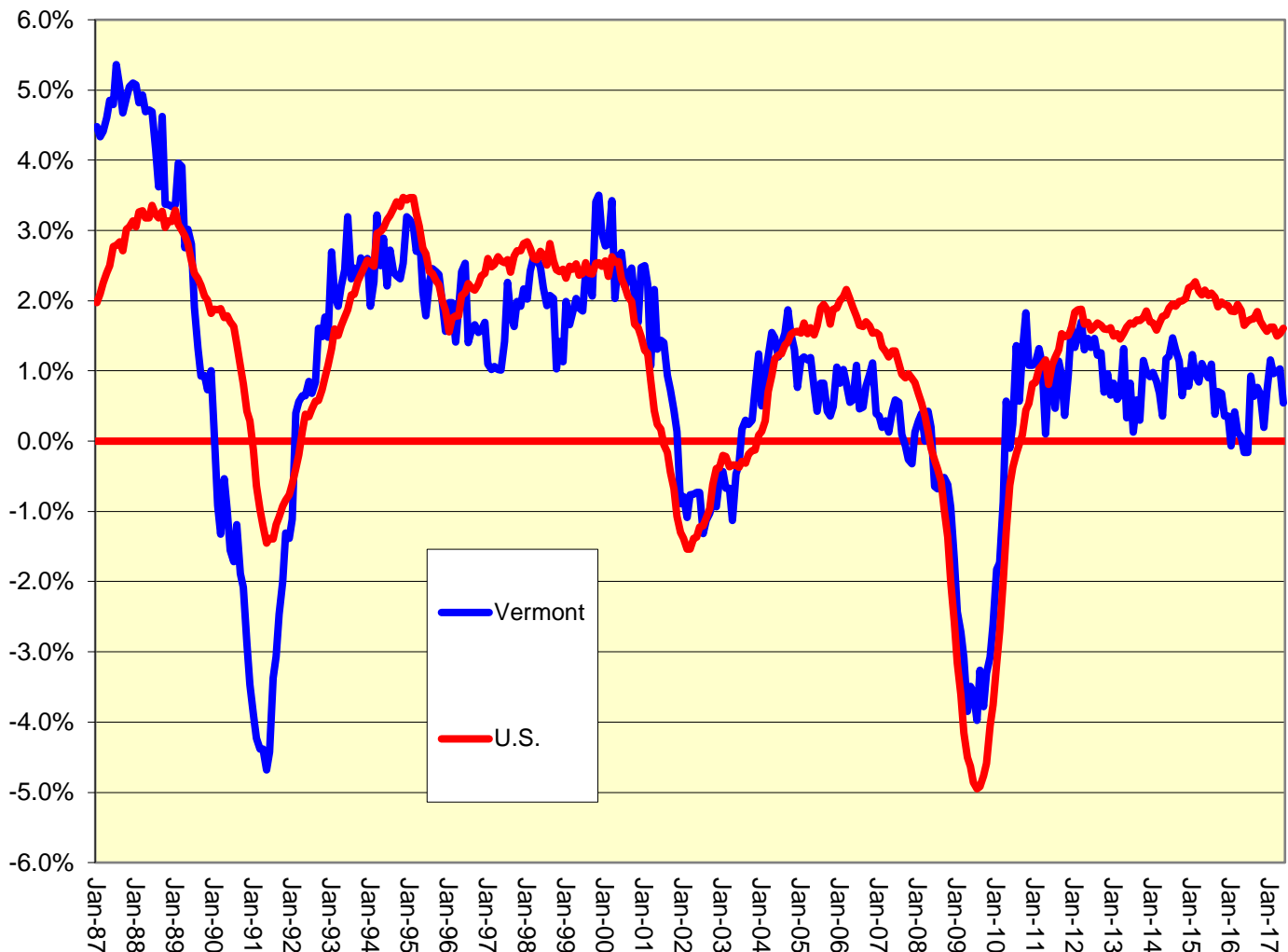


## July 2017 Economic and Revenue Forecast Commentary

- The post-election “Trump bump,” which raised expectations of stronger near-term economic growth via lower taxes, increased infrastructure spending and reduced regulations, has fizzled amidst the dysfunction of an often chaotic federal administration in its first 6 months. To date, there is still little clarity on health care reform, tax policy, international trade, foreign affairs, and infrastructure investment. The clarity on immigration has led to negative economic effects, which will intensify as qualified students, workers and entrepreneurs increasingly avoid or are denied U.S. residency – limiting one of the most significant historical engines of U.S. economic growth. Although regulatory changes will aid some sectors and tax cuts are likely, most macroeconomic forecasts (including Moody’s, upon which these revenues estimates are based) have adjusted near-term economic growth back to pre-election levels and are focused now on the durability of the slow, steady expansion that is currently the third longest in U.S. history.

### Vermont Employment Growth Lags U.S. as Population Growth Stalls

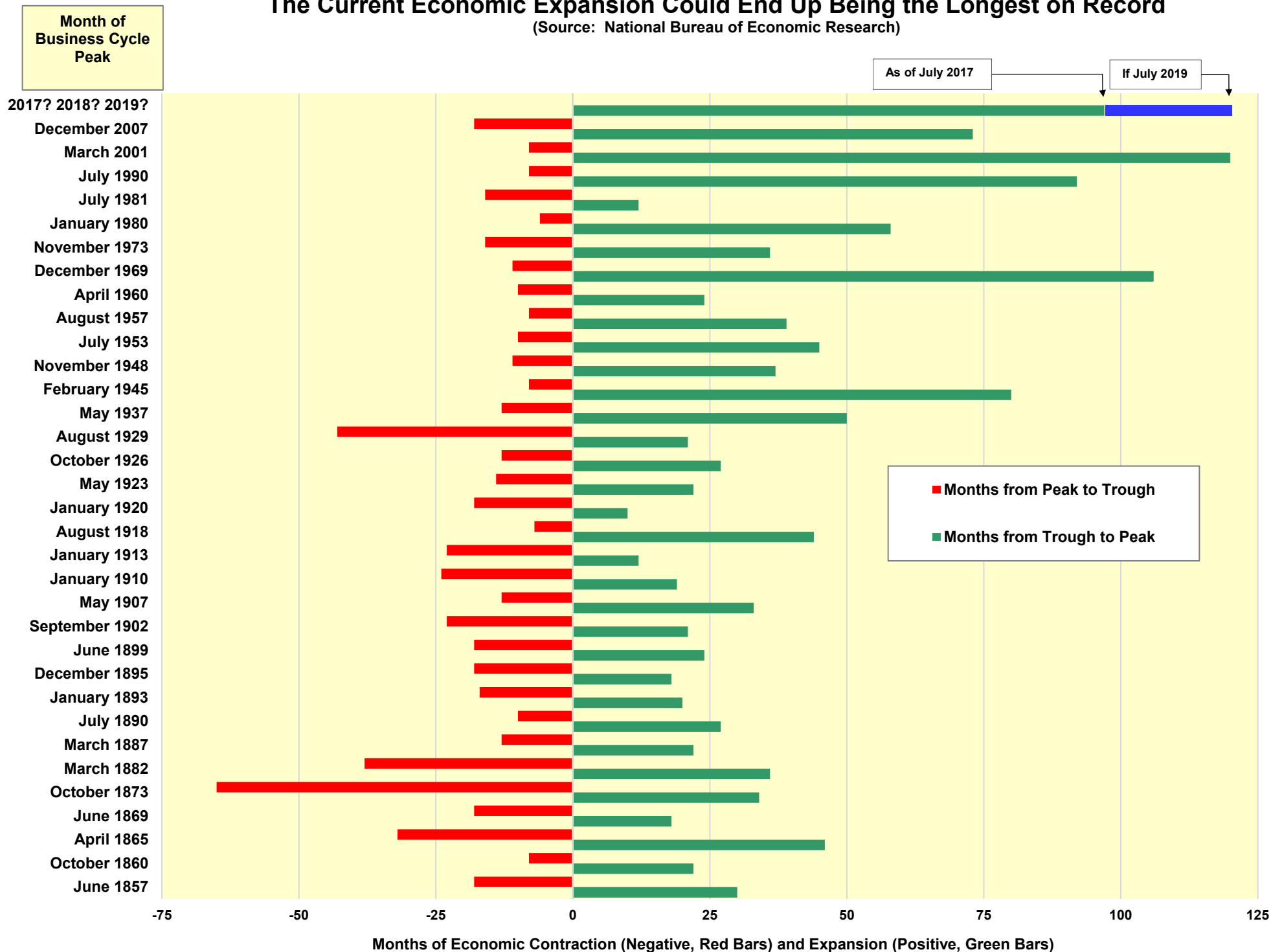
(Total Nonagricultural Employment, Percent Change vs. Year Ago, Seasonally Adjusted Data)



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

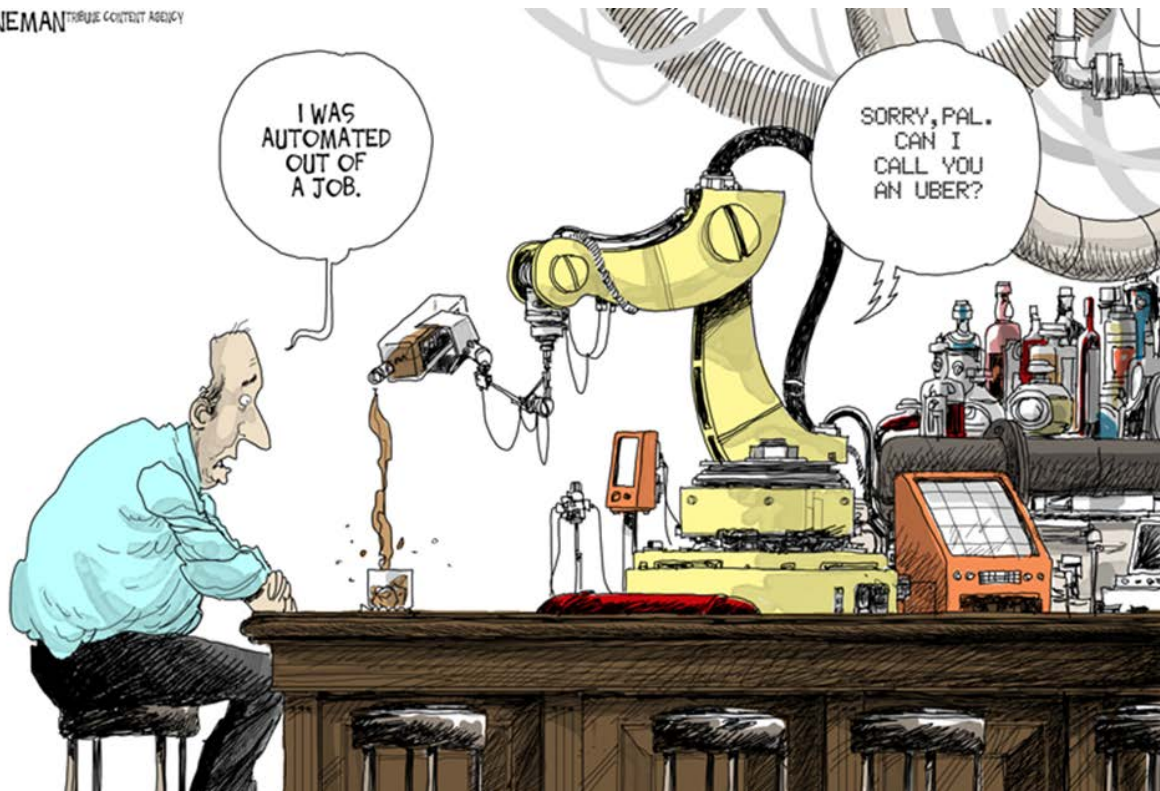
# The Current Economic Expansion Could End Up Being the Longest on Record

(Source: National Bureau of Economic Research)



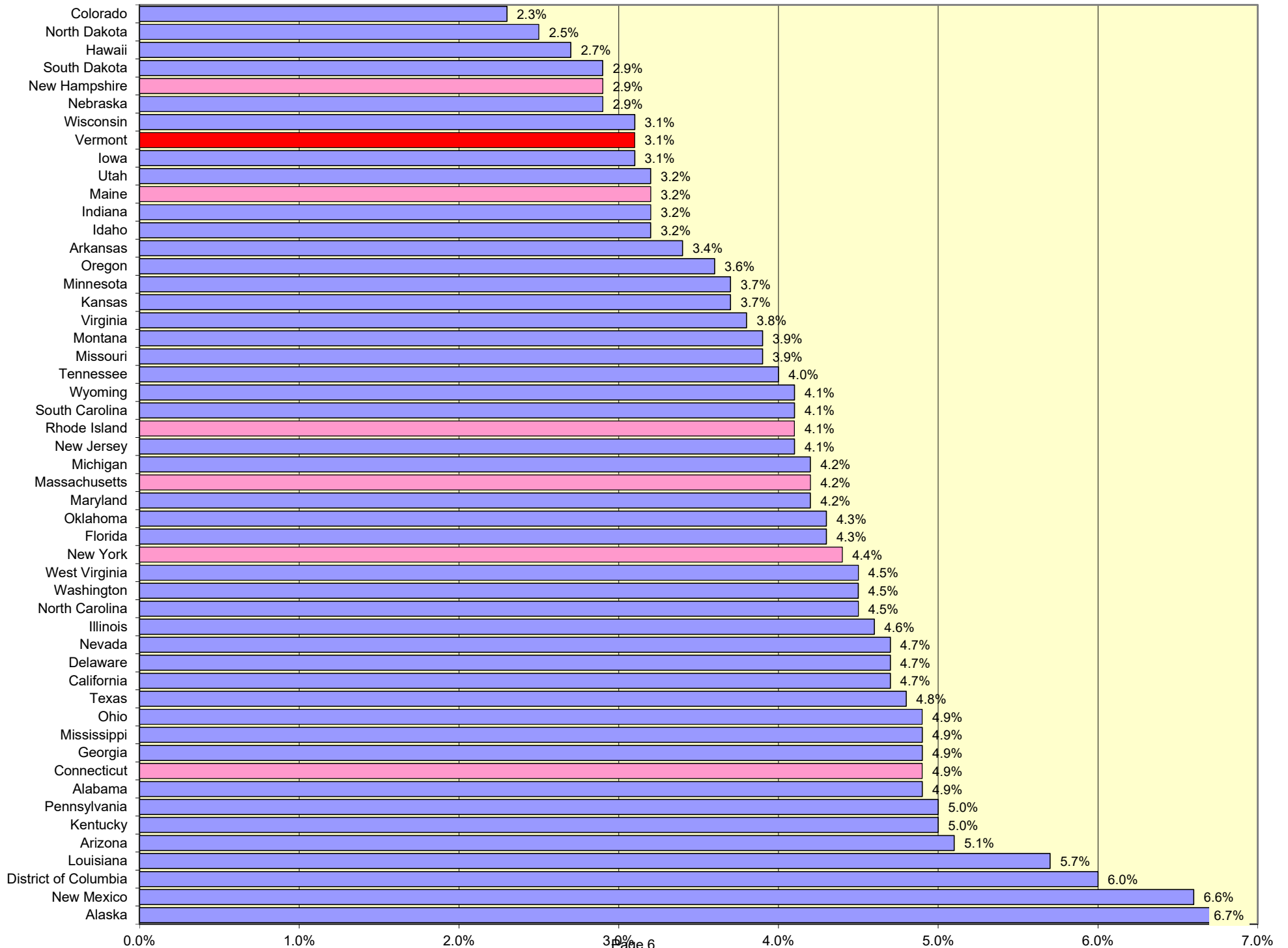
- If the current expansion persists another two years, as currently forecast, it will be longest sustained period of economic growth on record (see chart on preceding page). Part of its legacy, however, will be the very low rates of growth experienced: about 2.1% per year real U.S. GDP growth and average employment growth of about 1.6% - vs rates of about 3.6% and 2.2%, respectively, during the longest prior (and current duration record) period from March of 1991 to March of 2001.
- As any economic expansion ages, however, the risks of a downturn become heightened. Although there do not appear to be imbalances in the economy now that would precipitate a near term economic decline (within the 2 year statutory forecast horizon), the consensus macroeconomic forecast that forms the basis of the longer term (non-statutory) revenue forecasts detailed in Appendix A, now calls for a slowing of growth, though not a recession, in 2020 and 2021, with most revenue impacts concentrated in FY21.
- Labor markets continue to tighten, with U.S. and Vermont unemployment rates continuing to drop. The New England unemployment rate, however, has risen slightly since the start of the year, increasing from 3.6% in January to 4.1% in May. This is entirely the result of increases in Connecticut, which went from 4.4% to 4.9% during the same period, and Massachusetts, which went from 3.2% to 4.2%, after briefly registering a (statistically questionable) rate below that of Vermont at the end of 2016. The chart on the following page illustrates state unemployment rate rankings, and the maps on subsequent pages show all U.S. counties and New England town unemployment rates for the most recent 12 month period.

SHENEMAN THORPE CONTENT AGENCY



# Unemployment Rate by State - May 2017

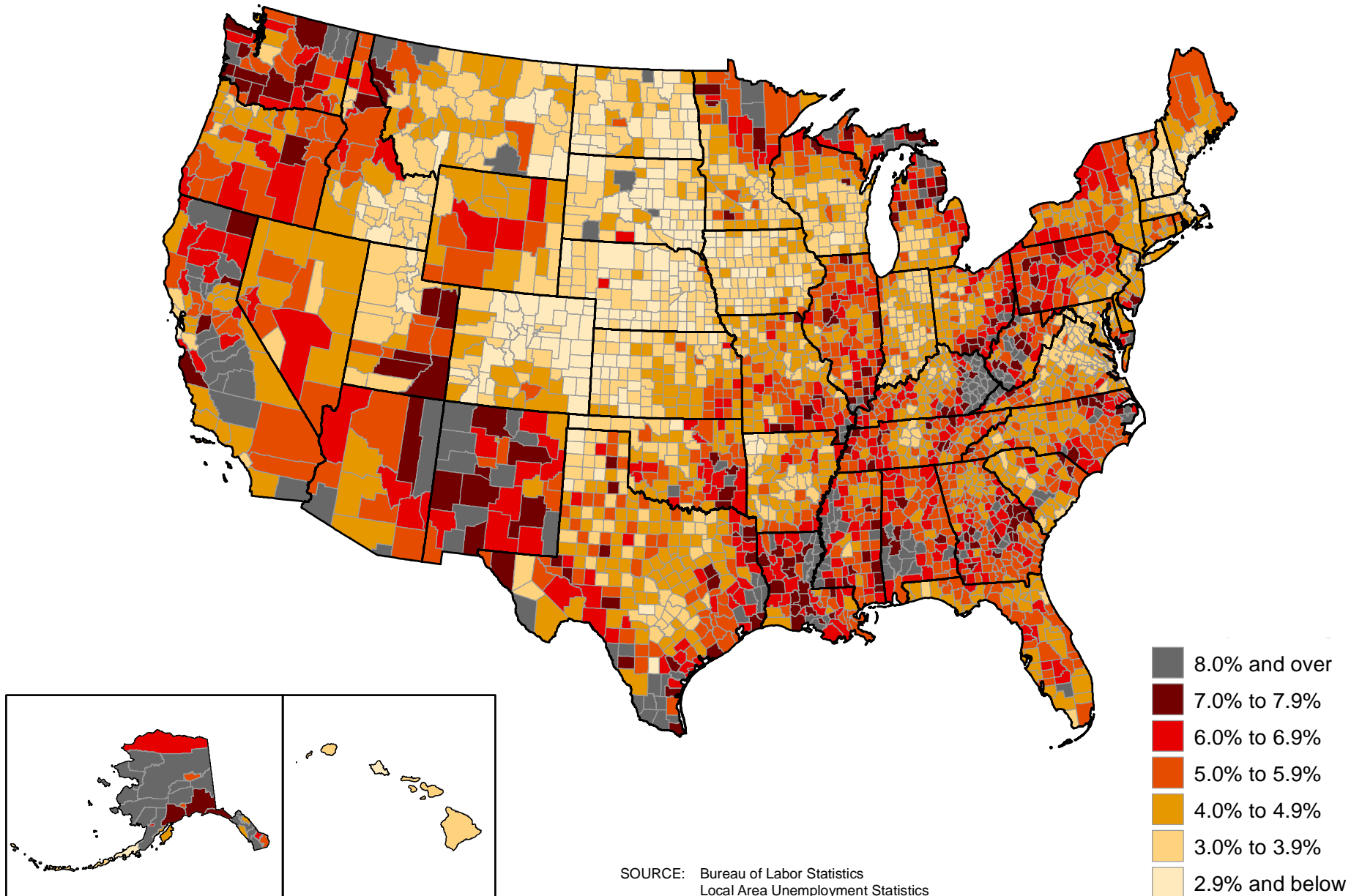
Seasonally Adjusted Data, Source: U.S. Bureau of Labor Statistics





# Unemployment rates by county, June 2016 - May 2017 averages

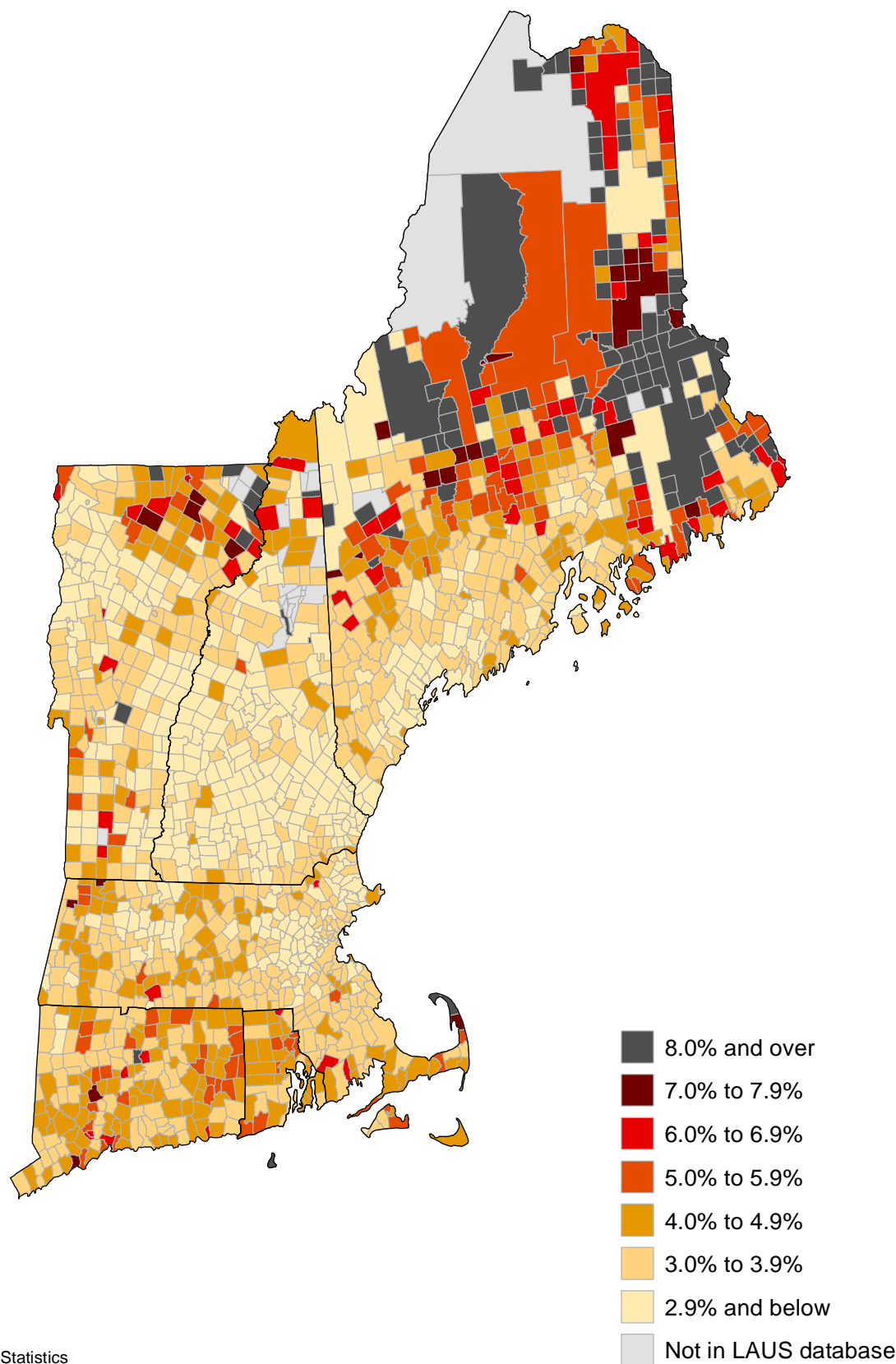
(U.S. rate = 4.7 percent)





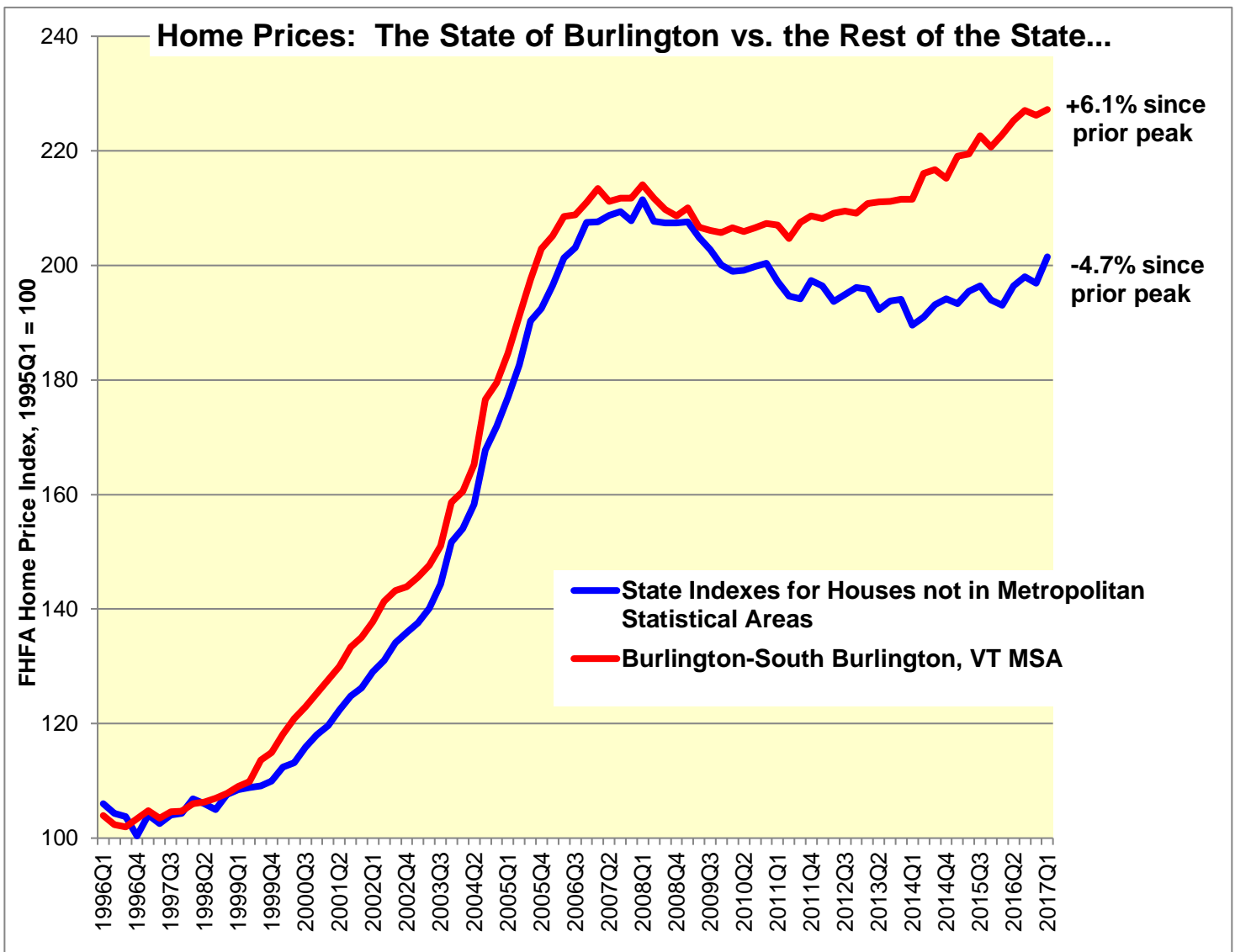
# Unemployment rates in New England by Minor Civil Division, June 2016 – May 2017 averages

(U.S. rate = 4.7 percent)



SOURCE: Bureau of Labor Statistics  
Local Area Unemployment Statistics

- Vermont is currently tied with Wisconsin and Iowa for the 7<sup>th</sup> lowest unemployment rate in the nation, at a seasonally adjusted monthly rate of 3.1% in May, the latest period for which data are available. In New England, Vermont has the second lowest rate, after New Hampshire, which has posted a rate between 2.7% and 2.9% in each of the last 18 months.
- After nine long years, in the first quarter of 2017, Vermont housing prices finally exceeded their prior cyclical peak levels reached in the first quarter of 2008 – the longest cyclical real estate market downturn on record. Per the chart on the next page, Vermont now joins 30 other states that have reached this milestone, including Massachusetts, which is the only other New England state with this distinction.

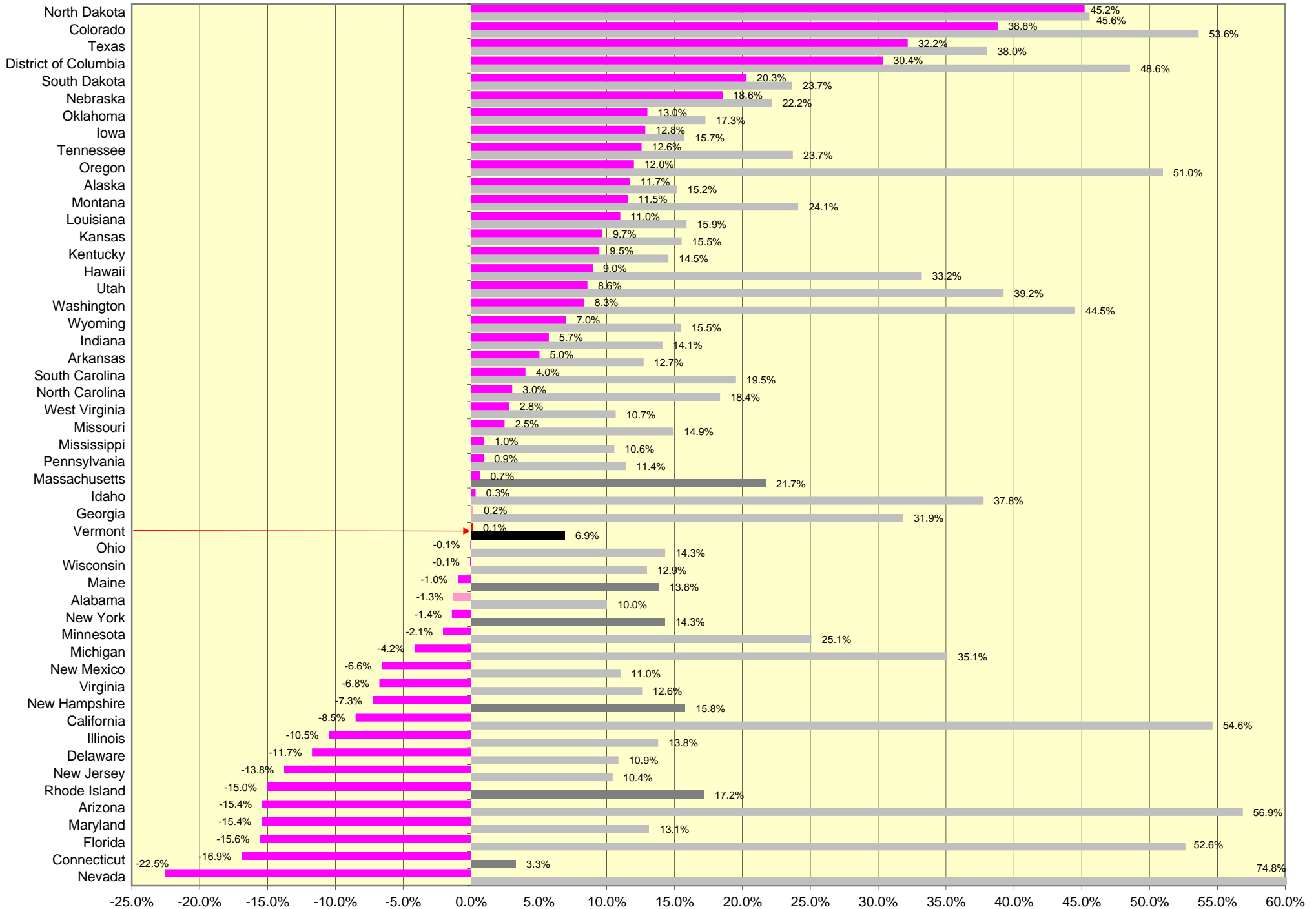


- Larger urban areas throughout the U.S. have experienced the fastest home price appreciation, and Vermont is no exception to this. As shown in the above chart, home prices in the Burlington MSA are up 6.1% from their prior peak levels, while prices in the rest of the state are still down 4.7% through 2017Q1.

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

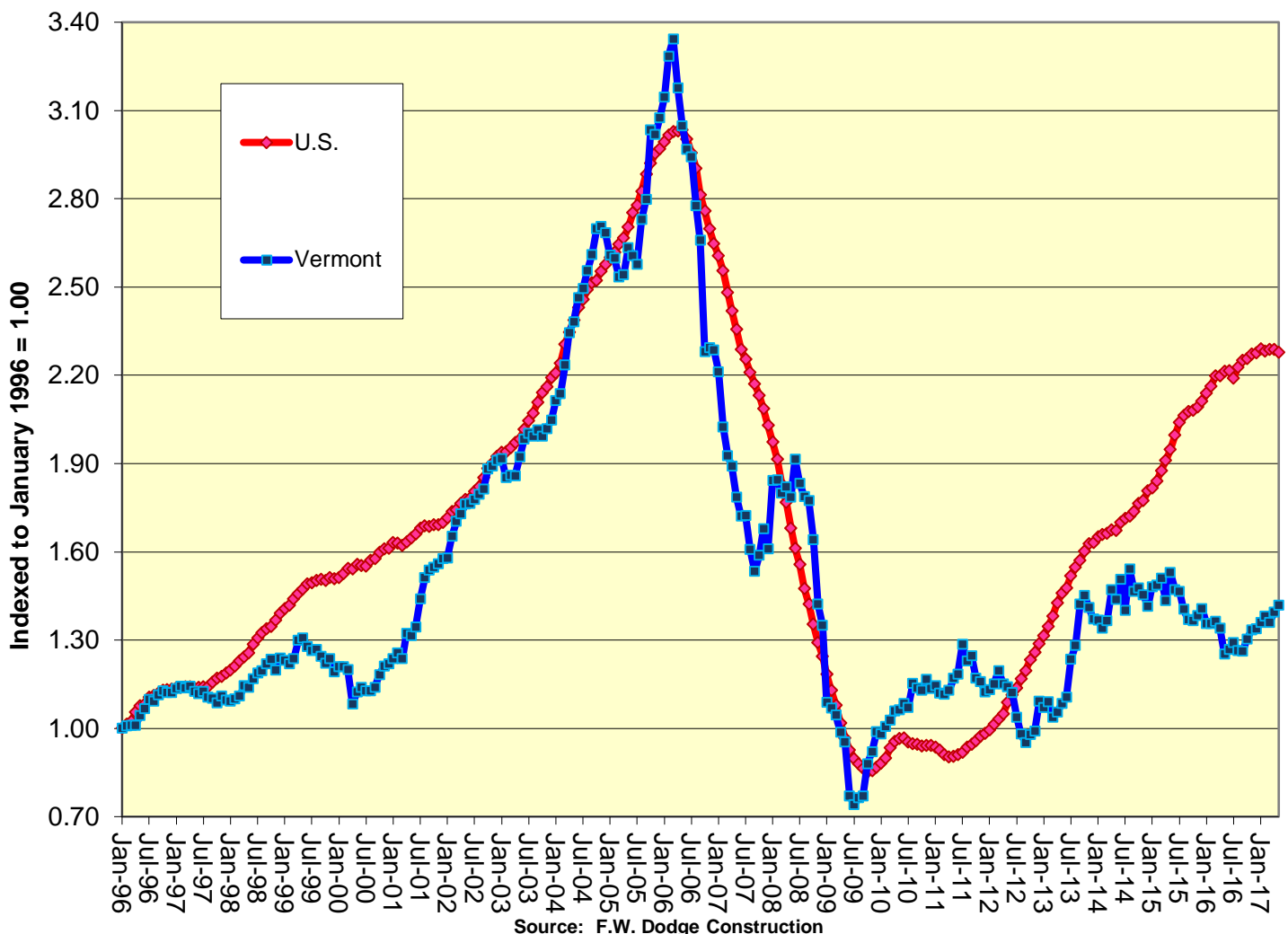
Percent Change, 2017Q1 vs. Peak Price by State Reached Between 2005Q3 and 2009Q2 - Pink and 2017Q1 vs. Trough Price Reached Between 2009Q3 and 2017Q1 - Grey

Source: FHFA Home Price Index



- Home prices in Vermont will have to rise much more before acting as a meaningful stimulus to new residential construction activity. Residential building starts in the 12 month period ending in May of 2017 totaled about \$296 million, up 13% from May of 2016, but less than half the \$697 million peak level reached in the 12 month period ending in March of 2006. Nonresidential construction in the most recent 12 month period totaled \$336 million, down 7% from year ago levels. On the strength of an \$80 million wind farm project started in Searsburg and Readsboro last Fall, nonbuilding construction totaled \$441 million in the 12 month period ending in May of this year - and pushed total Vermont construction starts in the last 12 months over the \$1 billion mark.

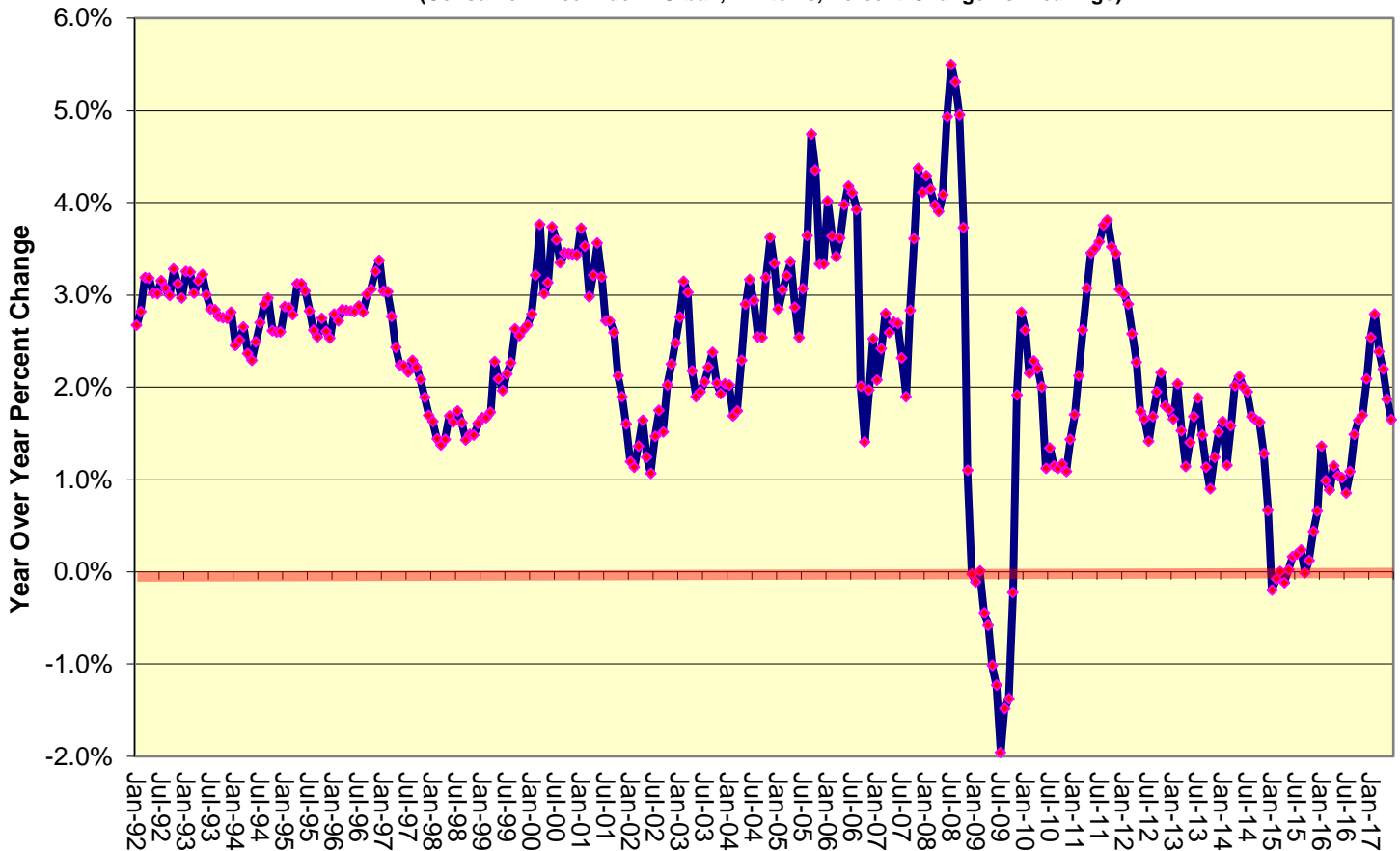
### Long Real Estate Cycle Evident in Painfully Slow Construction Recovery (Indexed Value of Residential Construction Starts, January 1996=1.00)



- Inflation has been surprisingly low over the past six months, dropping from about 2.8% in January to 1.6% in June. Although interest rate hikes by the Fed are likely over the next several years as the economy continues to strengthen and labor markets recover, the relatively low current rates of inflation provide the Fed with considerable latitude with respect to timing. It would not be

surprising to see planned rate hikes delayed if job growth lags, labor force participation does not increase, wages remain stagnant and inflation is at or under 2%.

**Flexibility for the Fed: Inflation Remains Tame**  
(Consumer Price Index - Urban, All Items, Percent Change vs. Year Ago)



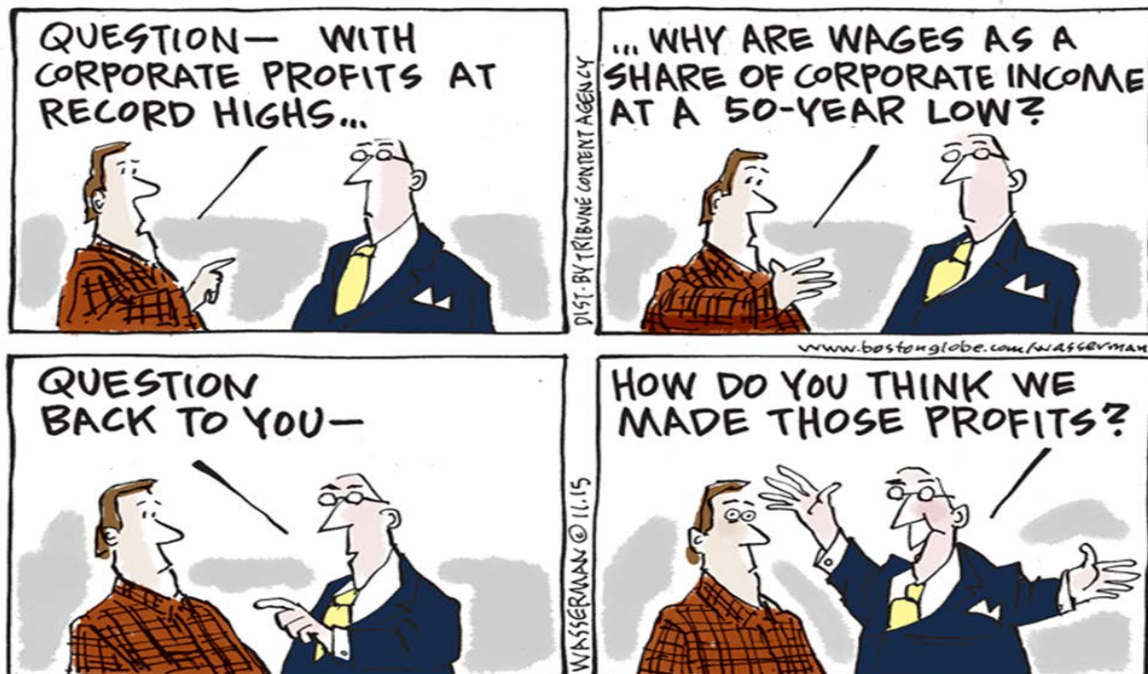
- Although markets have been remarkably calm throughout the tumult of the first six months of the Trump Administration, the primary macroeconomic forecast risks are still associated with potential policy mistakes and related institutional conflict that may occur under the new Administration. There is still a wide gap of uncertainty between what has been said and what may actually be implemented in a number of key policy areas. While possible that some of the more extreme Trump proposals will be tempered by legislative processes and the realities of governing, there remains the risk that erratic talk will turn into erratic policies and/or erratic implementation of policies with negative economic impacts.

## State Revenues

- The extreme volatility inherent in the State's reliance on Personal Income, Corporate and Estate taxes was on display in FY17, with fiscal year-end revenues in Corporate exceeding expectations, despite an 18% decline from the previous fiscal year (along with large pending refunds), disappointing

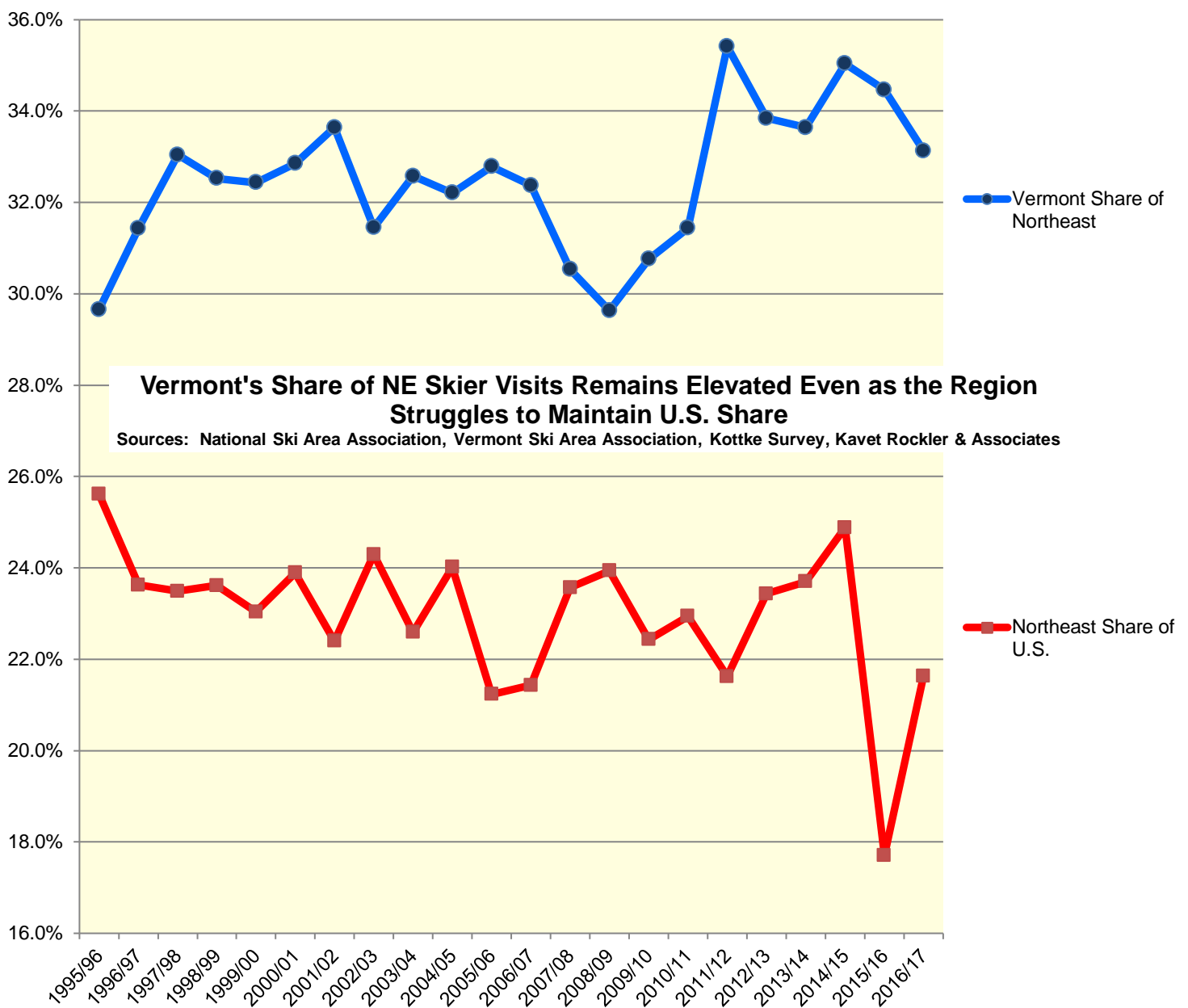
Personal Income paid returns in April, and nearly \$5 million in fourth quarter Estate tax collections that brought the fiscal year total to within about a half a million of the \$17.3 million target for this tax.

- Despite the pending Corporate tax refunds of about \$16 million likely to be paid in FY18, corporate profits remain strong and increasingly diverse. The switch to unitary taxation in FY2006 has led to a broader tax base that is less reliant on in-state businesses. While there are still some statutory changes affecting apportionment that could lead to fairer treatment of service-based firms, and probably result in additional revenue, the corporate tax base is now approaching \$90 to \$100 million per year. Although this could still swing by plus or minus \$30-\$40 million in any given year, it is a much larger and more stable core tax base than that prior to unitary taxation.



- Personal Income taxes lagged FY17 expectations at the federal level and in many states, due to expectations of possible lower tax rates in tax year 2017 and beyond that led to deferred capital gains realizations in the prior tax year. While this may generate additional revenue in FY18, uncertainty regarding federal tax law changes and the timing and magnitude of any such changes will affect any such rebound. Current projections assume 3.6% growth in FY18 Personal Income revenues and 3.1% growth in FY19.
- Sales & Use tax revenues were disappointing in FY17, with 1.6% year over year growth – slightly below even the 1.9% rate of inflation over the same period. With several large internet retailers now remitting sales taxes for the first full year in FY18 and enhanced Use tax compliance, Sales & Use receipts could grow by more than 3.5% next year and about 2.5% in FY19. Longer term growth prospects for this large revenue source, however, will still be dampened by both tax avoidance and an aging population that spends more on services than taxable goods.

- Meals & Rooms tax receipts will benefit from this same regional demographic trend, with travel and leisure expenditures increasing as a share of total personal consumption expenditures among older and retired populations. Meals & Rooms revenues have rebounded briskly following the Great Recession in all three northern New England states. Following the worst ski season on record in FY16, Vermont revenues increased by 7.3% in FY17. A “normal” winter weather season in FY18, along with a full year of Airbnb payments, should yield revenue gains of 3.5% or more next year, with similar growth expected in FY19. As shown on the chart below, despite the poor FY16 ski season that drove the NE share of total U.S. visitation to an all-time low, Vermont’s share of the NE market remained above 33%. The recent acquisition of two prominent Vermont ski areas by companies with western ski operations and significant marketing clout could position the State to enhance this share further.

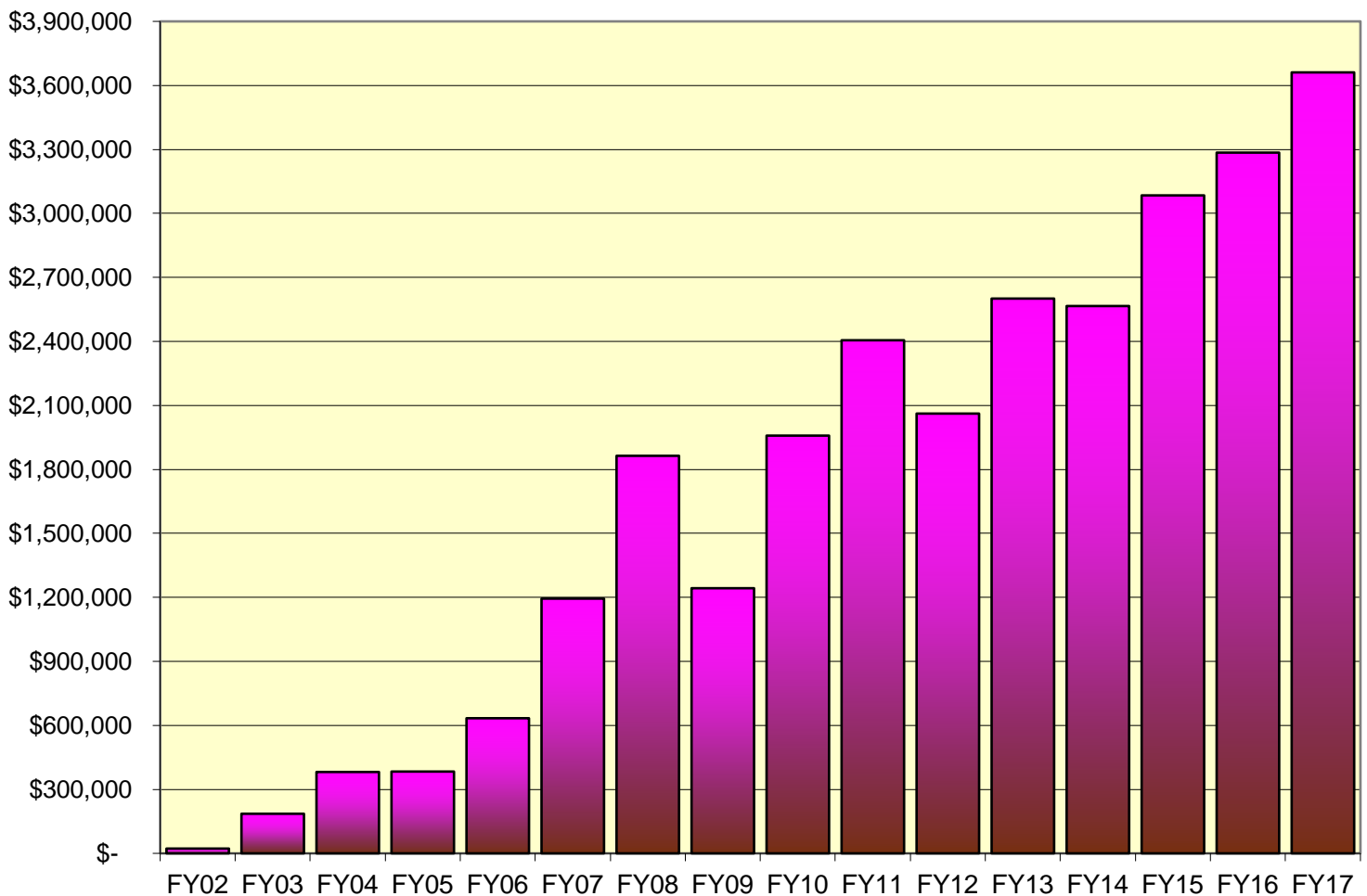




- Bank revenues benefitted from a change in the second half of FY17 that required monthly tax payments instead of quarterly. Confusion in the implementation of this new provision, however, will result in additional revenue in both FY17 and FY18, as not all payers responded to the change and monthly payments for some requires estimation of future credits and liabilities. Offsetting this one-time gain across two fiscal years, are steadily increasing tax expenditures that reduce Bank revenues before they are reported. These “invisible” expenditures have expanded to more than \$3.6 million in FY17 and are soon expected to top \$4 million per year – more than 35% of all Bank revenues.

### Ever-Expanding Tax Expenditures Reduce Reported Bank Revenues by More Than \$3.6M in FY17

Development Subsidy Tax Credits Applied Against Bank Revenues, Sources: Vermont Tax Department, JFO



- Property Transfer Tax revenues grew at nearly 9% in FY17 and as real estate markets more fully recover, could grow another 5%-8% per year in FY18 and FY19. A change in the allocation formula to the General Fund starting in FY18 to support housing bond interest payments, however, will shave nearly \$1M per year off reported PTT revenues and Available General Fund revenues. This is yet another example of an increased expenditure embedded as a revenue reduction.

- The Telephone Property tax has been significantly downgraded due to aggressive depreciation being taken by some of the largest payers and statutory ambiguity regarding such depreciation and the applicability of the tax to wireless and VoIP providers. Without statutory clarification, this revenue source will likely be between about \$1.5 to \$2.5 million per year lower than previously forecast.
- Transportation Fund revenues ended FY17 about 1.2% below target (-\$3.3M), due to much lower than expected yields from recent fee increases and other revenue-enhancement measures, and erratic diesel revenues – which are not unusual. Motor Fuel tax receipts were within about one-half of one percent of targets, as were Motor Vehicle Purchase and Use tax revenues, however, slightly lower future gasoline demand along with continued low gas prices will cause Motor Fuel receipts to decline 0.1% in FY18 and 0.4% in FY19. In no year in the entire forecast period (two years or five) are Transportation Fund revenues expected to even keep pace with inflation.



- The U.S. and Vermont macroeconomic forecasts upon which the revenue forecasts in this Update are based are summarized in Tables A and B at the end of this report, and represent a consensus JFO and Administration forecast developed using internal JFO and Administration State economic models with input from Moody's Analytics June 2017 projections and other major forecasting entities, including the Federal Reserve, EIA, CBO, IMF, The Conference Board and other private forecasting firms.
- Due to the reduced availability of forecasts from the New England Economic Partnership (NEEP), State consensus macroeconomic forecasts were developed using a State on-line modeling capability provided by Moody's

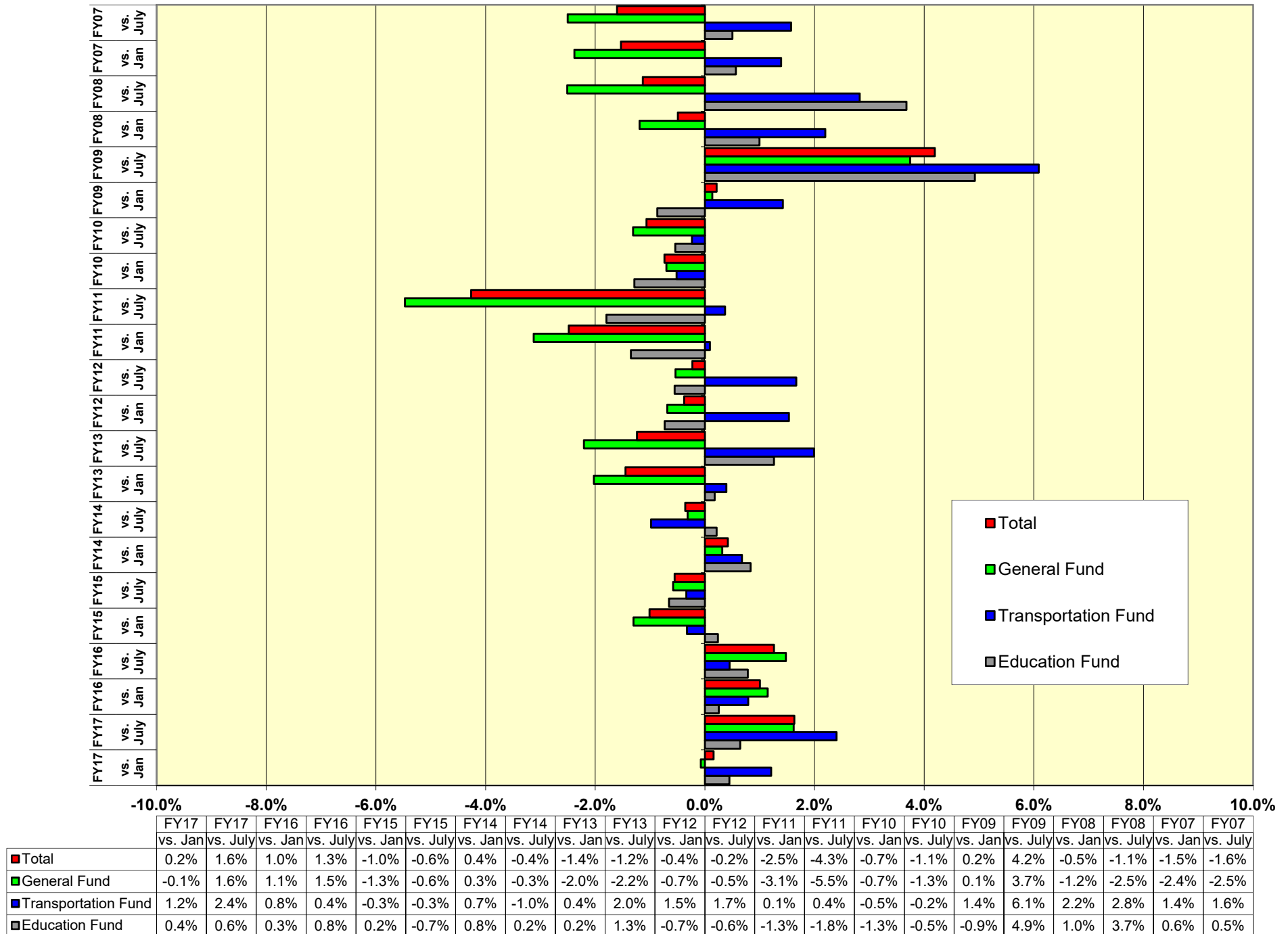
Analytics. This forecasting capability allows timely, customized state forecasts with modeling capabilities similar to the prior NEEP capability.

- Five-year revenue projections are included in Appendix A, following Tables A and B at the end of this report. Although these are not required by statute, they have been requested by both the JFO and Administration for several years for longer term planning purposes. During the 2015 legislative session, there was considerable misinformation and confusion regarding the role these longer term projections played in the recent (though not new) discussions of structural budget deficits. As a result of this, these tables are now published on a regular basis, so as to provide clarity with respect to longer term revenue potential and expectations. As illustrated in these tables, and consistent with virtually all past projections, longer term revenue growth from the mix and structure of the taxes in the three funds analyzed herein is unlikely to keep pace with recent levels of expenditure growth, at current law tax rates.
- Forecast versus actual revenue variance data for the most recent eleven years are illustrated in the chart on the following page. The below table summarizes the same data since FY2001. As would be expected, January projections are generally more accurate than July – though not always. Since fiscal year 2001, there have been 34 regular Consensus forecasts (January and July for each year) for each of the three major funds (General Fund, Transportation Fund and Education Fund) for a total of 102 observations. Over this seventeen year period, there have been 48 variances that were low (under-forecast actuals) and 54 variances that were high (over-forecast actuals). The average absolute value of the variance for these 16 years was about 1.8% for total revenues across all three major funds, with the lowest variance (1.4%) in the Education Fund, due to its reliance on relatively stable consumption taxes, and the highest variance (2.4%) in the General Fund, due to its reliance on more volatile revenue sources such as Personal Income, Corporate and Estate taxes.

AVERAGE ABSOLUTE VALUE OF FORECAST VS. ACTUAL VARIANCE (FY2001 to FY2017)			
Fund	Forecast Period		
	January	July	All Periods
Education Fund	0.9%	1.9%	1.4%
Transportation Fund	1.2%	1.9%	1.5%
General Fund	1.8%	3.0%	2.4%
Total	1.3%	2.2%	1.8%

# Vermont Consensus Revenue Forecasting Record

(Forecast Percent Variance from Actual, FY2007 to FY2017 - Source: Joint Fiscal Office)



**TABLE A**  
**Comparison of Recent Consensus U.S. Macroeconomic Forecasts**  
**June 2015 through December 2016, Selected Variables, Calendar Year Basis**

	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Real GDP Growth</b>									
December-15	1.6	2.2	1.5	2.4	2.5	2.9	3.1	2.8	2.2
June-16	1.6	2.2	1.5	2.4	2.4	2.2	2.9	2.6	1.8
December-16	1.6	2.2	1.7	2.4	2.6	1.7	2.9	3.1	2.2
June-17	1.6	2.2	1.7	2.4	2.6	1.6	2.3	2.6	2.2
<b>S&amp;P 500 Growth (Annual Avg.)</b>									
December-15	11.4	8.7	19.1	17.5	-0.7	2.7	4.8	6.9	5.6
June-16	11.4	8.7	19.1	17.5	6.8	-2.1	1.5	0.2	0.5
December-16	11.4	8.7	19.1	17.5	6.8	1.5	5.4	-1.6	-2.0
June-17	11.4	8.7	19.1	17.5	6.8	1.5	5.4	-0.7	-4.5
<b>Employment Growth (Non-Ag)</b>									
December-15	1.2	1.7	1.7	1.9	2.1	2.0	2.0	1.9	1.2
June-16	1.2	1.7	1.6	0.9	2.1	1.8	1.8	1.5	1.1
December-16	1.2	1.7	1.6	1.9	2.1	1.7	1.6	1.6	1.3
June-17	1.2	1.7	1.6	1.9	2.1	1.8	1.5	1.3	1.2
<b>Unemployment Rate</b>									
December-15	8.9	8.1	7.4	6.2	5.3	4.8	4.7	4.9	5.0
June-16	8.9	8.1	7.4	6.2	5.3	4.7	4.6	4.5	4.6
December-16	8.9	8.1	7.4	6.2	5.3	4.9	4.7	4.5	4.4
June-17	8.9	8.1	7.4	6.2	5.3	4.9	4.4	4.1	3.9
<b>West Texas Int. Crude Oil \$/Bbl</b>									
December-15	95	94	98	93	49	55	64	71	76
June-16	95	94	98	93	49	43	53	55	69
December-16	95	94	98	93	49	43	57	63	70
June-17	95	94	98	93	49	43	51	55	60
<b>Prime Rate</b>									
December-15	3.25	3.25	3.25	3.25	3.26	3.97	5.74	6.91	6.84
June-16	3.25	3.25	3.25	3.25	3.26	3.50	4.20	5.50	6.50
December-16	3.25	3.25	3.25	3.25	3.26	3.51	4.10	5.00	6.50
June-17	3.25	3.25	3.25	3.25	3.26	3.51	4.08	4.80	5.70
<b>Consumer Price Index Growth</b>									
December-15	3.1	2.1	1.5	1.6	0.2	2.2	2.9	3.1	2.8
June-16	3.1	2.1	1.5	1.6	0.1	1.2	2.1	2.4	2.6
December-16	3.1	2.1	1.5	1.6	0.1	1.2	2.6	2.8	3.1
June-17	3.1	2.1	1.5	1.6	0.1	1.3	2.1	2.3	2.7
<b>Average Home Price Growth</b>									
December-15	-3.7	-0.1	4.0	5.6	5.5	5.7	5.9	6.1	6.6
June-16	-3.8	-0.2	4.0	5.5	5.6	5.7	5.9	6.1	6.2
December-16	-3.9	-0.2	4.0	5.4	5.5	5.6	5.9	6.3	6.1
June-17	-3.9	-0.2	4.0	5.3	5.4	5.7	5.2	5.4	4.8

**TABLE B**  
**Comparison of Consensus Administration and JFO Vermont State Forecasts**  
**June 2014 through December 2016, Selected Variables, Calendar Year Basis**

	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Real GSP Growth</b>									
December-14	2.2	1.1	1.9	1.0	3.3	3.6	2.8	1.9	1.8
June-15	2.2	1.1	1.9	1.2	2.4	3.0	2.6	2.1	1.7
December-15	2.8	0.4	-0.3	0.6	2.2	2.8	2.4	2.0	1.6
June-16	2.9	0.6	-0.9	0.3	-0.1	1.9	2.3	1.7	1.2
December-16	2.8	0.0	-0.4	1.5	0.2	1.8	2.4	2.0	1.5
June-17	2.4	-0.2	-0.2	0.3	0.9	0.8	1.1	1.3	0.8
<b>Population Growth</b>									
December-14	0.1	0.0	0.1	0.0	0.1	0.2	0.3	0.2	0.2
June-15	0.1	0.0	0.1	0.0	0.1	0.2	0.3	0.2	0.2
December-15	0.1	-0.1	0.1	-0.1	-0.1	0.2	0.2	0.3	0.3
June-16	0.1	-0.0	0.1	-0.1	-0.1	0.1	0.2	0.3	0.3
December-16	0.1	-0.1	0.1	-0.0	-0.1	-0.2	0.2	0.2	0.2
June-17	0.1	-0.1	0.1	-0.0	-0.1	-0.2	0.1	0.1	0.2
<b>Employment Growth</b>									
December-14	0.8	1.3	0.5	1.0	1.6	1.9	1.3	0.7	0.4
June-15	0.9	1.3	0.8	1.0	1.7	1.9	1.8	1.3	0.8
December-15	0.9	1.3	0.8	1.0	1.6	1.7	1.8	1.6	1.0
June-16	0.9	1.3	0.7	0.9	0.9	1.6	1.7	1.5	1.1
December-16	0.9	1.3	0.7	0.9	0.9	1.6	1.7	1.5	1.2
June-17	0.9	1.2	0.7	1.0	0.8	0.3	0.9	1.0	0.8
<b>Unemployment Rate</b>									
December-14	5.6	4.9	4.4	3.7	3.5	3.2	2.9	2.8	2.9
June-15	5.5	4.9	4.4	4.1	3.6	3.2	2.9	2.8	3.0
December-15	5.5	4.9	4.4	4.1	3.7	3.4	3.3	3.2	3.3
June-16	5.5	4.9	4.4	4.0	3.7	3.3	3.2	3.1	3.2
December-16	5.5	4.9	4.4	4.0	3.7	3.2	3.1	3.0	3.0
June-17	5.5	4.9	4.4	3.9	3.6	3.3	3.1	3.0	3.0
<b>Personal Income Growth</b>									
December-14	7.1	3.7	2.9	3.8	5.1	5.4	4.7	4.4	4.1
June-15	7.2	3.4	2.5	4.0	4.8	5.2	4.7	4.4	3.9
December-15	6.8	3.6	1.4	3.5	4.5	5.1	4.6	4.6	3.7
June-16	6.8	3.6	1.4	3.5	3.0	3.3	4.1	4.2	3.4
December-16	6.3	3.3	1.7	3.3	2.9	3.0	3.4	3.7	3.4
June-17	6.3	3.3	1.7	3.3	2.9	3.3	2.4	2.1	2.7
<b>Home Price Growth (JFO)</b>									
December-14	-0.6	0.5	0.2	0.9	2.1	2.7	3.4	4.1	4.8
June-15	-0.7	0.4	0.2	0.7	2.3	2.8	3.4	4.1	4.8
December-15	-0.8	0.4	0.1	0.7	2.5	2.9	3.4	4.1	4.8
June-16	-0.8	0.4	0.1	0.6	2.2	2.3	3.0	3.8	4.4
December-16	-0.8	0.4	0.1	0.5	1.9	1.4	2.4	3.1	3.7
June-17	-0.8	0.3	0.1	0.3	2.0	1.4	2.6	3.1	3.7

## Methodological Notes and Other Comments

- This analysis has benefited significantly from the input and support of Tax Department and Joint Fiscal Office personnel, as well as Deb Brighton of Ad Hoc Associates. In the Joint Fiscal Office, Sara Teachout, Theresa Utton-Jermaine, Stephanie Barrett, Dan Dickerson, Catherine Benham, Neil Schickner, Chloe Wexler and Mark Perrault 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, Mary Cox, Rebecca Sameroff, Jake Feldman, Andrew Stein and Doug Farnham provided important 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 maintain. 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 40 years of data for each of the 25 General Fund categories (three aggregates), 37 years of data for most of the Transportation Fund categories (one aggregate), and 18 to 40 years for each of the Education Fund categories. The analyses employed includes seasonal adjustment using U.S. Census Bureau X-12, 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 macroeconomic models from Moody's Analytics and, when available, the New England Economic Partnership (NEEP). The NEEP forecast for Vermont is managed by Jeff Carr, of Economic & Policy Resources, Inc., who is also the current Administration economist. Since October of 2001, input and review of initial Vermont NEEP model design and output prior to its release has been provided by the Joint Fiscal Office through KRA. In this forecast cycle, consensus macroeconomic State forecasts were developed using a customized Moody's on-line Vermont model. 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 economic advisors.



**TABLE 1A - STATE OF VERMONT**  
**LEGISLATIVE JOINT FISCAL OFFICE**  
**SOURCE GENERAL FUND REVENUE FORECAST UPDATE**  
Consensus JFO and Administration Forecast - July 2017

**SOURCE G-FUND**

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

	<b>FY 2013</b>	<b>%</b>	<b>FY 2014</b>	<b>%</b>	<b>FY 2015</b>	<b>%</b>	<b>FY 2016</b>	<b>%</b>	<b>FY 2017</b>	<b>%</b>	<b>FY 2018</b>	<b>%</b>	<b>FY 2019</b>	<b>%</b>
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>														
Personal Income	\$660.6	10.7%	\$671.1	1.6%	\$705.9	5.2%	\$747.0	5.8%	\$756.5	1.3%	\$784.0	3.6%	\$808.1	3.1%
Sales & Use*	\$346.8	1.4%	\$353.6	2.0%	\$364.6	3.1%	\$370.7	1.7%	\$376.7	1.6%	\$390.9	3.8%	\$400.3	2.4%
Corporate	\$95.0	10.5%	\$94.8	-0.1%	\$121.9	28.5%	\$117.0	-4.0%	\$95.8	-18.1%	\$80.8	-15.6%	\$97.6	20.8%
Meals and Rooms	\$134.8	6.2%	\$142.7	5.9%	\$150.8	5.7%	\$154.2	2.2%	\$165.3	7.3%	\$171.1	3.5%	\$176.9	3.4%
Cigarette and Tobacco**	\$74.3	-7.2%	\$71.9	-3.3%	\$76.8	6.7%	\$80.7	5.2%	\$76.7	-5.0%	\$75.0	-2.2%	\$73.3	-2.4%
Liquor	\$17.0	3.4%	\$17.7	4.0%	\$18.2	2.9%	\$18.3	0.8%	\$19.1	4.4%	\$19.6	2.5%	\$20.2	3.1%
Insurance	\$55.0	-2.3%	\$57.1	3.7%	\$55.3	-3.1%	\$56.2	1.7%	\$57.0	1.3%	\$58.0	1.8%	\$58.7	1.2%
Telephone	\$9.4	-2.6%	\$9.1	-2.9%	\$7.7	-14.9%	\$3.2	-59.2%	\$5.7	80.6%	\$5.0	-12.4%	\$4.4	-12.0%
Beverage	\$6.2	3.3%	\$6.4	3.6%	\$6.7	4.2%	\$6.7	0.6%	\$6.9	2.9%	\$7.1	2.9%	\$7.3	2.8%
Electric***	\$8.9	204.5%	\$13.1	46.9%	\$9.4	-28.2%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate	\$15.4	15.4%	\$35.5	131.0%	\$9.9	-72.2%	\$12.5	26.5%	\$16.7	33.3%	\$18.4	10.4%	\$19.3	4.9%
Property	\$28.5	18.3%	\$30.9	8.5%	\$33.6	8.6%	\$35.7	6.2%	\$38.8	8.7%	\$41.8	7.7%	\$44.2	5.7%
Bank	\$10.7	0.2%	\$11.0	2.7%	\$10.7	-2.0%	\$10.7	-0.6%	\$13.2	24.0%	\$11.8	-10.9%	\$11.1	-5.9%
Other Tax	\$1.8	42.9%	\$1.9	9.6%	\$2.0	4.5%	\$1.8	-9.0%	\$2.2	18.0%	\$2.3	5.8%	\$2.5	8.7%
<b>Total Tax Revenue</b>	<b>\$1464.3</b>	<b>6.7%</b>	<b>\$1517.0</b>	<b>3.6%</b>	<b>\$1573.5</b>	<b>3.7%</b>	<b>\$1614.8</b>	<b>2.6%</b>	<b>\$1630.5</b>	<b>1.0%</b>	<b>\$1665.8</b>	<b>2.2%</b>	<b>\$1723.9</b>	<b>3.5%</b>
Business Licenses	\$2.8	-8.0%	\$1.1	-61.4%	\$1.1	0.2%	\$1.1	-1.6%	\$1.2	16.8%	\$1.3	4.4%	\$1.3	2.3%
Fees	\$21.4	2.2%	\$20.6	-3.4%	\$22.1	7.0%	\$23.0	4.2%	\$48.5	110.8%	\$49.8	2.8%	\$51.0	2.4%
Services	\$2.5	8.3%	\$1.3	-47.3%	\$1.5	12.5%	\$2.8	86.6%	\$3.0	7.9%	\$3.1	3.0%	\$3.1	1.0%
Fines	\$4.7	-35.9%	\$3.6	-24.2%	\$3.5	-3.1%	\$3.7	5.5%	\$4.4	21.0%	\$3.5	-20.9%	\$3.6	2.9%
Interest	\$0.6	26.3%	\$0.2	-59.2%	\$0.3	40.4%	\$0.7	130.6%	\$1.5	111.5%	\$2.2	43.8%	\$2.9	31.5%
Special Assessments	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Lottery	\$22.9	2.7%	\$22.6	-1.6%	\$22.8	0.8%	\$26.4	16.1%	\$25.5	-3.3%	\$25.3	-0.9%	\$25.6	1.2%
All Other****	\$1.7	93.1%	\$1.3	-24.0%	\$1.0	-20.4%	\$1.3	25.9%	\$2.9	128.5%	\$1.1	-62.2%	\$1.2	9.1%
<b>Total Other Revenue</b>	<b>\$56.6</b>	<b>-1.2%</b>	<b>\$50.7</b>	<b>-10.4%</b>	<b>\$52.2</b>	<b>3.0%</b>	<b>\$58.9</b>	<b>12.9%</b>	<b>\$87.104</b>	<b>47.9%</b>	<b>\$86.325</b>	<b>-0.9%</b>	<b>\$88.8</b>	<b>2.8%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$1520.9</b>	<b>6.4%</b>	<b>\$1567.6</b>	<b>3.1%</b>	<b>\$1625.7</b>	<b>3.7%</b>	<b>\$1673.7</b>	<b>2.9%</b>	<b>\$1717.7</b>	<b>2.6%</b>	<b>\$1752.2</b>	<b>2.0%</b>	<b>\$1812.7</b>	<b>3.5%</b>

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

\*\* Includes Cigarette, Tobacco Products and Floor Stock tax revenues.

\*\*\* 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.

\*\*\*\* Excludes \$5 million Vermont Yankee settlement agreement transitional payment in FY2015.

\*\*\*\*\*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.

**TABLE 1 - STATE OF VERMONT**  
**LEGISLATIVE JOINT FISCAL OFFICE**  
**AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE**  
Consensus JFO and Administration Forecast - July 2017

**CURRENT LAW BASIS**

*including all Education Fund*

*allocations and other out-transfers*

	<b>FY 2013</b>	<b>%</b>	<b>FY 2014</b>	<b>%</b>	<b>FY 2015</b>	<b>%</b>	<b>FY 2016</b>	<b>%</b>	<b>FY 2017</b>	<b>%</b>	<b>FY 2018</b>	<b>%</b>	<b>FY 2019</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	\$660.6	10.7%	\$671.1	1.6%	\$705.9	5.2%	\$747.0	5.8%	\$756.5	1.3%	\$784.0	3.6%	\$808.1	3.1%
Sales and Use*	\$231.2	1.4%	\$229.9	-0.6%	\$237.0	3.1%	\$241.0	1.7%	\$244.9	1.6%	\$254.1	3.8%	\$256.2	0.8%
Corporate	\$95.0	10.5%	\$94.8	-0.1%	\$121.9	28.5%	\$117.0	-4.0%	\$95.8	-18.1%	\$80.8	-15.6%	\$97.6	20.8%
Meals and Rooms	\$134.8	6.2%	\$142.7	5.9%	\$150.8	5.7%	\$154.2	2.2%	\$165.3	7.3%	\$171.1	3.5%	\$176.9	3.4%
Cigarette and Tobacco	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Liquor	\$17.0	3.4%	\$17.7	4.0%	\$18.2	2.9%	\$18.3	0.8%	\$19.1	4.4%	\$19.6	2.5%	\$20.2	3.1%
Insurance	\$55.0	-2.3%	\$57.1	3.7%	\$55.3	-3.1%	\$56.2	1.7%	\$57.0	1.3%	\$58.0	1.8%	\$58.7	1.2%
Telephone	\$9.4	-2.6%	\$9.1	-2.9%	\$7.7	-14.9%	\$3.2	-59.2%	\$5.7	80.6%	\$5.0	-12.4%	\$4.4	-12.0%
Beverage	\$6.2	3.3%	\$6.4	3.6%	\$6.7	4.2%	\$6.7	0.6%	\$6.9	2.9%	\$7.1	2.9%	\$7.3	2.8%
Electric**	\$8.9	204.5%	\$13.1	46.9%	\$9.4	-28.2%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate***	\$15.4	15.4%	\$35.5	131.0%	\$9.9	-72.2%	\$12.5	26.5%	\$16.7	33.3%	\$18.4	10.4%	\$19.3	4.9%
Property	\$9.2	16.5%	\$10.0	9.3%	\$10.9	8.7%	\$11.5	6.0%	\$12.6	9.0%	\$12.7	1.2%	\$13.5	6.1%
Bank	\$10.7	0.2%	\$11.0	2.7%	\$10.7	-2.0%	\$10.7	-0.6%	\$13.2	24.0%	\$11.8	-10.9%	\$11.1	-5.9%
Other Tax	\$1.8	42.9%	\$1.9	9.6%	\$2.0	4.5%	\$1.8	-9.0%	\$2.2	18.0%	\$2.3	5.8%	\$2.5	8.7%
<b>Total Tax Revenue</b>	<b>\$1255.0</b>	<b>8.0%</b>	<b>\$1300.3</b>	<b>3.6%</b>	<b>\$1346.4</b>	<b>3.5%</b>	<b>\$1380.1</b>	<b>2.5%</b>	<b>\$1395.7</b>	<b>1.1%</b>	<b>\$1424.9</b>	<b>2.1%</b>	<b>\$1475.8</b>	<b>3.6%</b>
Business Licenses	\$2.8	-8.0%	\$1.1	-61.4%	\$1.1	0.2%	\$1.1	-1.6%	\$1.2	16.8%	\$1.3	4.4%	\$1.3	2.3%
Fees	\$21.4	2.2%	\$20.6	-3.4%	\$22.1	7.0%	\$23.0	4.2%	\$48.5	110.8%	\$49.8	2.8%	\$51.0	2.4%
Services	\$2.5	8.3%	\$1.3	-47.3%	\$1.5	12.5%	\$2.8	86.6%	\$3.0	7.9%	\$3.1	3.0%	\$3.1	1.0%
Fines	\$4.7	-35.9%	\$3.6	-24.2%	\$3.5	-3.1%	\$3.7	5.5%	\$4.4	21.0%	\$3.5	-20.9%	\$3.6	2.9%
Interest	\$0.5	20.5%	\$0.2	-66.6%	\$0.2	51.9%	\$0.6	136.1%	\$1.2	108.2%	\$1.8	53.7%	\$2.4	33.3%
All Other****	\$1.7	93.1%	\$1.3	-24.0%	\$1.0	-20.4%	\$1.3	25.9%	\$2.9	128.5%	\$1.1	-62.2%	\$1.2	9.1%
<b>Total Other Revenue</b>	<b>\$33.5</b>	<b>-3.9%</b>	<b>\$28.0</b>	<b>-16.4%</b>	<b>\$29.4</b>	<b>4.7%</b>	<b>\$32.3</b>	<b>10.1%</b>	<b>\$61.2</b>	<b>89.3%</b>	<b>\$60.6</b>	<b>-1.0%</b>	<b>\$62.7</b>	<b>3.4%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$1288.6</b>	<b>7.7%</b>	<b>\$1328.4</b>	<b>3.1%</b>	<b>\$1375.8</b>	<b>3.6%</b>	<b>\$1412.4</b>	<b>2.7%</b>	<b>\$1457.0</b>	<b>3.2%</b>	<b>\$1485.5</b>	<b>2.0%</b>	<b>\$1538.4</b>	<b>3.6%</b>

\* 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.

\*\* 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.

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

\*\*\*\* Excludes \$5 million Vermont Yankee settlement agreement transitional payment in FY2015.

\*\*\*\*\*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.

**TABLE 2A - STATE OF VERMONT  
LEGISLATIVE JOINT FISCAL OFFICE  
SOURCE TRANSPORTATION FUND REVENUE FORECAST UPDATE  
Consensus JFO and Administration Forecast - July 2017**

**SOURCE T-FUND**

revenues are prior to all E-Fund allocations

and other out-transfers; used for

analytic and comparative purposes only

	<b>FY 2013</b>	<b>%</b>	<b>FY 2014</b>	<b>%</b>	<b>FY 2015</b>	<b>%</b>	<b>FY 2016</b>	<b>%</b>	<b>FY 2017</b>	<b>%</b>	<b>FY 2018</b>	<b>%</b>	<b>FY 2019</b>	<b>%</b>
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>														
Gasoline	\$59.9	1.1%	\$76.5	27.6%	\$77.6	1.5%	\$78.0	0.5%	\$78.2	0.2%	\$78.1	-0.1%	\$77.8	-0.4%
Diesel	\$15.6	-2.2%	\$17.2	9.7%	\$19.1	11.5%	\$18.3	-4.4%	\$18.0	-1.7%	\$18.4	2.2%	\$18.7	1.6%
Purchase and Use*	\$83.6	2.0%	\$91.8	9.9%	\$97.3	5.9%	\$100.1	2.9%	\$103.2	3.1%	\$106.3	3.0%	\$109.5	3.0%
Motor Vehicle Fees	\$77.9	5.9%	\$79.0	1.5%	\$80.1	1.4%	\$82.0	2.3%	\$86.2	5.2%	\$88.0	2.1%	\$88.3	0.3%
Other Revenue**	\$19.1	4.2%	\$19.5	2.3%	\$19.7	0.8%	\$19.6	-0.5%	\$19.9	1.8%	\$20.8	4.5%	\$21.1	1.4%
<b>TOTAL TRANS. FUND</b>	<b>\$256.0</b>	<b>2.8%</b>	<b>\$284.0</b>	<b>10.9%</b>	<b>\$293.8</b>	<b>3.5%</b>	<b>\$298.0</b>	<b>1.4%</b>	<b>\$305.5</b>	<b>2.5%</b>	<b>\$311.6</b>	<b>2.0%</b>	<b>\$315.4</b>	<b>1.2%</b>

**TABLE 2 - STATE OF VERMONT  
LEGISLATIVE JOINT FISCAL OFFICE  
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE  
Consensus JFO and Administration Forecast - July 2017**

**CURRENT LAW BASIS**

including all Education Fund

allocations and other out-transfers

	<b>FY 2013</b>	<b>%</b>	<b>FY 2014</b>	<b>%</b>	<b>FY 2015</b>	<b>%</b>	<b>FY 2016</b>	<b>%</b>	<b>FY 2017</b>	<b>%</b>	<b>FY 2018</b>	<b>%</b>	<b>FY 2019</b>	<b>%</b>
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>														
Gasoline	\$59.9	1.1%	\$76.5	27.6%	\$77.6	1.5%	\$78.0	0.5%	\$78.2	0.2%	\$78.1	-0.1%	\$77.8	-0.4%
Diesel	\$15.6	-2.2%	\$17.2	9.7%	\$19.1	11.5%	\$18.3	-4.4%	\$18.0	-1.7%	\$18.4	2.2%	\$18.7	1.6%
Purchase and Use*	\$55.7	2.0%	\$61.2	9.9%	\$64.8	5.9%	\$66.8	2.9%	\$68.8	3.1%	\$70.9	3.0%	\$73.0	3.0%
Motor Vehicle Fees	\$77.9	5.9%	\$79.0	1.5%	\$80.1	1.4%	\$82.0	2.3%	\$86.2	5.2%	\$88.0	2.1%	\$88.3	0.3%
Other Revenue**	\$19.1	4.2%	\$19.5	2.3%	\$19.7	0.8%	\$19.6	-0.5%	\$19.9	1.8%	\$20.8	4.5%	\$21.1	1.4%
<b>TOTAL TRANS. FUND</b>	<b>\$228.2</b>	<b>2.9%</b>	<b>\$253.4</b>	<b>11.0%</b>	<b>\$261.4</b>	<b>3.2%</b>	<b>\$264.6</b>	<b>1.2%</b>	<b>\$271.1</b>	<b>2.5%</b>	<b>\$276.2</b>	<b>1.9%</b>	<b>\$278.9</b>	<b>1.0%</b>

**OTHER**

TIB Gasoline	\$21.2	1.4%	\$19.2	-9.5%	\$18.2	-5.2%	\$13.0	-28.4%	\$12.6	-3.3%	\$12.5	-0.7%	\$12.6	1.1%
TIB Diesel and Other***	\$1.8	-8.1%	\$1.8	4.0%	\$2.1	11.4%	\$1.9	-6.1%	\$2.1	11.0%	\$2.0	-7.9%	\$2.0	1.0%
Total TIB	\$23.0	0.6%	\$21.0	-8.4%	\$20.2	-3.8%	\$15.0	-26.1%	\$14.7	-1.5%	\$14.5	-1.8%	\$14.6	1.1%

\* As of FY04, includes Motor Vehicle Rental tax revenue.

\*\* 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.

\*\*\* Includes TIB Fund interest income (which has never exceeded \$20,000 per year).

**TABLE 3 - STATE OF VERMONT  
LEGISLATIVE JOINT FISCAL OFFICE  
AVAILABLE EDUCATION FUND\* REVENUE FORECAST UPDATE  
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)  
Consensus JFO and Administration Forecast - July 2017**

**CURRENT LAW BASIS**

Source General and Transportation

Fund taxes allocated to or associated  
with the Education Fund only

	<b>FY 2013</b>	<b>%</b>	<b>FY 2014</b>	<b>%</b>	<b>FY 2015</b>	<b>%</b>	<b>FY 2016</b>	<b>%</b>	<b>FY 2017</b>	<b>%</b>	<b>FY 2018</b>	<b>%</b>	<b>FY 2019</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>														
Sales & Use**	\$115.6	1.4%	\$123.8	7.1%	127.6	3.1%	\$129.8	1.7%	\$131.8	1.6%	\$136.8	3.8%	\$144.1	5.3%
Interest	\$0.1	72.8%	\$0.1	-17.2%	0.1	3.6%	\$0.2	135.7%	\$0.4	122.7%	\$0.4	13.1%	\$0.5	23.5%
Lottery	\$22.9	2.7%	\$22.6	-1.6%	22.8	0.8%	\$26.4	16.1%	\$25.5	-3.3%	\$25.3	-0.9%	\$25.6	1.2%
<b>TRANSPORTATION FUND</b>														
Purchase and Use***	\$27.9	2.0%	\$30.6	9.9%	32.4	5.9%	\$33.4	2.9%	\$34.4	3.1%	\$35.4	3.0%	\$36.5	3.0%
<b>TOTAL EDUCATION FUND</b>	<b>\$166.5</b>	<b>1.7%</b>	<b>\$177.0</b>	<b>6.3%</b>	<b>182.9</b>	<b>3.3%</b>	<b>\$189.7</b>	<b>3.7%</b>	<b>\$192.2</b>	<b>1.3%</b>	<b>\$198.0</b>	<b>3.0%</b>	<b>\$206.7</b>	<b>4.4%</b>

\* 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.

\*\* 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 36.0% in FY15

\*\*\* Includes Motor Vehicle Rental revenues, restated

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# Appendix A

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## Five Year Revenue Forecast Tables

July 2017

**TABLE 1A - STATE OF VERMONT  
LEGISLATIVE JOINT FISCAL OFFICE  
SOURCE GENERAL FUND REVENUE FORECAST UPDATE  
Consensus JFO and Administration Forecast - July 2017**

**SOURCE G-FUND**

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

	FY 2013	%	FY 2014	%	FY 2015	%	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>																				
Personal Income	\$660.6	10.7%	\$671.1	1.6%	\$705.9	5.2%	\$747.0	5.8%	\$756.5	1.3%	\$784.0	3.6%	\$808.1	3.1%	\$827.2	2.4%	\$840.5	1.6%	\$862.7	2.6%
Sales & Use*	\$346.8	1.4%	\$353.6	2.0%	\$364.6	3.1%	\$370.7	1.7%	\$376.7	1.6%	\$390.9	3.8%	\$400.3	2.4%	\$409.1	2.2%	\$415.7	1.6%	\$425.2	2.3%
Corporate	\$95.0	10.5%	\$94.8	-0.1%	\$121.9	28.5%	\$117.0	-4.0%	\$95.8	-18.1%	\$80.8	-15.6%	\$97.6	20.8%	\$96.8	-0.8%	\$93.7	-3.2%	\$97.2	3.7%
Meals and Rooms	\$134.8	6.2%	\$142.7	5.9%	\$150.8	5.7%	\$154.2	2.2%	\$165.3	7.3%	\$171.1	3.5%	\$176.9	3.4%	\$182.4	3.1%	\$186.9	2.5%	\$192.6	3.0%
Cigarette and Tobacco**	\$74.3	-7.2%	\$71.9	-3.3%	\$76.8	6.7%	\$80.7	5.2%	\$76.7	-5.0%	\$75.0	-2.2%	\$73.3	-2.4%	\$71.4	-2.5%	\$69.6	-2.5%	\$67.8	-2.6%
Liquor	\$17.0	3.4%	\$17.7	4.0%	\$18.2	2.9%	\$18.3	0.8%	\$19.1	4.4%	\$19.6	2.5%	\$20.2	3.1%	\$20.8	3.0%	\$21.3	2.4%	\$22.0	3.3%
Insurance	\$55.0	-2.3%	\$57.1	3.7%	\$55.3	-3.1%	\$56.2	1.7%	\$57.0	1.3%	\$58.0	1.8%	\$58.7	1.2%	\$59.3	1.0%	\$59.6	0.5%	\$60.5	1.5%
Telephone	\$9.4	-2.6%	\$9.1	-2.9%	\$7.7	-14.9%	\$3.2	-59.2%	\$5.7	80.6%	\$5.0	-12.4%	\$4.4	-12.0%	\$3.9	-11.4%	\$3.5	-10.3%	\$3.2	-8.6%
Beverage	\$6.2	3.3%	\$6.4	3.6%	\$6.7	4.2%	\$6.7	0.6%	\$6.9	2.9%	\$7.1	2.9%	\$7.3	2.8%	\$7.5	2.7%	\$7.7	2.7%	\$7.9	2.6%
Electric***	\$8.9	204.5%	\$13.1	46.9%	\$9.4	-28.2%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate	\$15.4	15.4%	\$35.5	131.0%	\$9.9	-72.2%	\$12.5	26.5%	\$16.7	33.3%	\$18.4	10.4%	\$19.3	4.9%	\$20.2	4.7%	\$21.1	4.5%	\$22.0	4.3%
Property	\$28.5	18.3%	\$30.9	8.5%	\$33.6	8.6%	\$35.7	6.2%	\$38.8	8.7%	\$41.8	7.7%	\$44.2	5.7%	\$46.0	4.1%	\$46.9	2.0%	\$47.7	1.7%
Bank	\$10.7	0.2%	\$11.0	2.7%	\$10.7	-2.0%	\$10.7	-0.6%	\$13.2	24.0%	\$11.8	-10.9%	\$11.1	-5.9%	\$11.2	0.9%	\$11.3	0.9%	\$11.4	0.9%
Other Tax	\$1.8	42.9%	\$1.9	9.6%	\$2.0	4.5%	\$1.8	-9.0%	\$2.2	18.0%	\$2.3	5.8%	\$2.5	8.7%	\$2.7	8.0%	\$2.9	7.4%	\$3.0	3.4%
<b>Total Tax Revenue</b>	<b>\$1464.3</b>	<b>6.7%</b>	<b>\$1517.0</b>	<b>3.6%</b>	<b>\$1573.5</b>	<b>3.7%</b>	<b>\$1614.8</b>	<b>2.6%</b>	<b>\$1630.5</b>	<b>1.0%</b>	<b>\$1665.8</b>	<b>2.2%</b>	<b>\$1723.9</b>	<b>3.5%</b>	<b>\$1758.5</b>	<b>2.0%</b>	<b>\$1780.7</b>	<b>1.3%</b>	<b>\$1823.2</b>	<b>2.4%</b>
Business Licenses	\$2.8	-8.0%	\$1.1	-61.4%	\$1.1	0.2%	\$1.1	-1.6%	\$1.2	16.8%	\$1.3	4.4%	\$1.3	2.3%	\$1.4	2.3%	\$1.4	2.2%	\$1.4	2.2%
Fees	\$21.4	2.2%	\$20.6	-3.4%	\$22.1	7.0%	\$23.0	4.2%	\$48.5	110.8%	\$49.8	2.8%	\$51.0	2.4%	\$52.2	2.4%	\$53.3	2.1%	\$54.8	2.8%
Services	\$2.5	8.3%	\$1.3	-47.3%	\$1.5	12.5%	\$2.8	86.6%	\$3.0	7.9%	\$3.1	3.0%	\$3.1	1.0%	\$3.2	1.0%	\$3.2	0.9%	\$3.2	0.9%
Fines	\$4.7	-35.9%	\$3.6	-24.2%	\$3.5	-3.1%	\$3.7	5.5%	\$4.4	21.0%	\$3.5	-20.9%	\$3.6	2.9%	\$3.7	2.8%	\$3.8	2.7%	\$3.9	2.6%
Interest	\$0.6	26.3%	\$0.2	-59.2%	\$0.3	40.4%	\$0.7	130.6%	\$1.5	111.5%	\$2.2	43.8%	\$2.9	31.5%	\$3.6	23.1%	\$3.9	6.9%	\$4.0	3.9%
Special Assessments	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Lottery	\$22.9	2.7%	\$22.6	-1.6%	\$22.8	0.8%	\$26.4	16.1%	\$25.5	-3.3%	\$25.3	-0.9%	\$25.6	1.2%	\$25.8	0.8%	\$25.9	0.4%	\$26.0	0.4%
All Other****	\$1.7	93.1%	\$1.3	-24.0%	\$1.0	-20.4%	\$1.3	25.9%	\$2.9	128.5%	\$1.1	-62.2%	\$1.2	9.1%	\$1.3	8.3%	\$1.4	7.7%	\$1.5	7.1%
<b>Total Other Revenue</b>	<b>\$56.6</b>	<b>-1.2%</b>	<b>\$50.7</b>	<b>-10.4%</b>	<b>\$52.2</b>	<b>3.0%</b>	<b>\$58.9</b>	<b>12.9%</b>	<b>\$87.104</b>	<b>47.9%</b>	<b>\$86.325</b>	<b>-0.9%</b>	<b>\$88.8</b>	<b>2.8%</b>	<b>\$91.1</b>	<b>2.6%</b>	<b>\$92.8</b>	<b>1.9%</b>	<b>\$94.8</b>	<b>2.2%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$1520.9</b>	<b>6.4%</b>	<b>\$1567.6</b>	<b>3.1%</b>	<b>\$1625.7</b>	<b>3.7%</b>	<b>\$1673.7</b>	<b>2.9%</b>	<b>\$1717.7</b>	<b>2.6%</b>	<b>\$1752.2</b>	<b>2.0%</b>	<b>\$1812.7</b>	<b>3.5%</b>	<b>\$1849.6</b>	<b>2.0%</b>	<b>\$1873.6</b>	<b>1.3%</b>	<b>\$1918.0</b>	<b>2.4%</b>

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

\*\* Includes Cigarette, Tobacco Products and Floor Stock tax revenues.

\*\*\* 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.

\*\*\*\* Excludes \$5 million Vermont Yankee settlement agreement transitional payment in FY2015.

\*\*\*\*\*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.

**TABLE 1 - STATE OF VERMONT  
LEGISLATIVE JOINT FISCAL OFFICE  
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE  
Consensus JFO and Administration Forecast - July 2017**

**CURRENT LAW BASIS**

*including all Education Fund*

*allocations and other out-transfers*

	<b>FY 2013</b>	<b>%</b>	<b>FY 2014</b>	<b>%</b>	<b>FY 2015</b>	<b>%</b>	<b>FY 2016</b>	<b>%</b>	<b>FY 2017</b>	<b>%</b>	<b>FY 2018</b>	<b>%</b>	<b>FY 2019</b>	<b>%</b>	<b>FY2020</b>	<b>%</b>	<b>FY2021</b>	<b>%</b>	<b>FY2022</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>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
<b>REVENUE SOURCE</b>																				
Personal Income	\$660.6	10.7%	\$671.1	1.6%	\$705.9	5.2%	\$747.0	5.8%	\$756.5	1.3%	\$784.0	3.6%	\$808.1	3.1%	\$827.2	2.4%	\$840.5	1.6%	\$862.7	2.6%
Sales and Use*	\$231.2	1.4%	\$229.9	-0.6%	\$237.0	3.1%	\$241.0	1.7%	\$244.9	1.6%	\$254.1	3.8%	\$256.2	0.8%	\$261.8	2.2%	\$266.0	1.6%	\$272.1	2.3%
Corporate	\$95.0	10.5%	\$94.8	-0.1%	\$121.9	28.5%	\$117.0	-4.0%	\$95.8	-18.1%	\$80.8	-15.6%	\$97.6	20.8%	\$96.8	-0.8%	\$93.7	-3.2%	\$97.2	3.7%
Meals and Rooms	\$134.8	6.2%	\$142.7	5.9%	\$150.8	5.7%	\$154.2	2.2%	\$165.3	7.3%	\$171.1	3.5%	\$176.9	3.4%	\$182.4	3.1%	\$186.9	2.5%	\$192.6	3.0%
Cigarette and Tobacco	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Liquor	\$17.0	3.4%	\$17.7	4.0%	\$18.2	2.9%	\$18.3	0.8%	\$19.1	4.4%	\$19.6	2.5%	\$20.2	3.1%	\$20.8	3.0%	\$21.3	2.4%	\$22.0	3.3%
Insurance	\$55.0	-2.3%	\$57.1	3.7%	\$55.3	-3.1%	\$56.2	1.7%	\$57.0	1.3%	\$58.0	1.8%	\$58.7	1.2%	\$59.3	1.0%	\$59.6	0.5%	\$60.5	1.5%
Telephone	\$9.4	-2.6%	\$9.1	-2.9%	\$7.7	-14.9%	\$3.2	-59.2%	\$5.7	80.6%	\$5.0	-12.4%	\$4.4	-12.0%	\$3.9	-11.4%	\$3.5	-10.3%	\$3.2	-8.6%
Beverage	\$6.2	3.3%	\$6.4	3.6%	\$6.7	4.2%	\$6.7	0.6%	\$6.9	2.9%	\$7.1	2.9%	\$7.3	2.8%	\$7.5	2.7%	\$7.7	2.7%	\$7.9	2.6%
Electric**	\$8.9	204.5%	\$13.1	46.9%	\$9.4	-28.2%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate***	\$15.4	15.4%	\$35.5	131.0%	\$9.9	-72.2%	\$12.5	26.5%	\$16.7	33.3%	\$18.4	10.4%	\$19.3	4.9%	\$20.2	4.7%	\$21.1	4.5%	\$22.0	4.3%
Property	\$9.2	16.5%	\$10.0	9.3%	\$10.9	8.7%	\$11.5	6.0%	\$12.6	9.0%	\$12.7	1.2%	\$13.5	6.1%	\$14.1	4.3%	\$14.4	2.1%	\$14.6	1.8%
Bank	\$10.7	0.2%	\$11.0	2.7%	\$10.7	-2.0%	\$10.7	-0.6%	\$13.2	24.0%	\$11.8	-10.9%	\$11.1	-5.9%	\$11.2	0.9%	\$11.3	0.9%	\$11.4	0.9%
Other Tax	\$1.8	42.9%	\$1.9	9.6%	\$2.0	4.5%	\$1.8	-9.0%	\$2.2	18.0%	\$2.3	5.8%	\$2.5	8.7%	\$2.7	8.0%	\$2.9	7.4%	\$3.0	3.4%
<b>Total Tax Revenue</b>	<b>\$1255.0</b>	<b>8.0%</b>	<b>\$1300.3</b>	<b>3.6%</b>	<b>\$1346.4</b>	<b>3.5%</b>	<b>\$1380.1</b>	<b>2.5%</b>	<b>\$1395.7</b>	<b>1.1%</b>	<b>\$1424.9</b>	<b>2.1%</b>	<b>\$1475.8</b>	<b>3.6%</b>	<b>\$1507.9</b>	<b>2.2%</b>	<b>\$1528.9</b>	<b>1.4%</b>	<b>\$1569.2</b>	<b>2.6%</b>
Business Licenses	\$2.8	-8.0%	\$1.1	-61.4%	\$1.1	0.2%	\$1.1	-1.6%	\$1.2	16.8%	\$1.3	4.4%	\$1.3	2.3%	\$1.4	2.3%	\$1.4	2.2%	\$1.4	2.2%
Fees	\$21.4	2.2%	\$20.6	-3.4%	\$22.1	7.0%	\$23.0	4.2%	\$48.5	110.8%	\$49.8	2.8%	\$51.0	2.4%	\$52.2	2.4%	\$53.3	2.1%	\$54.8	2.8%
Services	\$2.5	8.3%	\$1.3	-47.3%	\$1.5	12.5%	\$2.8	86.6%	\$3.0	7.9%	\$3.1	3.0%	\$3.1	1.0%	\$3.2	1.0%	\$3.2	0.9%	\$3.2	0.9%
Fines	\$4.7	-35.9%	\$3.6	-24.2%	\$3.5	-3.1%	\$3.7	5.5%	\$4.4	21.0%	\$3.5	-20.9%	\$3.6	2.9%	\$3.7	2.8%	\$3.8	2.7%	\$3.9	2.6%
Interest	\$0.5	20.5%	\$0.2	-66.6%	\$0.2	51.9%	\$0.6	136.1%	\$1.2	108.2%	\$1.8	53.7%	\$2.4	33.3%	\$3.0	25.0%	\$3.2	6.7%	\$3.3	3.1%
All Other****	\$1.7	93.1%	\$1.3	-24.0%	\$1.0	-20.4%	\$1.3	25.9%	\$2.9	128.5%	\$1.1	-62.2%	\$1.2	9.1%	\$1.3	8.3%	\$1.4	7.7%	\$1.5	7.1%
<b>Total Other Revenue</b>	<b>\$33.5</b>	<b>-3.9%</b>	<b>\$28.0</b>	<b>-16.4%</b>	<b>\$29.4</b>	<b>4.7%</b>	<b>\$32.3</b>	<b>10.1%</b>	<b>\$61.2</b>	<b>89.3%</b>	<b>\$60.6</b>	<b>-1.0%</b>	<b>\$62.7</b>	<b>3.4%</b>	<b>\$64.7</b>	<b>3.3%</b>	<b>\$66.3</b>	<b>2.4%</b>	<b>\$68.1</b>	<b>2.8%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$1288.6</b>	<b>7.7%</b>	<b>\$1328.4</b>	<b>3.1%</b>	<b>\$1375.8</b>	<b>3.6%</b>	<b>\$1412.4</b>	<b>2.7%</b>	<b>\$1457.0</b>	<b>3.2%</b>	<b>\$1485.5</b>	<b>2.0%</b>	<b>\$1538.4</b>	<b>3.6%</b>	<b>\$1572.6</b>	<b>2.2%</b>	<b>\$1595.2</b>	<b>1.4%</b>	<b>\$1637.4</b>	<b>2.6%</b>

\* 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% to 36% effective in FY19.

\*\* 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.

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

\*\*\*\* Excludes \$5 million Vermont Yankee settlement agreement transitional payment in FY2015.

\*\*\*\*\*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.



**TABLE 2A - STATE OF VERMONT**  
**LEGISLATIVE JOINT FISCAL OFFICE**  
**SOURCE TRANSPORTATION FUND REVENUE FORECAST UPDATE**  
Consensus JFO and Administration Forecast - July 2017

SOURCE T-FUND

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

	FY 2013	%	FY 2014	%	FY 2015	%	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																				
Gasoline	\$59.9	1.1%	\$76.5	27.6%	\$77.6	1.5%	\$78.0	0.5%	\$78.2	0.2%	\$78.1	-0.1%	\$77.8	-0.4%	\$77.5	-0.4%	\$77.1	-0.5%	\$76.4	-0.9%
Diesel	\$15.6	-2.2%	\$17.2	9.7%	\$19.1	11.5%	\$18.3	-4.4%	\$18.0	-1.7%	\$18.4	2.2%	\$18.7	1.6%	\$18.9	1.1%	\$19.0	0.5%	\$19.3	1.6%
Purchase and Use*	\$83.6	2.0%	\$91.8	9.9%	\$97.3	5.9%	\$100.1	2.9%	\$103.2	3.1%	\$106.3	3.0%	\$109.5	3.0%	\$112.7	2.9%	\$115.4	2.4%	\$119.0	3.1%
Motor Vehicle Fees	\$77.9	5.9%	\$79.0	1.5%	\$80.1	1.4%	\$82.0	2.3%	\$86.2	5.2%	\$88.0	2.1%	\$88.3	0.3%	\$89.7	1.6%	\$90.1	0.4%	\$91.4	1.4%
Other Revenue**	\$19.1	4.2%	\$19.5	2.3%	\$19.7	0.8%	\$19.6	-0.5%	\$19.9	1.8%	\$20.8	4.5%	\$21.1	1.4%	\$21.4	1.4%	\$21.6	0.9%	\$22.0	1.9%
TOTAL TRANS. FUND	\$256.0	2.8%	\$284.0	10.9%	\$293.8	3.5%	\$298.0	1.4%	\$305.5	2.5%	\$311.6	2.0%	\$315.4	1.2%	\$320.2	1.5%	\$323.2	0.9%	\$328.1	1.5%

**TABLE 2 - STATE OF VERMONT**  
**LEGISLATIVE JOINT FISCAL OFFICE**  
**AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE**  
Consensus JFO and Administration Forecast - July 2017

CURRENT LAW BASIS																				
including all Education Fund allocations and other out-transfers																				
	FY 2013	%	FY 2014	%	FY 2015	%	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																				
Gasoline	\$59.9	1.1%	\$76.5	27.6%	\$77.6	1.5%	\$78.0	0.5%	\$78.2	0.2%	\$78.1	-0.1%	\$77.8	-0.4%	\$77.5	-0.4%	\$77.1	-0.5%	\$76.4	-0.9%
Diesel	\$15.6	-2.2%	\$17.2	9.7%	\$19.1	11.5%	\$18.3	-4.4%	\$18.0	-1.7%	\$18.4	2.2%	\$18.7	1.6%	\$18.9	1.1%	\$19.0	0.5%	\$19.3	1.6%
Purchase and Use*	\$55.7	2.0%	\$61.2	9.9%	\$64.8	5.9%	\$66.8	2.9%	\$68.8	3.1%	\$70.9	3.0%	\$73.0	3.0%	\$75.1	2.9%	\$76.9	2.4%	\$79.3	3.1%
Motor Vehicle Fees	\$77.9	5.9%	\$79.0	1.5%	\$80.1	1.4%	\$82.0	2.3%	\$86.2	5.2%	\$88.0	2.1%	\$88.3	0.3%	\$89.7	1.6%	\$90.1	0.4%	\$91.4	1.4%
Other Revenue**	\$19.1	4.2%	\$19.5	2.3%	\$19.7	0.8%	\$19.6	-0.5%	\$19.9	1.8%	\$20.8	4.5%	\$21.1	1.4%	\$21.4	1.4%	\$21.6	0.9%	\$22.0	1.9%
TOTAL TRANS. FUND	\$228.2	2.9%	\$253.4	11.0%	\$261.4	3.2%	\$264.6	1.2%	\$271.1	2.5%	\$276.2	1.9%	\$278.9	1.0%	\$282.6	1.3%	\$284.7	0.7%	\$288.4	1.3%
OTHER																				
TIB Gasoline	\$21.2	1.4%	\$19.2	-9.5%	\$18.2	-5.2%	\$13.0	-28.4%	\$12.6	-3.3%	\$12.5	-0.7%	\$12.6	1.1%	\$13.7	8.1%	\$14.7	7.8%	\$15.8	7.1%
TIB Diesel and Other***	\$1.8	-8.1%	\$1.8	4.0%	\$2.1	11.4%	\$1.9	-6.1%	\$2.1	11.0%	\$2.0	-7.9%	\$2.0	1.0%	\$2.0	1.0%	\$2.0	1.5%	\$2.1	1.0%
Total TIB	\$23.0	0.6%	\$21.0	-8.4%	\$20.2	-3.8%	\$15.0	-26.1%	\$14.7	-1.5%	\$14.5	-1.8%	\$14.6	1.1%	\$15.7	7.1%	\$16.8	7.0%	\$17.8	6.3%

\* As of FY04, includes Motor Vehicle Rental tax revenue.

\*\* 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.

\*\*\* Includes TIB Fund interest income (which has never exceeded \$20,000 per year).

**TABLE 3 - STATE OF VERMONT**  
**LEGISLATIVE JOINT FISCAL OFFICE**  
**AVAILABLE EDUCATION FUND\* REVENUE FORECAST UPDATE**  
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)  
Consensus JFO and Administration Forecast - July 2017

**CURRENT LAW BASIS**

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

	<b>FY 2013</b>	<b>%</b>	<b>FY 2014</b>	<b>%</b>	<b>FY 2015</b>	<b>%</b>	<b>FY 2016</b>	<b>%</b>	<b>FY 2017</b>	<b>%</b>	<b>FY 2018</b>	<b>%</b>	<b>FY 2019</b>	<b>%</b>	<b>FY2020</b>	<b>%</b>	<b>FY2021</b>	<b>%</b>	<b>FY2022</b>	<b>%</b>
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
<b>GENERAL FUND</b>																				
Sales & Use**	\$115.6	1.4%	\$123.8	7.1%	127.6	3.1%	\$129.8	1.7%	\$131.8	1.6%	\$136.8	3.8%	\$144.1	5.3%	\$147.3	2.2%	\$149.7	1.6%	\$153.1	2.3%
Interest	\$0.1	72.8%	\$0.1	-17.2%	0.1	3.6%	\$0.2	135.7%	\$0.4	122.7%	\$0.4	13.1%	\$0.5	23.5%	\$0.6	14.3%	\$0.7	8.3%	\$0.7	7.7%
Lottery	\$22.9	2.7%	\$22.6	-1.6%	22.8	0.8%	\$26.4	16.1%	\$25.5	-3.3%	\$25.3	-0.9%	\$25.6	1.2%	\$25.8	0.8%	\$25.9	0.4%	\$26.0	0.4%
<b>TRANSPORTATION FUND</b>																				
Purchase and Use***	\$27.9	2.0%	\$30.6	9.9%	32.4	5.9%	\$33.4	2.9%	\$34.4	3.1%	\$35.4	3.0%	\$36.5	3.0%	\$37.6	2.9%	\$38.5	2.4%	\$39.7	3.1%
<b>TOTAL EDUCATION FUND</b>	<b>\$166.5</b>	<b>1.7%</b>	<b>\$177.0</b>	<b>6.3%</b>	<b>182.9</b>	<b>3.3%</b>	<b>\$189.7</b>	<b>3.7%</b>	<b>\$192.2</b>	<b>1.3%</b>	<b>\$198.0</b>	<b>3.0%</b>	<b>\$206.7</b>	<b>4.4%</b>	<b>\$211.2</b>	<b>2.2%</b>	<b>\$214.7</b>	<b>1.6%</b>	<b>\$219.4</b>	<b>2.2%</b>

\* 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.

\*\* 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 36.0% in F19.

\*\*\* Includes Motor Vehicle Rental revenues, restated