2006

FI$CAL FACT$

VERMONT LEGISLATIVE

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2005 – 2006 Legislative Session

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Rebecca Buck, Staff Associate/Personnel Officer
Virginia Catone, Staff Associate (Session)
Sandra Noyes, Business Manager

One Baldwin Street
Montpelier, Vermont 05633-5701
Telephone: (802) 828-2295
Fax: (802) 828-2483

The contents of this publication may also be found at the Joint Fiscal Office Web Site:
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PART I – OVERVIEW OF STATE FINANCES

OVERVIEW OF STATE FINANCES

There are three major components to any government's finances. The first is **revenue** – funds coming into government coffers. The second is **debt**; most governments, local, state, and federal, borrow to finance some of their activities, such as major capital expenditures like construction projects. The third is **expenditures** – what government spends money on. States spend both the revenue they raise and money from other sources, such as the federal government. The table below shows major state funding sources and appropriations. The remainder of this section discusses revenue, debt, and expenditures in detail.

Total State Budget: Fiscal Year 2006

(prior to budget adjustment)

Sources of Funds	Amount	% of Total
General	1,053,941,999	24.86%
Transportation	220,360,031	5.20%
Education	1,240,167,487	29.25%
Fish & Wildlife	12,188,720	0.29%
Special	414,039,414	9.77%
Federal	1,107,732,430	26.13%
Other	191,328,771	4.51%
Total	$4,239,758,852	100.00%

Appropriation	Amount	% of Total
General Government	125,912,602	2.97%
Protection	219,880,467	5.19%
Human Services	1,502,442,843	35.44%
Employment	24,501,579	0.58%
Education	1,778,993,210	41.96%
Natural Resources	78,325,806	1.85%
Commerce/Development	58,559,998	1.38%
Transportation	354,117,882	8.35%
Debt Service	67,461,234	1.59%
Miscellaneous/Other	29,563,231	0.70%
Total	$4,239,758,852	100.00%

Source: Joint Fiscal Office Analysis of Act #71 of the 2005 Session
(Fiscal year 2006 Appropriations)

REVENUE

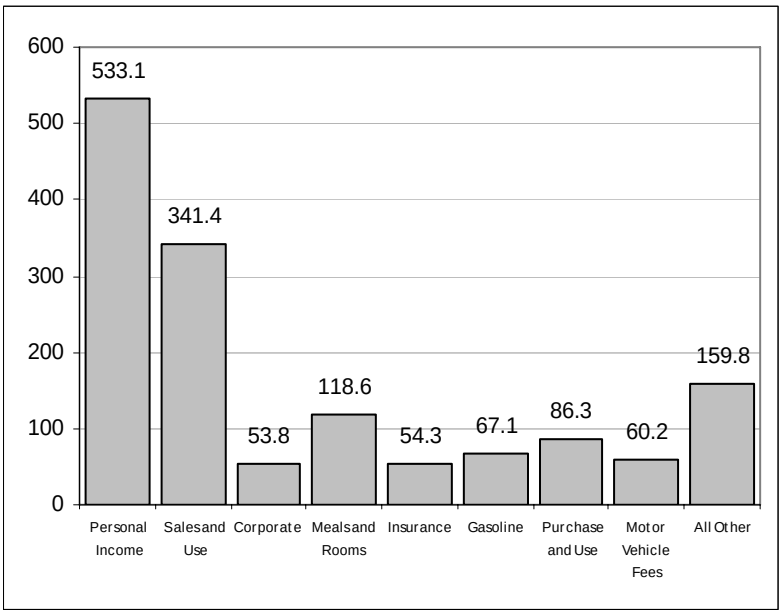
Over 90% of Vermont state revenue comes from taxes. The personal income tax is the largest single source, accounting for about one-third of General, Transportation and Education Fund non-property tax revenue. The sales and use tax accounts for one-fifth. Other sources of revenue include licenses, fees, interest, and lottery sales.

In addition to money it raises through taxes, fees, and other operations, the state also receives funds from other sources. The major source is the federal government. About one-third of state spending is federal funds. Another significant source is the tobacco settlement.

Sources of General, Transportation and Education Fund Revenue, FY 2006

(January 2006 forecast, $ in millions)

does not include property taxes



The first step in the creation of the annual state budget is the development of a revenue forecast. The next page contains some history and the forecast that will be used for development of the fiscal year 2007 budget.

FY 2007 State Revenue Forecast
by Fund Type and Source
($ in millions)

	Amount	% of Fund	% of Total
General Fund			
Personal Income	533.1	49%	36%
Sales and Use	227.6	21%	15%
Corporate	53.8	5%	4%
Meals and Rooms	118.6	11%	8%
Cigarette	0.0	0%	0%
Liquor	13.5	1%	1%
Insurance	54.3	5%	4%
Telephone	10.9	1%	1%
Beverage	5.5	1%	0%
Electric	2.6	0%	0%
Estate	16.9	2%	1%
Property	13.1	1%	1%
Bank	10.7	1%	1%
Other Tax	6.2	1%	0%
Other Revenue	25.7	2%	2%
Fund Total	**1092.6**	**100%**	**74%**
Transportation Fund			
Gasoline	67.1	31%	5%
Diesel	17.9	8%	1%
Purchase and Use	57.5	26%	4%
Motor Vehicle Fees	60.2	27%	4%
Other Revenue	17.1	8%	1%
Fund Total	**219.8**	**100%**	**15%**
Education Fund (non-property tax revenues)			
Sales & Use	113.8	70%	8%
Lottery	19.9	12%	1%
Purchase and Use	28.8	18%	2%
Fund Total	**162.2**	**100%**	**11%**
Total Revenue	**1,474.6**		**100%**

Source: Emergency Board Official Forecast, January 2006

Available General Fund Forecast
($ in millions)

Revenue Source	**FY 2005** *(Actual)*	**FY 2006** *(Forecast)*	**FY 2007** *(Forecast)*	**FY 2008** *(Forecast)*
Personal Income	$500.5	$515.4	$533.1	$547.8
Sales and Use	$207.2	$215.4	$227.6	$236.9
Corporate	$60.4	$63.1	$53.8	$48.3
Meals, Rooms & Alcohol	$113.0	$115.0	$118.6	$122.0
Liquor	$12.5	$13.2	$13.5	$13.9
Insurance Premiums	$50.3	$52.9	$54.3	$55.8
Telephone	$10.5	$10.8	$10.9	$11.1
Beverage	$5.3	$5.4	$5.5	$5.7
Electric Generating	$2.6	$2.6	$2.6	$2.7
Estate	$18.9	$21.0	$16.9	$17.6
Property Transfer	$14.8	$14.3	$13.1	$12.4
Bank Franchise	$8.6	$9.9	$10.7	$11.0
Other Tax	$6.6	$7.2	$6.2	$5.9
Total Tax Revenue	$1,011.1	$1,046.3	$1,066.9	$1,091.1
Business Licenses	$2.8	$2.7	$2.8	$2.9
Fees	$12.5	$12.9	$13.3	$13.7
Services	$2.0	$1.7	$1.8	$1.9
Fines	$4.4	$3.3	$3.5	$3.6
Interest	$2.1	$3.2	$3.9	$3.7
Special Assessments	$0.0	$0.0	$0.0	$0.0
All Other	$0.4	$0.3	$0.4	$0.5
Total Other Revenue	$24.2	$24.1	$25.7	$26.3
TOTAL GF REVENUE	**$1,035.3**	**$1,070.4**	**$1,092.6**	**$1,117.4**

Source: Emergency Board Official Forecast, January 2006

For more detailed information and history on the major revenue sources, see pp 27 & 32-36.

Available Transportation Fund Forecast[1]
($ in millions)

REVENUE SOURCE	**FY 2005** *(Actual)*	**FY 2006** *(Forecast)*	**FY 2007** *(Forecast)*	**FY 2008** *(Forecast)*
Gasoline	$65.5	$66.1	$67.1	$68.2
Diesel	$15.5	$17.6	$17.9	$18.3
Purchase and Use [2]	$56.0	$56.0	$57.5	$59.3
Motor Vehicle Fees	$56.1	$59.6	$60.2	$62.9
Other Revenue	$15.9	$16.3	$17.1	$17.6
TOTAL TF REVENUE	**$209.1**	**$215.6**	**$219.8**	**$226.3**

Source: Emergency Board Official Forecast, January 2006

[1] Excludes all Education Fund allocation and other out transfers.
[2] Includes Motor Vehicle Rental Tax revenue.

The allocation of Purchase and Use, Gasoline, and other taxes between the Transportation and the Education Fund changed in 2005.

For more detailed information and history on the major revenue sources, see pp. 38 & 39.

Education Fund Forecast
(Non-property tax sources, $ in millions)

REVENUE SOURCE	**FY 2005** *(Actual)*	**FY 2006** *(Forecast)*	**FY 2007** *(Forecast)*	**FY 2008** *(Forecast)*
Sales & Use	$103.6	$107.7	$113.8	$118.4
Interest	($0.5)	($0.5)	($0.3)	($0.4)
Lottery	$20.4	$20.3	$19.9	$19.4
Purchase and Use [1]	$28.0	$28.0	$28.8	$29.7
TOTAL EF REVENUE	**$151.5**	**$155.5**	**$162.2**	**$167.1**

Source: Emergency Board Official Forecast, January 2006

[1] $1.56m transfer to Tourism; Includes Motor Vehicle Rental Tax revenue.

The allocation of various taxes between the General, Transportation and the Education Fund changed in 2005.

For more detailed information and history on the major revenue sources, see page 40.

Potential Revenue Sources and Options

There are three main ways to increase revenue coming into state coffers:

1) increase existing taxes;

2) expand existing tax bases; or

3) create new taxes.

The following estimates are examples of each of these methods to raise new state revenue. In reverse, reducing rates, creating tax exemptions, and eliminating taxes all reduce state revenue.

Preliminary Estimates Only - Subject to Revision *($ in millions)*

Tax Source	FY 2007 Revenue	Tax Rate	Unit of Tax	[1] FY07 New Revenue
Increase Existing Taxes				
Sales & Use	$341.4	6%	@1%	56.9
Meals, Rooms & Alcohol	$118.6	9% & 10%	@1%	13.0
Cigarette	$44.0	$1.19	@ penny	0.4
Tobacco Products	$2.4	41%	10% increase	0.5
Liquor	$13.5	25%	@1%	0.5
Bank Franchise	$10.7	0.0096%	.0001% increase	0.1
Insurance Premiums	$54.3	various	various	N/A
Gasoline	$67.1	0.19	@ penny	3.6
Diesel	$17.9	0.25	@ penny	0.7
Purchase & Use	$86.3	6%	@1%	14.4
Personal Income Tax	$533.1	various	1% surcharge	5.3
Corporate Income Tax	$53.8	various	1% surcharge	0.5
Property Transfer Tax	$40.2	various	1% surcharge	0.4
Provider Taxes	$44.8	various	various	1.0 - 10.0

[1] These are simple yield rates and do not include price elasticity. Elasticity is the decline or increase in demand in response to the price change This will slightly reduce the new tax revenue for most increases. Elasticity will depend upon many conditions specific to a tax source, such as tax rates in competitive jurisdictions, the size of the tax change, the prior tax level, and the nature of the economic good being taxed. Most effective tax yields fall between about 90% to 100% of an estimated simple yield.

Preliminary Estimates Only - Subject to Revision *($ in millions)*

Tax Source	Change	New Revenue
Expand Income Tax Base		
Eliminate Capital Gains Exemption	Apply ordinary rates	19.0
Eliminate Deductability of State & Local Taxes	Eliminate deduction	17.0
Eliminate Charitable Contributions Deduction	"	N/A
Eliminate Mortgage Interest Deduction	"	N/A
Apply Corporate Income Tax to Banks	Apply ordinary rates	5.0

Potential Revenue Sources and Options (continued)

Preliminary Estimates Only - Subject to Revision *($ in million)*

Tax Source	Change	FY07 New Revenue
Expand Sales Tax Base		
Beer	Include in Sales Tax	7.3
Clothing	Eliminate $110 threshold	13.6
Footwear	Include in Sales Tax	4.3
Soft Drinks	"	5.3
Candy	"	2.5
Gasoline	"	45.0
Lottery and Break-open Tickets	"	N/A
Apply Sales Tax to Services *(partial list only)[2]*		
All Professional, Scientific & Technical Services	Include in Sales Tax	
Legal Services	"	15.3
Accounting, Tax Prep, Bookkeeping & Payroll	"	6.6
Architectural, Engineering & Related	"	17.2
Specialized Design Services (Interior & Graphic)		2.3
Computer Systems Services	"	11.0
Management & Consulting	"	12.3
Scientific, Research & Technical Consulting	"	2.9
Advertising Services	"	3.5
Veterinary Services	"	3.9
All Health Care & Social Assistance		
Physician Offices	"	30.1
Dentist Offices	"	11.7
Other Health Practicioners (Chiropractors, Opticians, Therapists etc.)	"	5.9
Outpatient Care Facilities	"	15.7
Medical & Diagnostic Labs	"	0.3
Home Health Services	"	6.2
Nursing & Residential Care Facilities	"	20.0
Cosmetic Medical Procedures	"	2.0
Other Services		
Automotive Repair and Maintenance	"	13.0
Electronic Equipement Repair & Maintenance	"	0.7
Personal & Household Repair & Maintenance	"	1.0
Personal Care Services	"	2.9
Dry Cleaning & Laundry Services	"	2.5
Pet Care (except veterinary)	"	0.2

[2] Estimates based on 2002 Economic Census data

STATE INDEBTEDNESS

Capital Debt Affordability Advisory Committee

The Capital Debt Affordability Advisory Committee was created by the 1990 Vermont Legislature to estimate annually the maximum amount of new long-term general obligation debt that prudently may be authorized by the state for the next fiscal year. The Committee's estimate is required by law to be based on a number of considerations, historic and projected, including debt service requirements, debt service as a percent of General and Transportation Fund revenues, outstanding debt as a percent of personal income, and per capita debt ratios. The Committee is comprised of five members, four of whom are ex-officio state officials and one of whom is appointed by the Governor from the private sector for a two-year term. The Committee is directed by law to issue a report by September 30 of each calendar year.

In September 2005 the Committee recommended, and the Legislature authorized a total of $45 million in new debt issuance for 2006.

The Committee recommended a maximum of $45 million in new debt for 2007.

Summary of Outstanding Debt

(as of 6/30/2005)

Type of Debt	Total Outstanding Debt
General Fund	$412,900,000
Transportation Fund	13,656,000
General Fund Supported (SF)	13,710,000
Total	$440,266,000

Source: Government Finance Associates, Inc., September, 2005 Report.

State Indebtedness (continued)
Vermont Debt Burden Comparison
(Moody's Investor Service)

Debt as a percent of total state personal income

	2002	2003	2004	2005
Moody's VT Ratio	3.0%	3.0%	2.5%	2.3%
Moody's Median	2.3%	2.2%	2.4%	2.4%
Vermont Rank	14	17	25	27

Debt per capita

	2002	2003	2004	2005
Moody's VT Per Capita	$813	$861	$724	$716
Moody's Median	$573	$606	$701	$703
Vermont Rank	18	16	24	25

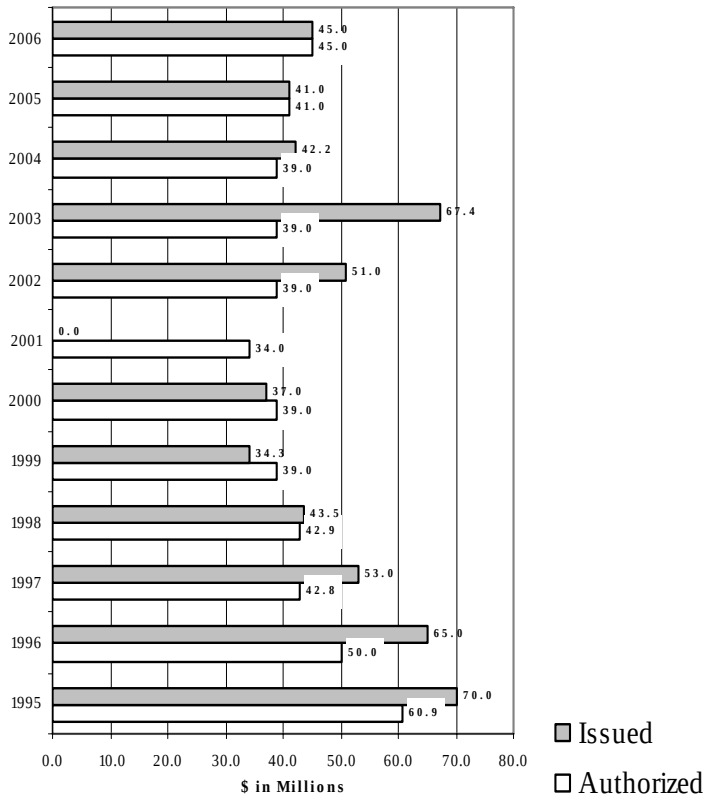
Fitch Investors Service, Inc. AA+ (upgraded in 1999 from AA)
Moody's Investors Service Aa1 (upgraded in 1999 from Aa2)
Standard and Poor's AA+ (upgraded in 2000 from AA)

Source: Government Finance Associates report of September 2005

Recent Debt Authorizations

During fiscal year 2002, a total of $51 million of debt was sold, representing the sum of that year's authorization of $39 million, plus $12 million carried forward from fiscal year 2001. During fiscal year 2003, $67.4 million of debt was sold, representing the sum of $35.8 million from that year's authorization of $39 million, plus $31.6 million to advance refund a portion of the Series 1993B Bonds. During fiscal year 2004, $42.2 million of debt was sold, representing the full amount of that year's authorization ($39 million) plus the carry forward of the authorized but unmissed amount from fiscal year 2003 ($3.2 million). In fiscal year 2005 and 2006, all authorized debt was issued. We believe this trend in which the State has extinguished all or nearly all of the authorized amount of debt has enhanced the State's credit position with favorable responses from the rating agencies. The following chart presents the amounts of General Obligation debt that have been authorized and issued by the State of Vermont since 1994.

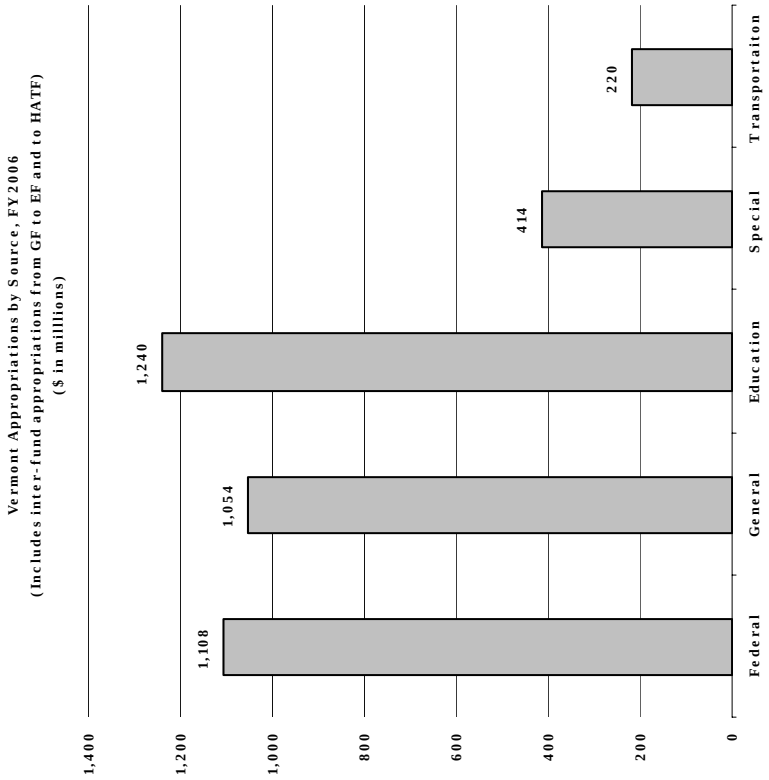
Total New Debt Authorization and Bonds Issued by Fiscal Year*



** Authorized but un-issued debt has been carried forward and employed in subsequent years' bond issuances.*

EXPENDITURES

It is important to understand that the legislature only has the power to "appropriate" money that the state raises. However, in addition to appropriations, the legislature asserts control over all other funding sources by giving departments and agencies the authority to spend money from other sources, such as grants or federal funds. Without this authority, money cannot be spent. The state's expenditures are primarily governed by the annual appropriations act. This act includes both appropriations and spending authority, and allocates funds from 12 different sources to 11 major categories of expense. The major sources include the state's general fund (25%), federal funds (26%), the education fund (29%) and the transportation fund (5%).



The three largest expense categories are education, including property tax support (40%), human services (35%), and transportation (8%).

FY 2006 Appropriations by Category and Source

(Prior to budget adjustment - $ millions)

Category	Federal	General Fund	Transportation Fund	Education Fund	Special funds	Tobacco Funds	TOTAL
General & Higher Education	115	387	3	1,240	1	1	1,747
Human Services	719	421	2	0	306	25	1,473
Transportation	164	0	174	0	0	0	338
Protection	50	78	28	0	52	620	828
General Government	3	39	10	0	5	1	58
Debt Service	0	63	2	0	2	0	67
Natural Resources	14	22	1	0	27	0	64
Commerce & Community Dev.	23	15	0	0	20	0	57
Employment & Training	20	1	0	0	1	0	22
Miscellaneous	0	28	1	0	0	0	29
TOTAL - FY 2006	**1,108**	**1,054**	**220**	**1,240**	**414**	**647**	**4,683**

This table reflects sources and allocations in the FY 2006 Appropriations bill excluding "Other" funds which are primarily internal service funds. While this bill establishes nearly all of the state's spending, there are two other types of legislative action that influence spending. The first is appropriations language in other acts. This mechanism is typically used in the first year of a new program for some capital expenditures. The second mechanism is the budget adjustment act. Each year, as one of its first actions, the legislature passes an act that makes adjustments to the budget based on the first six months of actual expenditures. Pay Act figures are included in the above funds. *Excludes departmental transfers and internal services funds. Includes inter-fund appropriations from the general fund ($259.3 million to EF and $95.4 million to Health Access Trust Fund (HATF)); and $17.3 million tobacco funds to the HATF.

Summary of Revenue, Expenditures, and Operating Results

General Fund Revenues and Appropriations Summary

Fiscal Year 1994 – 2006 est., $ millions

	1994	1995	1996	1997	1998 /1	1999	2000	2001/2	2002 /3	2003	2004 /4	2005	2006 /5
Total Revenue	681.73	672.57	715.12	770.82	875.66	840.48	894.17	909.80	852.97	882.11	972.39	1065.36	1088.41
Total Appropriations	655.96	689.60	702.42	720.91	793.28	824.82	853.95	869.09	872.14	887.97	915.41	1038.21	1072.15
Operating Surplus/Deficit	25.77	(17.03)	12.71	49.91	82.38	15.66	40.22	40.71	(19.17)	(5.86)	56.98	27.15	16.26
Net Transfers	20.41	2.50	1.82	(49.91)	(82.38)	(15.66)	(40.22)	(32.31)	10.77	5.86	(41.35)	(23.14)	(14.86)
Carryforward Balance	(46.18)	0.00	(14.53)	0.00	0.00	0.00	0.00	0.00	8.40	0.00	0.00	15.63	19.64
Ending Balance	**0.00**	**(14.53)**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**8.40**	**0.00**	**0.00**	**15.63**	**19.64**	**21.04**

Note: Reflects caseload reserve transfer for all years

Note 1: FY98 Act 60 transition year.

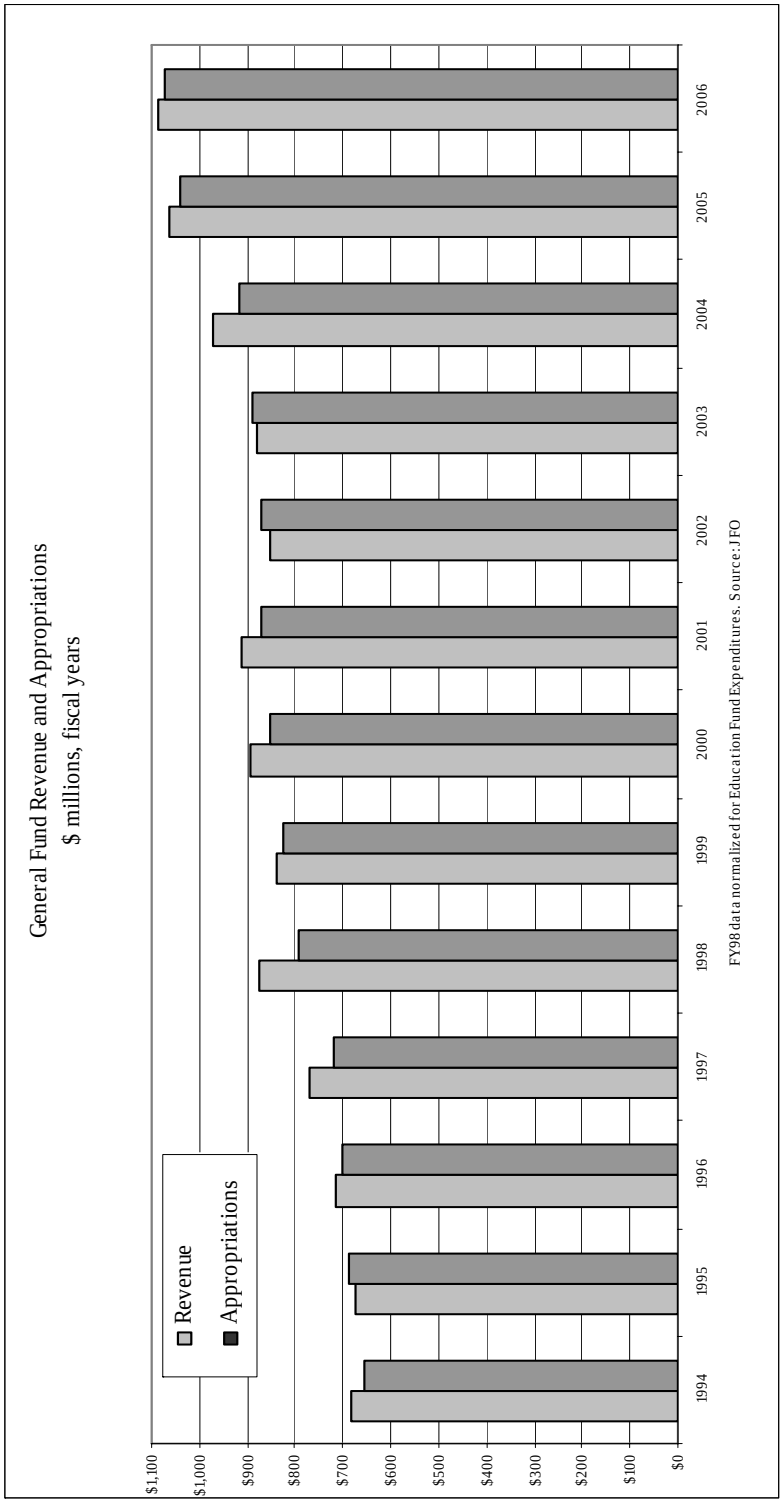
Note 2: FY01 $12 million of debt reduction handled as a transfer instead of as an appropriation.

Note 3: FY02 utilized $30.2 million from stabilization reserve.

Note 4: FY04 includes federal funds relief and Act 68 passed revenues.

Note 5: FY06 includes Jan06 forecast and estimated budget adjustment

Source: JFO


General Fund Revenue and Appropriations
$ millions, fiscal years
Revenue
Appropriations
$1,100
$1,000
$900
$800
$700
$600
$500
$400
$300
$200
$100
$0
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
FY98 data normalized for Education Fund Expenditures. Source: JFO

TRANSPORTATION FUND

Summary of Revenues, Appropriations, Transfers & Fund Balance from July 1, 1975

Fiscal Year	Opening Balance July 1	+ Revenue	+ Misc. Adjustments	+ Transfer From the General Fund	- Transfer to the General Fund	- Approps.	+ Reversions	+ Transfer (to)/from TF Reserve	= Fund Balance June 30	Reserve Balance June 30	= Fund Balance June 30
1976	1,197,251	47,064,098	0	0	250,000	43,857,463	449,175	0	4,603,061	0	4,603,061
1977	4,603,061	51,127,179	20,061	0	0	52,687,560	704,962	0	3,767,703	0	3,767,703
1978	3,767,703	53,926,481	14	0	0	55,134,886	617,939	0	3,177,251	0	3,177,251
1979	3,177,251	58,151,899	994	0	0	59,092,069	678,431	0	2,916,506	0	2,916,506
1980	2,916,506	54,400,717	99,822	1,500,000	0	62,323,641	1,371,850	0	(2,034,746)	0	(2,034,746)
1981	(2,034,746)	57,011,051	74,052	6,781,641	0	61,769,086	892,786	0	955,698	0	955,698
1982	955,698	69,903,828	210,336	0	0	69,234,162	1,316,607	0	3,152,307	0	3,152,307
1983	3,152,307	72,189,848	57,083	0	0	74,270,668	793,547	0	1,922,117	0	1,922,117
1984	1,922,117	87,190,356	78,258	869,000	0	85,304,397	1,125,986	0	5,881,320	0	5,881,320
1985	5,881,320	92,411,756	39,216	0	869,000	89,213,396	1,217,063	0	9,466,959	0	9,466,959
1986	9,466,959	98,062,408	(555,989)	2,000,000	2,000,000	94,184,846	845,148	0	13,633,680	0	13,633,680
1987	13,633,680	100,704,523	(482,961)	1,307,324	0	111,675,001	1,092,944	0	4,580,509	0	4,580,509
1988	4,580,509	106,218,300	(108,198)	0	0	112,519,440	152,599	0	(1,676,230)	0	(1,676,230)
1989	(1,676,230)	109,108,800	(121,996)	0	0	113,272,082	118,216	0	(5,843,292)	0	(5,843,292)
1990	(5,843,292)	126,359,400	127,031	1,650,000	0	126,757,253	420,867	0	(4,043,247)	0	(4,043,247)
1991	(4,043,247)	121,742,045	83,520	1,350,000	0	123,987,766	763,418	0	(4,092,029)	0	(4,092,029)
1992	(4,092,029)	133,446,574	364,837	0	0	124,719,685	63,177	0	5,062,874	0	5,062,874

TRANSPORTATION FUND FACTS 1976 - 2005 (continued)

Fiscal Year	Opening Balance July 1	+ Revenue	+ Misc. Adjustments	+ Transfer From the General Fund	- Transfer to the General Fund	- Approps.	+ Reversions	+ Transfer (to)/ from TF Reserve	= Fund Balance June 30
1993	5,062,874	138,462,397	1,166,189	0	0	121,862,851	0	(21,635,984)	1,192,625
1994	1,192,625	144,664,007	24,010	0	21,409,195	130,590,891	1,100,000	5,019,444	0
1995	0	149,853,902	(241,890)	0	1,500,000	148,848,924	288,586	448,326	0
1996	0	155,568,442	(207,688)	0	6,650,000	157,417,030	590,980	8,115,296	0
1997	0	152,626,563	209,425	4,900,000	0	158,672,224	233,312	5,602,924	0
1998	0	160,780,230	(141,762)	1,939,836	0	161,313,539	36,656	638,415	0
1999	0	181,356,945	(742,678)	0	143,000	176,058,274	0	0	4,412,993
2000	4,412,993	193,794,708	(1,614,062)	0	0	187,517,434	0	(493,750)	8,582,455
2001	9,751,197	194,169,325	(6,788,741)	6,150,000	0	203,317,934	115,689	(79,536)	0
2002	0	206,353,600	(1,889,338)	13,850,000	0	212,914,930	1,263,311	(1,007,947)	5,654,696
2003	5,654,696	213,933,232	(3,160,649)	(6,449,528)	0	210,756,212	44,260	734,201	0
2004	0	218,483,080	(5,376,279)	4,773,000	0	222,135,479	5,640,294	(1,384,616)	0
2005	0	210,699,490	508,659	7,374,450	0	225,362,834	7,337,653	(557,418)	0
Total Transfer Between Funds 1986 - 2005:				**38,845,082**	**31,702,195**				

Total Transfers Between Funds 1976 - 2005:	**47,995,723**	**32,821,195**

Education Fund Outlook (1/23/06)

	FY 2005 Actual	FY2006 After Budget Adjustment	FY2007 Projected	FY 2008 Projected
Assumptions				
a Base Homestead Tax Rate	$1.05	$1.02	$0.99	$0.99
b Base or Uniform Nonresidential Tax Rate	$1.54	$1.51	$1.48	$1.48
c Base Rate on Household Income	1.90%	1.85%	1.80%	1.80%
d Education Payment Per Pupil	$6,800	$6,975	$7,330	$7,589
e Equalized Pupil Count	99,994	98,606	97,620	96,644
f Education Grand List Growth Rate	9.4%	11.1%	13.5%	13.1%
g Education Spending Growth Rate	6.0%	6.0%	5.6%	5.6%
Sources				
1 Homestead Education Tax	346.8	383.5	427.3	505.4
2 Income-Sensitivity Adjustment	(81.2)	(93.5)	(119.5)	(144.7)
3 Non-Homestead Education Tax	385.6	428.6	472.5	524.1
4 Sales Tax	131.6	135.7	142.6	148.1
5 Lottery Receipts	20.4	20.3	19.9	19.4
6 General Fund Transfer	249.3	259.3	269.6	280.4
7 Medicaid Reimbursement	9.6	9.6	9.6	9.6
8 Other Sources	1.4	1.4	1.6	1.5
9 **Total Sources**	**1,063.5**	**1,144.8**	**1,223.6**	**1,343.9**

Education Fund Outlook (Continued)

	FY 2005 Actual	FY2006 After Budget Adjustment	FY2007 Projected	FY 2008 Projected
Uses				
10 Education Payment	910.4	966.0	1,018.4	1,075.8
11 Special Education Aid	105.3	116.1	125.5	135.4
12 Transportation Aid	13.2	13.5	14.0	14.5
13 State-Placed Students	11.8	14.4	14.4	15.4
14 Technical Education Aid	9.5	9.8	10.6	11.5
15 Homeowner / Renter Rebates	11.3	15.3	23.7	25.1
16 Other Uses	12.6	13.5	13.8	14.4
17 **Total Uses**	**1,074.1**	**1,148.7**	**1,220.3**	**1,292.1**
Fund Balance				
18 **Operating Result**	**(10.6)**	**(3.8)**	**3.3**	**51.8**
19 Prior Year Fund Balance	39.5	28.8	25.0	28.3
20 **Total Fund Balance**	28.8	25.0	28.3	80.1
21 Stabilization Reserve	22.9	25.0	28.1	29.5
Reserve Percent	5.0%	4.7%	5.0%	5.0%
22 Designated for Continuing Appropriations	1.8	-	-	-
23 **Available for education tax reduction**	4.2	-	0.2	50.4
Maximum Reserve @ 5.0%	22.9	26.7	28.1	29.5
Minimum Reserve @ 3.5%		18.7		

History of Property Tax Relief 1970-2006 (Program Years)

1970 Property tax relief program enacted for residents age 65 and over; credit against income tax liability for amount by which property taxes exceed 7% of household income or 30% of allowable rent,

1973 Program extended to those under age 65, who receive rebates if money remains in the Property Tax Relief Fund after payment to those age 65 and over; 7% threshold changed to sliding scale, beginning at 4% for those with incomes less than $4,000 and increasing to 6% for those with incomes of $16,000 or more; maxi-

1982 Rebates available to claimants with household income less than $25,000 and whose property tax paid *or 20% of rent paid exceeded a percentage of their household income; six income brack-*

1985 Income cap raised to $32,000 and the number of income brackets increased to eight, ranging from 3.5% to 7%; maximum rebate

1986 Eight income brackets collapsed to four, and top percentage lowered from 7% to 5%; age limit for rebates to the elderly lowered

1987 Household income cap and the rebate cap eliminated; rent constituting property tax paid was increased from 20% to 24%

1988 Social security tax withheld and/or self-employment tax paid on not more than $8,000 of household income was excluded from the

1989 All social security tax paid and/or self-employment tax paid and substantiated amounts paid as child support, were excluded from

1990 Household income capped at $60,000 and rebates capped at $2,000; credit established against current year property taxes for homeowners 62 years or older and otherwise eligible for a property tax rebate; property tax rebate checks to those under age 62

History of Property Tax Relief (continued)

1991 Household income capped at $45,000; maximum rebate $1,350; rent percentage reduced from 24% to 20%

1992 All claimants unable to pay taxes due but otherwise eligible for rebates can now elect to assign their rebates directly to the town; property tax rebate checks to those under age 62 prorated at 96%

1993 Property tax rebate checks to those under age 62 prorated at 79%

1995 Household income cap raised to $47,000; maximum rebate increased to $1,500, but is reduced by 50 cents for each dollar of income over $44,000; homeowners under age 62 can apply for credit certificates if their current year taxes are delinquent; renter's rebates now determined based on property tax allocable to the rental unit rather than on the basis of a percentage of rent

1996 Household income reduced by $100 for each personal exemption available for the taxable year under IRS code to any member of the household; if claimant's rent is government-subsidized, allocable property tax is reduced in the same proportion as the rent is reduced by the subsidy; owners of rental property need to provide landlord certificates only if there are more than four units in a given building but must furnish them on request to renters in

1997 Income of a person who lives with an elderly or disabled claimant for primary purpose of providing care or other services to allow the claimant from being institutionalized may be excluded from household income; age requirement eliminated; credit certificate portion of the rebate program repealed; homestead value basis adjusted if two or more rooms or more than 25% of floor

1998 Claimant's household income includes the income for a spouse from whom he/she is separated even if that spouse is not a member of the household; the range for percentage of household income to calculate the rebate is adjusted; circuit breaker program extended to municipal taxes; renter rebate now 21% of rent paid or the allocable property tax, whichever is greater; landlord certificate reports amount of rent paid, unless renter requests property tax method; rebate cap eliminated; rebates no longer calculated on basis of property taxes paid during calendar year, but on

History of Property Tax Relief (continued)

1999 Household income cap increased to $75,000 for new school property tax adjustment (prebate); statewide property tax and local share tax capped at smaller of 2% of household income or the tax on the fair market value of the homestead minus $15,000 (first payment to be made after July 1, 1998); eligibility for a property tax adjustment requires filing a homestead declaration; mobile home owners may include lot rent paid in addition to property taxes paid in calculating adjustment

2000 Homestead declaration eliminated; cap on household income removed and claimants with household income of $75,000 and over receive property tax adjustment on the first $160,000 of homestead value; prebate amount equals prior year's net property tax income adjustment, including both education tax adjustment and super circuit breaker; definition of "homestead" changed to require exclusion of the business portion of a home *only if it exceeds 25% of the total floor space (two room test eliminated); household income does not include income of a spouse at least 62 years of age who does not live in the homestead but has moved on a permanent basis to a nursing home or other care facility; a divorced spouse with possession of the homestead and the obligation to pay the property taxes under the divorce decree may claim the total homestead property tax even if the former spouse's name is still on the deed; in calculating household income, a business capital gain may be netted against a net business loss incurred in the same year and relating to the same business;*

2001 Definition of "homestead" clarified for dwellings owned by a trust; the prebate amount sent prior year is reconciled with actual income and property tax information from current year; if prebate amount exceeds calculated adjustment allowed under current year

2002 Reconciliation continues for 2002 tax filing year but eliminated for 2003 tax filing year; "good check" issued only if a school

2003 Development of uniform parcel identification system allows Department of Taxes to calculate adjustment payments on the statewide and local property taxes for the homestead based on prior year household income and prior year property value and the school district's current budget; pension and annuity distributions included in household income are limited to the amount included

History of Property Tax Relief (continued)

2004 All resident homeowners must file a homestead declaration; "homestead" is defined as the entire parcel of land surrounding the dwelling regardless of whether a road intersects the land; the declaration must be timely filed to receive the homestead school property tax rate; a declaration is required to be eligible for a property tax adjustment payment, which is not based on the education taxes assessed on the "housesite," defined as the principal residence and up to two acres; adjustment payments now include a $10 per acre payment for up to five additional acres of land in the homestead parcel for claimants whose income does not exceed $75,000; the exclusion from "modified adjusted gross income" for income earned by a dependent child or received by a dependent parent is increased from $4,000 to $6,500 (earlier changes missing)

2005 The $15,000 exclusion from the housesite's equalized value is limited to claimants with household income of $47,000 or less.

2006 The household income amount increases to $85,000 and the maximum housesite value that qualifies for property tax adjustments increases to $200,000

Source: VT Department of Taxes

Comparisons

How Does Vermont Compare?

Based on population, Vermont is the second smallest state in the union, so comparisons like total income tax collected or size of the General Fund are meaningless. In order to compare Vermont to other states, statistics are calculated on a per capita, or per person, basis. For example, total income tax collections in California were approximately $43.9 billion while Vermont's were $532.2 million in 2004. On a per capita basis, California collected approximately $1,223 per personal while Vermont collected a comparable $857 per person.

The table below shows Vermont's per capita value and rank among the 50 states for several revenue and expenditure statistics. The 2004 expenditure data and tax data are from the Bureau of the Census at http://census.gov/govs/www/statetax.html.

Statistic	Per Capita Value	VT Rank (1 is highest)
Total State Taxes, 2004*	$2,123	14
Sales and Gross Receipts Tax, 2004	$1,107	15
Personal Income Tax, 2004	$692	21
Corporate Income Tax, 2004	$100	16
Total State and Local Government Expenditures, 2002**	$6,842	22
State and Local Government K-12 Education Expenditures, 2002**	$1,519	11
State and Local Government Public Welfare Expenditures, 2002**	$1,228	6
Federal Highway Expenditures, 2004	$205	6

*Does not include Vermont statewide property tax.
**Includes federal funds; data from State Rankings 2005.
Source U.S. Census Bureau and State Rankings 2005

2004 State Tax Revenue Per Capita

Does NOT Include Property Tax

State	Revenue	Rank	State	Revenue	Rank
Alabama	1,500	47	Montana	1,555	45
Alaska	1,894	31	Nebraska	2,082	16
Arizona	1,612	43	Nevada	1,973	22
Arkansas	1,838	32	New Hampshire	1,163	50
California	2,330	9	New Jersey	2,412	7
Colorado	1,533	46	New Mexico	2,075	17
Connecticut	2,937	2	New York	2,384	8
Delaware	2,862	3	North Carolina	1,941	24
Florida	1,754	36	North Dakota	1,936	25
Georgia	1,643	40	Ohio	1,958	23
Hawaii	3,048	1	Oklahoma	1,824	33
Idaho	1,901	30	Oregon	1,693	39
Illinois	2,000	20	Pennsylvania	2,038	19
Indiana	1,915	27	Rhode Island	2,227	11
Iowa	1,738	38	South Carolina	1,618	41
Kansas	1,910	28	South Dakota	1,378	48
Kentucky	1,931	26	Tennessee	1,616	42
Louisiana	1,768	34	Texas	1,367	49
Maine	2,165	12	Utah	1,754	35
Maryland	2,130	13	**Vermont**	**2,123**	**14**
Massachusetts	2,602	6	Virginia	1,905	29
Michigan	2,102	15	Washington	1,994	21
Minnesota	2,769	4	West Virginia	2,064	18
Mississippi	1,751	37	Wisconsin	2,256	10
Missouri	1,581	44	Wyoming	2,692	5

U.S. Average = $1,986 per capita

Source: U.S. Census Bureau

http://www.census.gov/govs/www/statetax04.html

2004 State Sales & Gross Receipt Tax Revenue Per Capita

State	Revenue	Rank	State	Revenue	Rank
Alabama	811	40	Montana	471	47
Alaska	257	49	Nebraska	1,138	11
Arizona	1,057	21	Nevada	1,638	3
Arkansas	1,066	20	New Hampshire	519	46
California	947	31	New Jersey	1,120	14
Colorado	629	45	New Mexico	1,071	19
Connecticut	1,399	4	New York	857	36
Delaware	462	48	North Carolina	851	38
Florida	1,363	5	North Dakota	1,052	23
Georgia	733	42	Ohio	941	32
Hawaii	1,956	1	Oklahoma	664	44
Idaho	1,007	27	Oregon	208	50
Illinois	985	29	Pennsylvania	1,010	26
Indiana	1,107	15	Rhode Island	1,208	8
Iowa	825	39	South Carolina	879	35
Kansas	995	28	South Dakota	1,122	13
Kentucky	966	30	Tennessee	1,245	7
Louisiana	1,021	25	Texas	1,095	17
Maine	1,033	24	Utah	895	34
Maryland	938	33	**Vermont**	**1,107**	**15**
Massachusetts	851	37	Virginia	699	43
Michigan	1,072	18	Washington	1,751	2
Minnesota	1,252	6	West Virginia	1,153	10
Mississippi	1,168	9	Wisconsin	1,052	22
Missouri	776	41	Wyoming	1,132	12

U.S. Average = $1,003 per capita

2003 Vermont Rank = 30

2002 Vermont Rank = 33

2001 Vermont Rank = 28

Source: U.S. Census Bureau
Note: Data includes selective sales taxes if applicable:

Note: VT Sales tax increased from 5% to 6%

VT includes Room & Meals and Purchase & Use
http://www.census.gov/govs/www/statetax04.html

2004 State Personal Income Tax Revenue Per Capita

State	Revenue	Rank	State	Revenue	Rank
Alabama	495	37	Montana	653	26
Alaska	0	N/A	Nebraska	711	19
Arizona	403	39	Nevada	0	N/A
Arkansas	612	31	New Hampshire	42	42
California	1,014	6	New Jersey	851	13
Colorado	742	18	New Mexico	529	36
Connecticut	1,233	3	New York	1,282	2
Delaware	941	9	North Carolina	849	14
Florida	0	N/A	North Dakota	338	41
Georgia	774	16	Ohio	760	17
Hawaii	926	10	Oklahoma	658	25
Idaho	652	27	Oregon	1,188	4
Illinois	640	30	Pennsylvania	590	33
Indiana	610	32	Rhode Island	833	15
Iowa	663	24	South Carolina	581	35
Kansas	700	21	South Dakota	0	N/A
Kentucky	680	23	Tennessee	25	43
Louisiana	484	38	Texas	0	N/A
Maine	881	12	Utah	708	20
Maryland	950	8	**Vermont**	**692**	**22**
Massachusetts	1,376	1	Virginia	995	7
Michigan	650	28	Washington	0	N/A
Minnesota	1,119	5	West Virginia	589	34
Mississippi	366	40	Wisconsin	917	11
Missouri	647	29	Wyoming	0	N/A

U.S. Average = $674 per capita
2003 Vermont Rank = 21
2002 Vermont Rank = 26
2001 Vermont Rank = 20

Source: U.S. Census Bureau
http://www.census.gov/govs/www/statetax04.html

2004 State Corporate Income Tax Revenue Per Capita

State	Revenue	Rank	State	Revenue	Rank
Alabama	64	33	Montana	73	30
Alaska	518	1	Nebraska	96	19
Arizona	92	22	Nevada	0	N/A
Arkansas	66	32	New Hampshire	314	2
California	193	6	New Jersey	218	4
Colorado	52	41	New Mexico	73	31
Connecticut	108	13	New York	106	14
Delaware	262	3	North Carolina	98	18
Florida	77	28	North Dakota	79	27
Georgia	56	39	Ohio	93	20
Hawaii	46	43	Oklahoma	38	45
Idaho	75	29	Oregon	89	23
Illinois	163	8	Pennsylvania	135	9
Indiana	103	15	Rhode Island	64	34
Iowa	30	46	South Carolina	47	42
Kansas	61	36	South Dakota	61	35
Kentucky	92	21	Tennessee	118	12
Louisiana	52	40	Texas	0	N/A
Maine	85	24	Utah	61	37
Maryland	81	26	**Vermont**	**100**	**16**
Massachusetts	203	5	Virginia	57	38
Michigan	182	7	Washington	0	N/A
Minnesota	125	10	West Virginia	100	17
Mississippi	84	25	Wisconsin	124	11
Missouri	39	44	Wyoming	0	N/A

U.S. Average = $105 per capita/Median = $87

2003 Vermont Rank = 27

2002 Vermont Rank = 26

2001 Vermont Rank = 31

PART II — GENERAL REFERENCE

PRINCIPAL GENERAL FUND REVENUE SOURCES

Vermont Personal Income Tax

Vermont personal income tax begins at federal taxable income which is adjusted to calculate Vermont taxable income. Vermont has established state specific tax tables with five income brackets (see the following pages). Prior to 2001, state income tax was based on a percentage of federal tax liability.

History: Personal Income Tax

1931	New tax based on 2.0% of net income after exemptions; 4.0% of interest from stocks & bonds
1937	Increased to 4.0% of net income after exemptions
1949	1.5% - 5.5% of net taxable income
1951	Withholding & estimated payments implemented
1955	2.0% - 7.5% of net taxable income
1968	Restructured; 25.0% of federal tax liability
1969	Increased to 28.75% (25.0% + 15.0% surtax)
1973	Reduced to 28.0% (25.0% + 12.0% surtax)
1974	Reduced to 27.25% (25.0% + 9.0% surtax)
1977	Reduced to 25.0% of federal liability
1979	Reduced to 23.0% of federal liability
1982	Increased to 24.0% of federal liability
1983	Increased to 26.0%
1985	Increased to 26.5%
1986	Reduced to 24.0% effective 1/1/87
1987	25.8% effective 1/1/87; 25.0% effective 1/1/88
1988	23.0% effective 1/1/88; 25.0% effective 1/1/89; added earned income credit
1989	2.5% withholding on real estate sales by nonresidents
1990	28.0% effective 1/1/90; 25.0% effective 1/1/92; 6% withholding on nonqualified deferred compensation
1991	28.0% - 31.0% - 34.0% effective 1/1/91; 25.0% effective 1/1/94
1994	Repealed sales tax rebate
1996	Federal armed forces education loan repayments exempt; sunsets 1/1/99
1997	$1,500 national guard exemption if AGI is less than $47,000; federal loan repayment sunset repealed
1998	Nonresident motion picture income subject to the same tax rate in effect in state of residence; sunsets 2000
1999	24.0% effective 1/1/2000
2000	Sunset repealed for nonresident motion picture income subject to the same tax rate in effect in state of residence
2001	Restructured for tax years 2001 and 2002; re-coupled from federal tax liability to federal taxable income; new tax is equal to 24% of federal liability prior to the passage of EGTRRA; sunsets 1/1/2003.
2002	Permanently linked to federal taxable income with five tax brackets: 3.6%, 7.2%, 8.5%, 9.0%, 9.5%. Forty percent of long term capital gains are excluded from taxable income; the balance is taxed at ordinary rates. The Alternative Minimum Tax is eliminated. Effective 1/1/2002
	Members of the National Guard and US Reserve may exempt the first $2,000 of military pay if AGI is less than $50,000. Effective 1/1/2003
2003	Created new Higher Education Investment tax credit equal to 5% of the first $2,000 of eligible contributions. Effective 1/1/2004
2004	Lottery prize exemption repealed. Effective 1/1/2005

2005 FEDERAL
Personal Income Tax Rates & Brackets

Married Filing Jointly

Taxable Income		Tax Liability			
Over	But not over		Pay	Plus % on excess	Of amount over
0	14,600	$	-	10.0%	0
14,600	59,400	$	1,460	15.0%	14,600
59,400	119,950	$	8,180	25.0%	59,400
119,950	182,800	$	23,318	28.0%	119,950
182,800	326,450	$	40,916	33.0%	182,800
326,450	and over	$	88,320	35.0%	326,450

Standard Deduction:	10,000
Personal Exemption:	3,200

Single Individuals

Taxable Income		Tax Liability			
Over	But not over		Pay	Plus % on excess	Of amount over
0	7,300	$	-	10.0%	0
7,300	29,700	$	730	15.0%	7,300
29,700	71,950	$	4,090	25.0%	29,700
71,950	150,150	$	14,653	28.0%	71,950
150,150	326,450	$	36,549	33.0%	150,150
326,450	and over	$	94,728	35.0%	326,450

Standard Deduction:	5,000
Personal Exemption:	3,200

Head of Household

Taxable Income		Tax Liability			
Over	But not over		Pay	Plus % on excess	Of amount over
0	10,450	$	-	10.00%	0
10,450	39,800	$	1,045	15.00%	10,450
39,800	102,800	$	5,448	25.00%	39,800
102,800	166,450	$	21,198	28.00%	102,800
166,450	326,450	$	39,020	33.00%	166,450
326,450	and over	$	91,820	35.00%	326,450

Standard Deduction:	7,300
Personal Exemption:	3,200

2005 VERMONT

Personal Income Tax Rates & Brackets

Married Filing Jointly

Taxable Income		Tax Liability			
Over	But not over		Pay	Plus % on excess	Of amount over
0	49,650		0	3.60%	0
49,650	119,950	$	1,787	7.20%	49,650
119,950	182,800	$	6,849	8.50%	119,950
182,800	326,450	$	12,191	9.00%	182,800
326,450	and over	$	25,120	9.50%	326,450

Single Individuals

Taxable Income		Tax Liability			
Over	But not over		Pay	Plus % on excess	Of amount over
0	29,700		0	3.60%	0
29,700	71,950	$	1,069	7.20%	29,700
71,950	150,150	$	4,111	8.50%	71,950
150,150	326,450	$	10,758	9.00%	150,150
326,450	and over	$	26,625	9.50%	326,450

Head of Household

Taxable Income		Tax Liability			
Over	But not over		Pay	Plus % on excess	Of amount over
0	3,980		0	3.60%	0
3,980	102,800	$	1,433	7.20%	3,980
102,800	166,450	$	5,969	8.50%	102,800
166,450	326,450	$	11,379	9.00%	166,450
326,450	and over	$	25,779	9.50%	326,450

2004 Vermont Personal Income Tax Statistics

Vermont Taxable Income Class		# of Returns	Federal Taxable Income	Vermont Taxable Income	Average VT Taxable Income	Net Vermont Tax	Average Net VT Tax	VT Earned Income Tax Credit (EITC)
Negative/None/Missing		4,167	-	-	-	-	-	17,151
0.01	4,999	28,180	2,969,286	2,738,357	97	107,061	4	840,696
5,000	9,999	27,751	23,694,696	23,230,205	837	816,008	29	3,145,239
10,000	14,999	24,863	76,369,789	75,228,831	3,026	2,589,395	104	4,807,502
15,000	19,999	23,513	149,225,482	147,860,587	6,288	5,089,683	216	4,038,588
20,000	24,999	22,834	239,457,892	237,737,950	10,412	8,238,351	361	2,924,725
25,000	29,999	20,303	300,446,152	298,543,377	14,704	10,388,549	512	1,398,623
30,000	34,999	17,210	325,833,585	323,499,196	18,797	11,274,105	655	330,692
35,000	39,999	14,938	338,851,052	336,552,547	22,530	11,823,266	791	1,572
40,000	44,999	13,076	346,107,927	343,670,113	26,283	12,572,021	961	
45,000	49,999	11,640	353,827,068	350,596,393	30,120	13,142,147	1,129	
50,000	59,999	19,735	714,548,139	708,353,988	35,893	26,706,801	1,353	
60,000	74,999	23,184	1,079,414,555	1,068,603,146	46,092	40,668,437	1,754	
75,000	99,999	22,430	1,397,181,916	1,377,286,722	61,404	59,517,826	2,653	

2004 Vermont Personal Income Tax Statistics (continued)

Vermont Taxable Income Class		# of Returns	Federal Taxable Income	Vermont Taxable Income	Average VT Taxable Income	Net Vermont Tax	Average Net VT Tax	VT Earned Income Tax Credit (EITC)
100,000	124,999	9,434	782,906,749	766,544,227	81,253	37,595,891	3,985	
125,000	149,999	4,631	483,959,737	469,904,501	101,469	24,667,152	5,327	
150,000	199,999	4,136	558,591,647	534,237,615	129,168	30,344,383	7,337	
200,000	299,999	2,797	553,041,229	518,677,461	185,441	32,880,649	11,756	
300,000	499,999	1,399	450,947,951	417,940,985	298,743	29,403,375	21,017	
500,000 +		981	1,040,734,452	878,849,562	895,871	66,080,122	67,360	
In State Total		**297,202**	**9,218,109,305**	**8,880,055,764**	**29,879**	**423,905,223**	**1,426**	**17,504,788**
Out of State Total		45,632	12,799,061,776	11,076,525,786	242,736	39,818,001	873	142,098
All Returns		342,834	22,017,171,081	19,956,581,550	58,211	463,723,224	1,353	17,646,886

Data source: Vermont Department of Taxes
Detailed information is for in state taxpayers only; out of state returns are shown in aggregate.
Net tax information includes adjustments and credits, the VT EITC is shown separately.
Negative none missing is for returns with missing AGI values, and non-zero taxable income, or negative amounts.

Sales and Use Tax

Vermont has a general tax on retail sales which is primarily directed at commodity transactions. The rate of taxation is 6%.

Among the commodities exempt from the sales tax are food, medical equipment, prescriptions, manufacturing equipment, fuel used in manufacturing and residential fuel.

Beginning in FY2005, 2/3 of these revenues are dedicated to the General Fund and 1/3 is dedicated to the Education Fund.

History: General Sales & Use

1969	New tax based on 3.0% of retail sale
1982	Increased to 4.0%
1991	Increased to 5.0%; tax extended to wine and tobacco products; 4.0% effective 7/1/93
1993	5.0% rate extended to 6/30/95
1995	5.0% rate extended to 6/30/96
1996	5.0% rate extended to 6/30/97; tax on energy used in manufacturing reduced from 2.0% to 0.0% effective 7/1/96
1997	Sunset repealed; tax rate = 5.0%; 1.0% local option taxes authorized; exempt fresh cut flowers by charitable organizations
1998	Recycled construction materials exempt; railroad construction materials exempt
1999	Clothing sold at less than $110 are exempt effective 12/1/99; footwear valued at less than $110 exempt effective 7/1/00
2002	Steel toed work boots exempt regardless of value effective 1/1/2003. Building materials temporarily stored in Vermont are exempt from the Use Tax effective 7/1/2002. Repealed the exemption for fertilizer and pesticides unless used in agriculture effective 7/1/2002.
2003	Rate increased from 5% to 6%. In addition, telecommunications tax rate increased A Use Tax reporting table equal to 0.04% of AGI was included in tax year 2004. Several provisions will be effective the 1st day of the 2nd quarter following membership in the Streamlined Sales and Use Tax Agreement (SSTA), but in no case before 1/1/2005. These are 1) repeal of the $20 monthly exclusion from the telecommunications tax, 2) elimination of the tax on clothing greater than $110, and 3) inclusion of malt beverages in the sales tax.
2004	Changed the earliest date of membership in the SSTA from 1/1/2005 to 4/1/2005. Passed additional technical amendments to comply with Streamlined.
2005	Increased the tax cap on tracked vehicles from $900 to $1,100.

Sources: Vermont Department of Taxes, Vermont Statutes Annotated

Rooms, Meals and Alcohol Taxes

Effective October 1, 1997 a tax of 9% is imposed on taxable meals and the rent of each occupancy less than thirty days in length. The alcohol portion of the tax is 10%. All revenues are dedicated to the General Fund.

Rooms, Meals & Alcohol

1959	New tax based on 3.0% of gross receipts
1968	Increased to 4.0%
1969	Increased to 5.0%
1984	Increased to 6.0%
1989	Alcoholic beverage component increased to 10.0%
1990	Rooms and meals increased to 7.0%
1991	Rooms, meals and alcohol changed to: 8.0% - 8.0% - 10.0%; effective 7/1/93, 7.0% - 7.0% - 10.0%; effective 7/1/94, 6.0% - 6.0% - 10.0%
1993	Rooms and meals decreased to 6.0%
1994	Rooms and meals increased to 7.0%
1997	Rooms and meals increased to 9.0%; 1.0% local option taxes authorized

Sources: Vermont Department of Taxes, Vermont Statutes Annotated

Corporate Income Tax

The current law corporate income tax rates became effective January 1, 1997. The net income of corporations is taxed at the rate schedule listed below or a minimum $250. Vermont will use unitary combined reporting system beginning in tax year 2006 and the corporate income tax rates will be reduced in two phases. The General Fund receives all of the revenue from this source.

Phase-In of New Corporate Income Tax Rates

	Tax Rates		
Income Bracket	**Current Law**	**2006**	**2007**
$3,751 – 10,000	7.00%	6.00%	6.00%
$10,000 – 25,000	8.10%	7.00%	7.00%
$25,000 – 250,000	9.20%	8.75%	8.50%
$250,000 +	9.75%	8.90%	8.50%

History: Corporate

1931	New franchise tax based on 2.0% of net income
1947	Increased to 4.0%; $25 minimum tax
1955	Increased to 5.0%
1965	Restructured from franchise tax to income tax
1969	6.0% corporate income tax
1974	Restructured to a range of 5.0% to 7.5%; $50 minimum
1984	6.0% - 9.0%; $75 minimum until 12/31/87; 5.5% - 8.25%; $75 minimum effective 1/1/88
1991	Minimum tax increased to $150; NOL refunds eliminated
1997	7.0 % - 9.75%; minimum $250
1998	Small investment companies exempt from minimum tax
2002	The federal accelerated depreciation allowance is disallowed. Effective 1/1/2001
2004	Unitary combined reporting is required for all C-corporations with income attributable to Vermont beginning in tax year 2006. Reduced corporate income tax rates in two phases beginning in tax year 2006 and continuing in 2007. Changed the apportionment formula for determining corporate income that is allocable to VT from an equal weighted 3-factor formula (property, payroll and sales) to a formula in which the sales factor is double-weighted beginning in tax year 2006.
2005	A new tax credit, equal to 2% of wages, was created for wood products manufacturing in specific regions of the state.

Sources: Vermont Department of Taxes, Vermont Statutes Annotated

Cigarette Tax

A tax is imposed on all cigarettes held for sale in the State of Vermont, by any person, at a rate of 59.5 mills ($1.19 per US pack) effective 7/1/2003. Cigarettes are also subject to the sales tax.

A tax is imposed on tobacco products at a rate of 41% of the wholesale price. The tobacco products tax was 20% of wholesale price from July 1, 1992 to June 30, 1995.

Cigarette and tobacco taxes are dedicated to the Health Access Trust Fund

History: Cigarette

1937	New tax; 1.5 cents per pack of 20 cigarettes
1946	Increased to 2.0 cents per pack
1949	Increased to 3.0 cents per pack
1950	Increased to 4.0 cents per pack
1957	Increased to 5.0 cents per pack
1959	Increased to 7.0 cents per pack
1963	Increased to 9.0 cents per pack
1965	Increased to 10.0 cents per pack
1969	Increased to 12.0 cents per pack
1983	Increased to 17.0 cents per pack
1991	18.0 cents 7/1/91; 19.0 cents 1/1/92; 20.0 cents 7/1/92
1995	Increased to 44.0 cents per pack effective 7/1/95
2002	Increased to 93 cents per pack effective 7/1/2002; $1.19 per pack effective 7/1/2003

Sources: Vermont Department of Taxes, Vermont Statutes Annotated

Other General Fund Taxes:

Insurance Taxes

Traditional insurance companies are taxed at a rate of 2% per annum on the gross amount of premiums written in the State of Vermont, exclusive of premiums written for reinsurance. Captive insurance companies are taxed on the volume of premiums written for direct premiums and assumed reinsurance premiums. The rates were lowered in 2003 to the present levels:

Captive Insurance Tax Rates

$ Millions	Direct Premiums Tax Rate %	Assumed Reinsurance Premiums Tax Rate (%)
$ 0 - 20	0.38	0.214
$20 - 40	0.285	0.143
$40 - 60	0.19	0.048
$60 +	0.072	0.024

Telephone Receipts and Property Tax

In addition to the corporate income tax, a tax of 2.37% is levied on net book value of personal property in the State of Vermont of persons or corporations owning or operating a telephone line or business within the state. Prior to June 7, 2004 businesses with less than $50 million in receipts had the option to elect to pay the gross receipts tax of 5.25% in lieu of the income and property tax.

Real Property Transfer Tax

A tax is imposed upon the transfer by deed of title to property located within the State of Vermont. The rate is 0.5% on the first $100,000 of a purchaser's principal residence and 1.25% on the amount over $100,000. For a non-principal residence, the rate on the entire amount is 1.25%. A formula determines the distribution of the revenue among the general fund, the housing and conservation trust fund and the municipal and regional planning fund.

Liquor Tax

A tax of 25% of gross revenues is assessed upon the sale of spirituous liquor.

Beverage Tax

Beverage taxes are levied on bottlers and wholesalers of malt and vinous beverages at the rates of 26.5 cents and 55 cents per gallon, respectively. Vinous beverages are also subject to the general sales tax.

Estate Tax

Transfers of estates are taxed in an amount equal to the federal credit for state death taxes that was in effect for tax year 2001.

Other General Fund Taxes (Continued)

Electric Energy Tax

Electric generating plants of 200,000+ kilowatts constructed in the State of Vermont after July 1, 1965 are assessed a tax of $2 million plus a rate on generation. (See Education Fund for education taxes on these plants)

Bank Franchise Tax

Effective August 1, 1997 the bank franchise tax, based on average monthly deposits, was increased from a rate of 0.004% to 0.0096%. Eliminated the tax liability limitation to no more than a bank's federal taxable income effective June 7, 2004.

Freight Line Tax

Repealed on all car and transportation companies effective June 7, 2004.

Amusement Machine License Fee

Repealed and exempts coin-operated machines from the sales tax effective June 7, 2004.

Description of Principal Transportation Fund Revenue Sources

Purchase and Use Tax

A purchase and use tax of is assessed, upon the occasion of first registration, on the purchase price of a motor vehicle (less allowance for the resale value of the buyer's used vehicle). The maximum tax on trucks over 6,100 pounds, agricultural vehicles, school buses, trailers and motorcycles is $1,100.00. Effective August 1, 1997 the purchase and use tax rate increased from 5% to 6%. The transportation fund receives 2/3rds of the revenue from this source; the remaining 1/3rd is dedicated to the education fund.

Motor Fuel Taxes

Effective August 1, 1997, gasoline distributors are taxed at a rate of nineteen cents per gallon sold. An additional one cent tax is dedicated to the Petroleum Cleanup Fund. The current distribution of gasoline tax collections is as follows (in cents per gallon):

VT Gasoline Taxes & Fees

Gasoline Tax	0.19
Petroleum Fee	0.01
Total Taxes & Fees	0.20

Allocation of Taxes & Fees

Fund	FY06
Transportation Fund	18.245
DUI Fund	0.380
Fish & Wildlife Fund	0.375
Petroleum Fee	1.000
Total:	20.000

Description of Principal Transportation Fund

Revenue Sources (continued)

Effective July 1, 2000 diesel fuel distributors are taxed at a rate of twenty-five cents per gallon plus an additional one cent that is dedicated to the Petroleum Cleanup Fund. Vehicles registered at 26,001 pounds or greater pay twenty-five cents per gallon multiplied by the number of gallons used in Vermont.

Motor Vehicle Fees

A registration fee is collected on all motor vehicles and trailers. The fee is determined by the type, size, weight, and purpose of the vehicle.

Source: Vermont Statutes Annotated

Description of Non-Property Tax Education Fund Revenue Sources

Sales & Use Tax

The education fund receives 1/3rd of the revenue from this source. (see description of general fund revenue sources)

Lottery

The State of Vermont has conducted lottery operations since 1978. Beginning in 1986, Vermont began participating in a Tri-State lottery with New Hampshire and Maine. Powerball was introduced in Fiscal Year 2004.

Electric Generating Plant Education Property Tax

Electric generating plants are assessed an education property tax in accordance with the following table:

If Megawatt hour production is:	**Tax is:**
Less than 2,300,000 megawatt hours	$1.465 million
2,300,000 to 3,800,000 megawatt hours	$1.465 million plus $0.29 per megawatt hour over 2,300,000
3,800,000 to 4,200,000 megawatt hours	$1.9 million
Over 4,200,000 megawatt hours	$1.9 million plus $0.29 per megawatt hour over 4,200,000

Purchase and Use Tax

The education fund receives 1/3rd of the revenue from this source (see description of transportation fund revenue sources).

Source: Vermont Statutes Annotated

Chronological History of Vermont Taxes:
1882-2005

1882
Commissioner of Taxes position created; taxes in effect in 1882 were:

Railroads	2.0-5.0% of earnings per mile
Insurance	2.0% gross premiums & assessments
Savings Banks	0.5-1.0% of average deposits
Express Companies	3.0% of gross receipts
Telegraph	3.0% of gross receipts + rental of equipment
Telephone	3.0% of gross receipts + rental of equipment
Steamboats	2.0% of gross receipts

- - - - - Changes since 1882 - - - - -

1890

Railroads	0.7% appraised value or 2.5% of gross receipts
Sleeping Cars	5.0% of gross receipts
Express Companies	4.0% of gross receipts
Steamboats	0.7% appraised value or 2.0% of gross receipts
Investment Companies	1.0% of amount loaned
Savings Banks	0.7% of average deposits
Trust Companies	0.7% of average deposits

1896

Collateral Inheritance (new)	5.0% of legacies & distributive shares > $2,000

1904

RRs & Steamboats	1.0% of appraised value or 2.5% of gross receipts
Collateral Inheritance	5.0% all net estates/transfer tax - nonresidents
Express Companies	$8.00 per mile

1906

National Bank Tax (new)	0.7% on interest bearing accounts

1912

Railroads	Repealed tax on gross receipts

1916
Federal Inheritance Tax Enacted

1917

Direct Inheritance (new)	1.0-5.0% over $250,000

1931

Electricity (new)	0.5 mill of each kilowatt hour manufactured
Personal Income (new)	2.0% of net income after exemptions; 4.0% of interest from stocks & bonds
Corporate Franchise (new)	2.0% of net income

Chronological History of Vermont Taxes: (continued)

1933	
Beverage Tax (new)	$1.00 per barrel (31 gallons) malt beverage 3 cents per gallon fermented beverage
Gross Retail Sales (new)	1.0-4.0% of gross sales
1934	
Beverage	3.25 cents per gallon; malt & vinous
1935	
Beverage	5.0 cents per gallon; malt & vinous
Gross Retail Sales	repealed (ruled unconstitutional)
1937	
Beverage	10.0 cents per gallon; malt & vinous
Cigarette Tax (new)	1.5 cents per pack of 20 cigarettes
Personal Income	Expanded income taxes to 4%
1946	
Cigarette	2.0 cents per pack
1947	
Telephone	1.25-4.25% of gross receipts
Corporate Franchise	4.0% of net income; $25.00 minimum
1949	
Personal Income	1.5-5.5% of net taxable income
Cigarette	3.0 cents per pack
1950	
Beverage	15.0 cents per gallon; malt & vinous
Cigarette	4.0 cents per pack
1951	
Personal Income	Withholding & estimated payments implemented
Amusement & Musical	License required; $100.00 & $25.00
1955	
Personal Income	2.0-7.5% of net taxable income
Corporate Franchise	5.0% of net income
1957	
Cigarette	5.0 cents per pack
Beverage	20.0 cents per gallon; malt & vinous
1959	
Cigarette	7.0 cents per pack
Tobacco Products (new)	20.0% of price sold to retailers
Meals & Rooms (new)	3.0% of gross receipts

Chronological History of Vermont Taxes: (continued)

1963	
Cigarette	8.0 cents per pack
1965	
Cigarette	10.0 cents per pack
Corporate Income	Changed from franchise tax to net income
1968	
Personal Income	25.0% of federal tax liability
Meals & Rooms	4.00%
Property Transfer (new)	0.1% of sale price
1969	
Cigarette	12.0 cents per pack
Beverage	25.0 cents per gallon; malt & vinous
Meals & Rooms	5.00%
Sales & Use (new)	3.00%
Corporate Income	6.00%
Telephone	2.25%-5.25% of gross receipts
Property Transfer	0.5% of sale price
Personal Income	28.75% (25.0% + 15.0% surtax)
1970	
Inheritance	Replaced by estate tax
Property Tax Relief (new)	Program created for taxpayers over age 65
1972	
Electrical Energy	1.9% of appraised value
1973	
Land Gains (new)	5.0-60.0% of gain
Property Tax Relief	Expanded to include under age 65; $500 maxi-
Personal Income	28.0% (25.0% + 12.0% surtax)
1974	
Corporate Income	5.0-7.5%; $50.00 minimum
Personal Income	27.25% (25.0% + 9.0% surtax)
1976	
Beverage	50 cents per gallon; vinous
1977	
Personal Income	25.0% of federal liability
1979	
Personal Income	23.0% of federal liability

Chronological History of Vermont Taxes: (continued)

1980	
Estate	Federal credit for state death taxes
1981	
Beverage	55 cents/gal., vinous; 26.5 cents/gal., malt
1982	
Personal Income	24.0% of federal liability
Sales & Use	4.00%
1983	
Cigarette	17.0 cents per pack
Personal Income	26.0% of federal liability
Sales Tax Rebate	Expanded program
1984	
Meals & Rooms	6.00%
Corporate Income	6.0-9.0%, $75.00 minimum until 12/31/87; 5.5-8.25%, $75.00 minimum effective 1/1/88
Bank Franchise (new)	Replaced tax on income with tax equal to 0.00002 times average monthly deposits
1985	
Hazardous Waste (new)	7.0-28.0 cents per gallon liquid; 0.9-3.4 cents per pound solid
Personal Income	26.50%
Property Tax Relief	Expanded program to $32,000 household income
1986	
Farm Use Value Appraisal	Current program expanded for farmers
Personal Income	24.0% of federal liability effective 1987
Property Tax Relief	Early payment for over 62 filers authorized
1987	
Personal Income	25.8% in 1987; 25.0% in 1988
Solid Waste Franchise (new)	$2.40/cubic yd., $6.00/ton, $3.50/person
Property Tax Relief	Removed income and rebate caps
Land Gains Tax	35.0-80.0% of gain
Captive Insurance	Minimum $5,000 tax
Use Value Appraisal	Shifted responsibility from local to state government

Chronological History of Vermont Taxes: (continued)

1988	
Use Value Appraisal	Added 1988 Working Farm Reimbursement Program and 1989 Working Farm Tax Abatement Program
Personal Income	23.0% of federal liability in 1988; 25.0% in 1989; added earned income credit
Telephone	Phase out of gross receipts tax; replace with corporate income and property taxes
Property Transfer Tax	1.25% (0.5% for first $100,000 of principal residence and farm/forest land)
1989	
Personal & Corp. Income	2.5% withholding on real estate sales by non-residents
Corporate Income	Investment and holding companies limited to $75.00
Meals & Rooms	10.0% tax on alcoholic beverages
Captive Insurance	0.7-0.1% graduated tax for each $20 million of direct premiums
1990	
Personal Income	28% 1990 and 1991, (25% 1992); 6% withholding on nonqualified deferred compensation
Fuel Gross Receipts (new)	0.5% of receipts from heating oil, kerosene, propane, gas, electricity and coal
Meals & Rooms	7% (6% effective July 1, 1992)
Hazardous Waste	Increased rates by approximately 57%
1991	
Personal Income	28.0-31.0-34.0% (25.0% effective 1/1/94)
Sales & use	5.0% (4.0% effective 7/1/93); tax extended to wine and tobacco products
Meals/Rooms/Liquor	8.0-8.0-10.0% (7.0-7.0-10.0% effective 7/1/93, 6.0-6.0-10.0% effective 7/1/94)
Cigarette	18 cents 7/1/91, 19 cents 1/1/92, 20 cents 7/1/92
Bank Franchise	0.000040 x average monthly deposits
Corporate Income	$150.00 minimum; eliminate NOL refunds
Telephone Gross Receipts	Extended to 6/30/92
Electrical Energy	3.5% of appraised value
1993	
Sales & Use	5.0% extended to 6/30/95
1994	
Meals & Rooms	7.0-7.0-10.0% made permanent
Personal Income	Repealed sales tax rebate
1995	
Sales & Use	5.0% extended to 6/30/96
Telephone Gross Receipts	Extended to 6/30/96
Cigarette	44 cents per pack 7/1/95

1996	
Sales & Use	5.0% extended to 6/30/97 (sales tax on energy used in manufacturing sunset from 2.0% to 0.0% - 7/1/96)
Utility Gross Receipts	Extended to 6/30/98
Personal Income	Federal armed forces education loan repayments exempt (sunsets 1/1/99)
Limited Liability Co. (new)	Formation authorized
1997	
Sales & Use	Sunset repealed, tax rate = 5.0%; 1.0% local option authorized; sale of fresh cut flowers by charitable organizations exempt
Telecommunications Sales (new)	4.36%; first $20 of monthly residential telephone bill is exempt; max. annual tax liability = $10,000
Bank Franchise	Increased 0.0056% to 0.0096% of monthly deposits
Corporate Income	Minimum increased $100 to $250; sliding scale increased 1.5%; new max. tax rate = 9.75%
Meals & Rooms	Increased 2.0% to 9.0%; liquor remains 10.0%; 1.0% local option authorized;
Gasoline	Increased 4 cents to 19 cents (20 cents with Petroleum Cleanup Fund tax)
Purchase & Use	Increased 1.0% to 6.0%; tracked vehicles now subject to the sales & use tax
Personal Income	$1,500 national guard exemption if AGI is less than $47,000.00; federal education loan repayment sunset repealed
Statewide Property Tax (new)	$1.10 per $100.00 assessed value
1998	
Electric RRs, Steamboat, Express, Telegraph Companies	Business franchise taxes repealed; now subject to corporate income tax
Sales & Use	Recycled construction materials exempt; railroad construction materials exempt
Telecommunications	Prepaid calling cards taxed at 5.0%
Fuel Gross Receipts	Extended to 7/1/2003
Corporate Income	Small investment companies exempt from minimum tax
Personal Income	Non-resident motion picture income subject to the same tax rate in effect in state of residence (sunsets in 2000)

Chronological History of Vermont Taxes: (continued)

1999	
Personal Income	24.0% of federal liability effective 1/1/2000
Sales & Use	Articles of clothing valued at less than $110.00 each are exempt effective 12/1/1999; footwear valued at less than $110.00 becomes exempt 7/1/2001
Earned Income Credit	25% or equal to tax rate, whichever is greater; effective 1/1/2000
Electric Generating	2.75% of appraised value effective 1/1/2000
2000	
Purchase & Use	Tax cap for trucks increased from $700 to $1,100 effective
Earned Income Credit	32% or equal to tax rate, whichever is greater, effective 1/1/2000
Diesel Fuel	25 cents per gallon, collected at the distributor level, for vehicles registered or weighing less than 25,001 pounds; all other vehicles pay 25 cents per gallon multiplied by the number of gallons used in Vermont. Effective 7/1/2000
Personal Income	Sunset repealed for non-resident motion picture income subject to the same tax rate in effect in state of residence
2001	
Personal Income	Restructured for tax years 2001 and 2002; re-coupled from federal tax liability to federal taxable income; new tax is equal to 24% of federal liability prior to the passage of EGTRRA; sunsets 1/1/2003.
2002	
Personal Income	Permanently linked to federal taxable income with five tax brackets: 3.6%, 7.2%, 8.5%, 9.0%, 9.5%. Forty percent of long term capital gains are excluded from taxable income; the balance is taxed at ordinary rates. The Alternative Minimum Tax is eliminated. Effective 1/1/2002
	Members of the National Guard and US Reserve may exempt the first $2,000 of military pay if AGI is less than $50,000. Effective 1/1/2003
Corporate Income	The federal accelerated depreciation allowance is disallowed.
Estate Tax	The state tax credit allowed by federal law is adopted at tax year 2001 rates. Eliminates the estate tax on farms. Effective 1/1/2002
Sales & Use	Steel toed work boots are exempt regardless of value effective 1/1/2003. Building materials temporarily stored in Vermont are exempt from the Use Tax effective 7/1/2002. Repealed the exemption for fertilizer and pesticides unless used in agriculture effective 7/1/2002
Cigarette	93 cents per pack effective 7/1/2002; $1.19 per pack effective
Motor Vehicle Rental	Increased from 5% to 7% effective 7/1/2002

Chronological History of Vermont Taxes: (continued)

2003	
Personal income	Created new Higher Education Investment tax credit equal to 5% of the first $2,000 of eligible contributions. Effective 1/1/2004
Electric generating	Restructured from a property tax to a tax based on the amount of power generated. Effective 1/1/2004
Fuel gross receipts	Tax extended until 6/30/2008
Sales & Use	Rate increased from 5.0% to 6.0%. In addition, telecommunications tax rate increased from 4.36% to 6.0%. Both effective 10/1/2003.
	A Use Tax reporting table equal to 0.04% of adjusted gross income was included in 2004.
	Several provisions will be effective the 1st day of the 2nd quarter following membership in the Streamlined Sales & Use Tax Agreement, but in no case before 1/1/2005. These are 1) repeal of the $20 monthly exclusion from the telecommunications tax, 2) elimination of the tax on clothing greater than $110, and 3) inclusion of malt beverages in the sales tax.
Telecommunications	Rate increased from 4.36% to 6%. Effective 10/1/2003.
	$20.00 monthly exclusion repealed. Effective 1st day of the 2nd quarter following membership in the Streamlined Sales & Use Tax Agreement (but not before 1/1/2005)
Land use change tax	Restructured from municipal revenue to state revenue. Effective 7/1/2003
Captive Insurance	Captive Insurance companies are taxed on the volume of premiums written for direct premiums and assumed reinsurance premiums. The rates were lowered in 2003.

Chronological History of Vermont Taxes: (continued)

2004

Personal Income	Lottery prize exemption repealed. Effective 1/1/2005
Corporate Income	Unitary combined reporting is required for all C-Corporations with income attributable to Vermont beginning in tax year 2006.
	Reduced corporate income tax rates in two phases beginning in tax year 2006 and continuing in 2007.
	Changed the apportionment formula for determining corporate income that is allocable to VT from an equal weighted 3-factor formula (property, payroll and sales) to a formula in which the sales factor is double-weighted beginning in tax year 2006.
Sales & Use Tax	Changed the earliest date of membership in the Streamlined Sales & Use Tax Agreement from 1/1/2005 to 4/1/2005. Passed additional technical amendments to comply with streamlined.
Bank Franchise Tax	Eliminated the tax liability limitation to no more than a bank's federal taxable income.
Freight Line Tax	Repealed on all car and transportation companies.
Telephone Gross Receipts Tax	Repealed the option for new telephone companies to elect a gross receipts tax instead of a property and income tax.
Amusement Machine License Fee	Repealed and exempts coin-operated machines from the sales tax.

2005

Sales & Use Tax	Increased the cap for tracked vehicles from $900 to $1,100 effective July 1, 2005.
Corporate Income	A new tax credit, equal to 2% of wages, was created for wood products manufacturing in specific regions of the state.
Property Transfer	Eliminated the sunset on the Vermont Housing Finance Agency (VHFA) tax exemption.

TEACHERS RETIREMENT SYSTEM

Fiscal Year	Final Actuarial Request*	Actual Funding	Percent of Request	Market Value of Assets	Actuarial Value of Assets (AV)	AV % of Mkt Value	Pension Benefit Obligation	Actuarial Accrued Liability (AAL)	% Funded Market Value/PBO GASB 5 (MKT/PB0)	% Funded Actuarial value GASB 25 (AV/AAL)
2006	$56,627,046	$24,446,282	43.2%							
2005	$47,714,318	$24,446,282	51.2%	$1,333,532,418	$1,354,006,143	101.5%	$1,551,210,118	$1,492,150,000	86.0%	90.7%
2004	$41,658,946	$24,446,282	58.7%	$1,245,650,105	$1,284,832,664	103.1%	$1,431,107,667	$1,424,662,000	87.0%	90.2%
2003	$28,279,810	$20,446,282	72.3%	$1,099,109,824	$1,218,000,794	110.8%	$1,306,864,372	$1,358,822,000	84.1%	89.6%
2002	$22,146,880	$20,446,282	92.3%	$1,065,978,943	$1,169,294,000	109.7%	$1,178,063,357	$1,307,202,000	90.5%	89.5%
2001	$20,970,278	$19,143,827	91.3%	$1,138,548,007	$1,116,846,000	98.1%	$1,087,419,007	$1,254,341,000	104.7%	89.0%
2000	$19,936,345	$18,586,240	93.2%	$1,190,498,179	$1,037,465,880	87.1%	$1,014,994,651	$1,174,087,000	117.3%	88.4%
1999	$20,723,874	$18,080,000	87.2%	$1,110,214,000	$931,056,000	83.9%	$935,311,000	$1,066,400,000	118.7%	87.3%
1998	$26,927,205	$18,106,000	67.2%	$1,006,493,000	$821,977,000	81.7%	$842,124,000	$955,694,000	119.5%	86.0%
1997	$30,721,768	$18,080,000	58.9%	$865,856,000	$717,396,000	82.9%	$802,481,000	$849,179,000	107.9%	84.5%
1996	$28,711,597	$11,480,000	40.0%	$703,392,000	$570,776,000	81.1%	$710,049,000	$700,377,000	99.1%	81.5%
1995	$27,451,926	$18,080,000	65.9%	$601,100,000	$520,850,000	86.6%	$630,889,000	$648,052,000	95.3%	80.4%

** final year FY 2006 is a projected request*

STATE EMPLOYEES RETIREMENT SYSTEM

Fiscal year	Actuarial Request	Actual Fund-ing	Percent of Request	Market Value of Assets	Actuarial Value of Assets (AV)	AV% of Mkt Value	Pension Benefit Obligation	Actuarial Accrued Liability (AAL)	% Funded Market Value (MKT/PBO)	% Funded Actuarial value (AV/AAL)
2005	$36,019,056	$36,493,435	101.3%	$1,120,247,149	$1,148,907,597	102.6%	$1,123,617,264	$1,174,796,000	99.7%	97.8%
2004	$29,023,431	$26,645,619	91.8%	$1,040,927,987	$1,081,358,637	103.9%	$1,034,491,775	$1,107,634,000	100.6%	97.6%
2003	$24,715,309	$24,394,934	98.7%	$917,711,810	$1,025,469,088	111.7%	$968,014,164	$1,052,004,000	94.8%	97.5%
2002	$24,189,000	$23,788,282	98.3%	$892,221,769	$990,450,000	111.0%	$893,863,866	$1,017,129,000	99.8%	97.4%
2001	$19,679,398	$19,548,598	99.3%	$962,944,449	$954,821,000	99.2%	$882,725,301	$1,026,993,000	109.1%	93.0%
2000	$19,548,817	$19,012,608	97.3%	$1,058,889,568	$895,150,880	84.5%	$835,491,792	$967,064,000	126.7%	92.6%
1999	$23,268,000	$22,956,000	98.7%	$963,971,000	$804,970,000	83.5%	$745,531,000	$876,412,000	129.3%	91.8%
1998	$22,598,000	$23,426,000	103.7%	$914,960,000	$733,716,000	80.2%	$679,751,000	$804,501,000	134.6%	91.2%
1997	$24,098,000	$23,973,000	99.5%	$779,308,000	$639,128,000	82.0%	$634,794,000	$753,883,000	122.8%	84.8%
1996	$24,222,000	$21,442,000	88.5%	$638,674,000	$560,659,000	87.8%	$578,158,000	$664,173,000	110.5%	84.4%
1995	$29,245,000	$20,383,000	69.7%	$538,671,000	$480,049,000	89.1%	$541,597,000	$679,427,000	99.5%	70.7%

OVERVIEW OF MEDICAID

The Medicaid program was created by Congress in 1965. Medicaid is structured as a partnership between individual states and the federal government. The rules of this partnership addresses financing, eligibility, and services. At the federal level, Medicaid is administered by the Centers for Medicare and Medicaid Services (CMS). In Vermont, the Medicaid program is administered by the Office of Vermont Health Access (OVHA), part of the Department of Prevention, Assistance, Transition and Health Access (PATH).

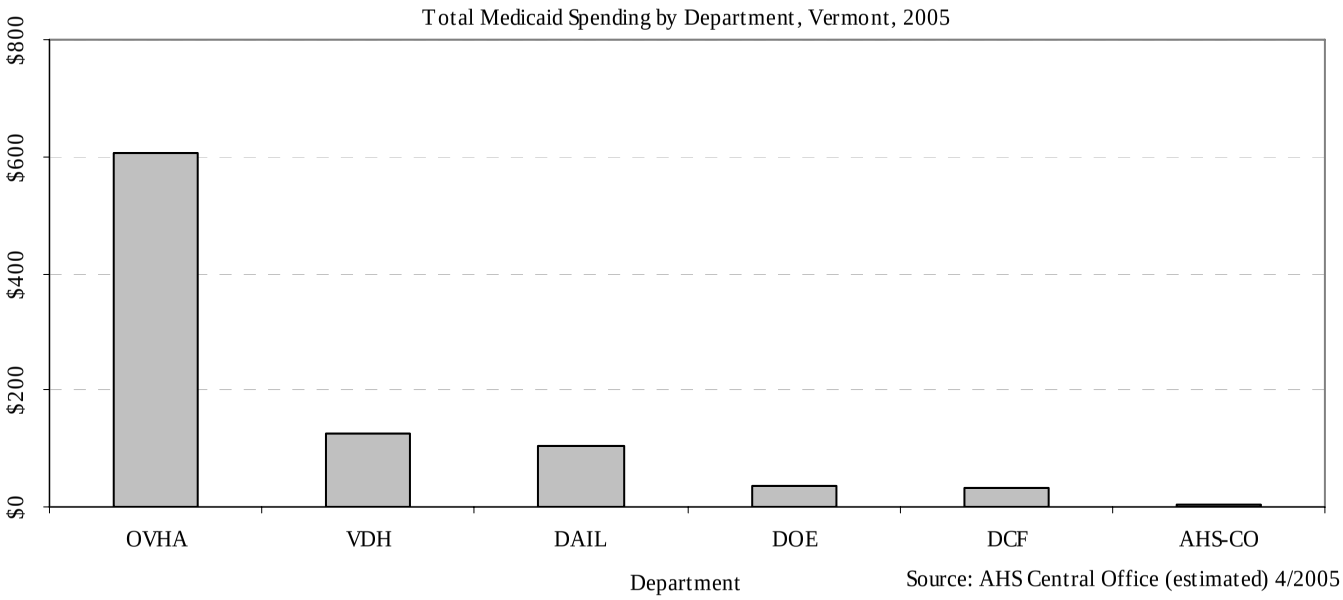
Medicaid funding is based on "federal participation." The rates vary by type of service and population, but on average, for every state or local dollar spent, in the current fiscal year Vermont receives 60 cents from the federal government.

The original Medicaid program was designed for two groups: "aged, blind, and disabled" (ABD) and low income families. ABD eligibility was extended to those receiving supplemental social security. Low income families were receiving ANFC. These are referred to as categorical eligibles. Within basic Medicaid law, there are mandatory populations (primarily the two groups above) and optional populations. Optional eligibility factors usually are age (e.g. covering older children) or income (e.g. covering to a higher percent of poverty). There is also an eligibility category called spend-down. Spend-down occurs when people who do not otherwise qualify, have their incomes reduced by high medical expenses.

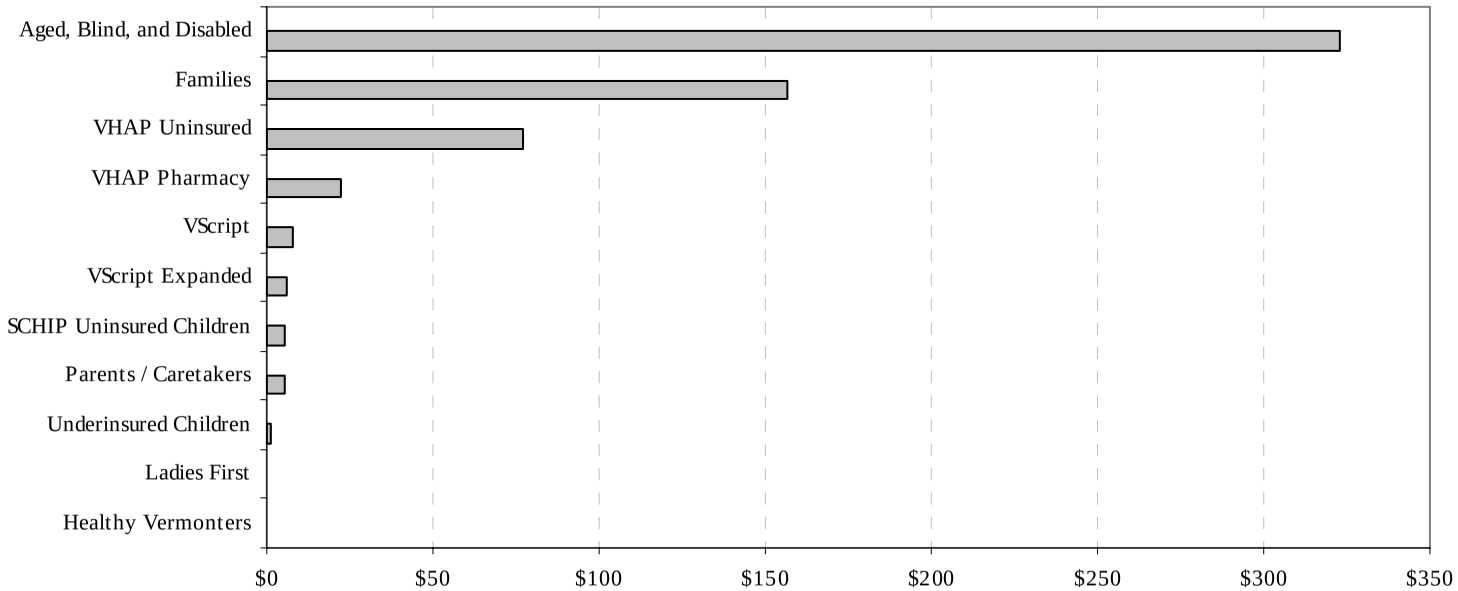
In Vermont, Medicaid eligibility has been expanded two ways. The first is the SCHIP program (1998). This was a Congressional initiative to encourage states to expand eligibility for children. Under SCHIP, states receive a higher match rate than under regular Medicaid. The second is an "1115 waiver." (1115 refers to a section of the Social Security Act.) Under 1115 waivers, CMS is permitted to waive certain Medicaid requirements in the interests of expanding coverage. The VHAP program, providing full coverage for uninsured low-income adults, is the result of an 1115 waiver.

During state fiscal year 2006, there will be two major changes in the Medicaid program. The first is a result of the federal Medicare Modernization Act. As a result of this law, anyone covered by both Medicare and Medicaid will no longer get their drugs paid for by the Medicaid program, but instead will get their coverage as part of Medicare. This will affect both "dual-eligibles" (those with full Medicaid coverage) and Vermonters on the state's pharmacy assistance programs (VHAP Pharmacy, VScript, and VScript Expanded). The assistance programs will be changed so they "wrap around" the Medicare benefit.

The second major change is the implementation of "Global Commitment." This is a major restructuring of the organization and financing of Vermont's Medicaid program. Initially, beneficiaries will see no changes as a result of Global Commitment, but the federal government has granted the state some new flexibility in benefits.

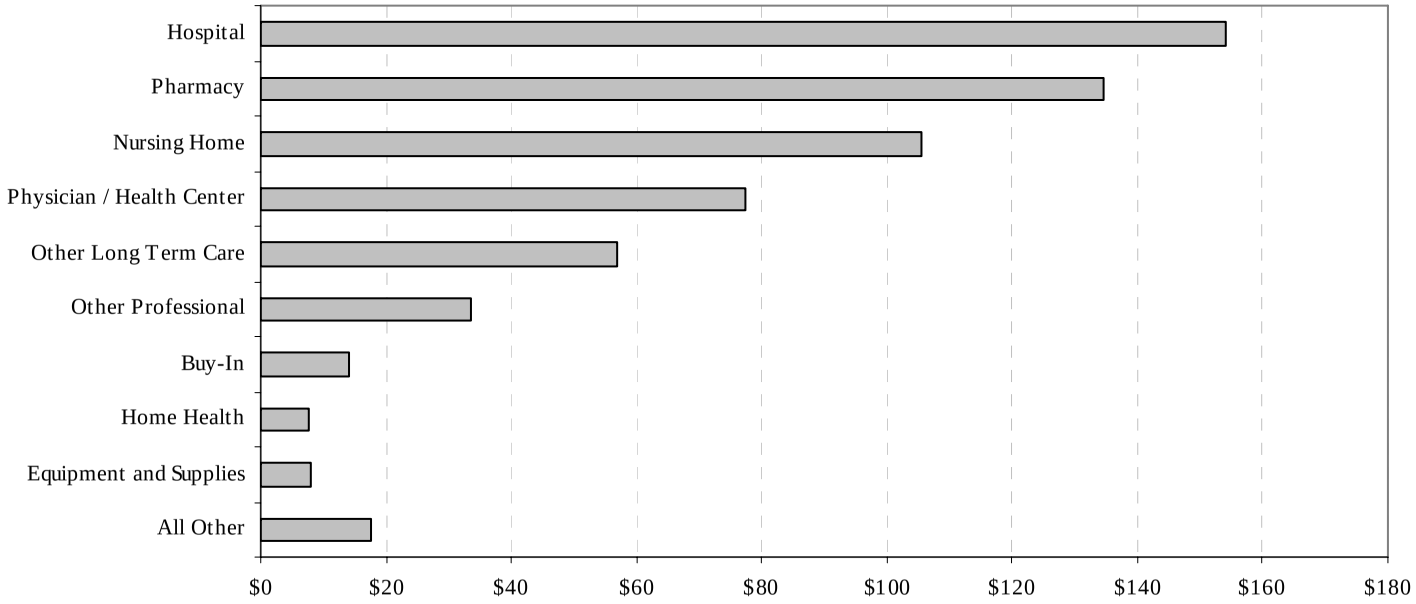

Total Medicaid Spending by Department, Vermont, 2005
$800
$600
$400
$200
$0
OVHA
VDH
DAIL
DOE
DCF
AHS-CO
Department
Source: AHS Central Office (estimated) 4/2005

OVHA Medicaid Spending by Program, FY 2005



Source: Office of Vermont Health Access. ABD includes long term care.

OVHA Medicaid Spending by Type of Service, SFY 2005



Source: Office of Vermont Health Access. Excludes Administration. Hospital includes DSH. Pharmacy is net.

A Guide to Vermont State Government Appropriations

Vermont state government is organized into nine functions of government. These are:

- General Government
- Protection to Persons and Property
- Human Services
- Employment and Training
- General Education and Higher Education
- Natural Resources
- Commerce and Community Development
- Transportation
- Debt Service

These definitions are not unique to Vermont. All of the states use similar definitions. This makes it possible to compare apples to apples between state appropriations. Briefly, the functions of government listed above include the following activities:

General Government:

This function of government contains the Executive Branch of government including the Secretary of Administration, Finance and Management, Personnel, Tax Department, Buildings and General Services, and the Executive Office. These departments provide centralized services to state government.

This function of government also includes the State Auditor, State Treasurer, Lieutenant Governor, Sergeant at Arms, Joint Fiscal Committee, Legislative Council and the Legislature.

Protection to Persons and Property:

This function of government contains the appropriations relating to regulation and law enforcement. This includes the Attorney General, Department of Public Safety, the Defender General, the State's Attorneys and Sheriffs, the Agency of Agriculture, Food and Markets, Labor and Industry, Liquor Control, Secretary of State and the Judiciary, among others.

Human Services:

This function of government contains the appropriations which provide social services. Included are the Office of Health Access, the Department of Health, the Department for Children and Families, the Department of Corrections and the Department of Disabilities, Aging and Independent Living.

Department of Labor:

This function of government is primarily federally funded and is concerned with job placement for the unemployed. Also, the Department of Labor gathers vital statistics concerning employment/unemployment, average hourly wages, gross state product, etc.

General Education and Higher Education:

This function of government contains the appropriations for K-12 education, and the operation of the Department of Education. Higher Education appropriations are for the Vermont Student Assistance Corp. (VSAC), UVM and the Vermont State Colleges.

Natural Resources:

This function of government is concerned with natural resources and includes the Department of Fish and Wildlife, the Department of Forest, Parks and Recreation, the Department of Environmental Conservation, the Environmental Board and District Commissions and the Water Resources Board.

Commerce and Community Development:

This function of government contains appropriations relating to the promotion of economic development and the creation of affordable housing. Included in this function of government is the Department of Economic Development, the Vermont Training Program, Community Development Block Grants, Tourism and Marketing, Vermont Life, Vermont Symphony Orchestra, Vermont Historical Society and the Vermont Housing and Conservation Board, among others.

Transportation:

This function of government contains appropriations which support the state's highway and local road infrastructure including the Agency of Transportation with the Department of Motor Vehicles, Maintenance, Policy and Planning, Rail and surface transportation activities and Town Highway Grants. This includes the engineering and construction of roads and bridges.

Debt Service:

This function of government contains the appropriations necessary to make the required, annual principal and interest payments on the state's bonded indebtedness.

A function of government will contain all the appropriations for an **agency** of the executive branch, e.g., General Government contains the appropriations for the Agency of Administration. Three functions of government have no agency super structure; these are Protection, Education, and Debt Service. All other functions of government contain appropriations for an agency and miscellaneous related organizations.

Within a function/agency, appropriations are organized into **departments**. Commissioners of departments of state government, also known as the "appointing authority," have duties and powers described in Vermont Statutes. A small department of government may have a single appropriation; however, departments generally have multiple missions and responsibilities. Therefore, a department will typically have several discrete appropriations specific to each **division** of the department.

A division may operate several **programs**. The general assembly does not appropriate to the program level of government. Details of intended program expenditures are given in the Governor's budget submission to the general assembly. This submission, numbers in the hundreds of pages, and contains a description of each program's basis in statute, the past year's accomplishments, the upcoming year's goals, staffing levels, and expenditure targets. [A more in depth treatment of the Governor's budget submission is beyond the scope of this discussion. The Joint Fiscal Office provides a complete set of budget documents for use by the members.] Suffice it to say that, while the Legislature does not appropriate to this level of government, it expects and requires the Executive Branch to fulfill the objectives set forth in the detailed submission.

The expenditure categories are as follows:

Personal Services:

If an appropriation supports employees who are paid through state government's payroll system, there will be a personal services expenditure category. This category will provide funding for wages and the employer's share of benefits. Also, if the department or division intends to contract for non-employee personal services, the funding will be included in this expenditure category.

Operating Expense:

This contains funding for two basic types of expenditures: consumables like paper, electricity, subscriptions, telephone, etc.; and durables like computers and copy machines. The operating expense budget for each unit of government is unique to that department or division. Items included in the budget will vary greatly depending upon whether the division occupies rented quarters or a state owned building and the condition (age) of the equipment.

Grants:

This expenditure category contains the funds that will be disbursed in pursuit of a department or division's program mission. Grants may be made to individuals, e.g., Medicaid, and general assistance, to municipalities, e.g., town highway grants and special education formula grants,

Other:

This is an unrestricted expenditure category. As the name implies, funds contained in this category are not otherwise classifiable. Generally, the other category is used for disbursements that support a program, but which do not quite fit the grants definition. An example is the Municipal Current Use Program. Another example is the Legislature's own budget.

The sources of funds which support appropriations are:

General: Unrestricted general state revenue.

Transportation: Earmarked state revenue from specific sources.

Education: Earmarked state revenue from specific sources.

Fish and Wildlife: Earmarked state revenue from specific sources.

Federal: Federal revenue, typically distributed according to a formula and usually earmarked for specific programs.

Special: State revenue, typically derived from fees and often earmarked.

Bond: State revenue derived from the issuance of general obligation bonds and restricted as to use.

Trust: Highly restricted state revenue from sources such as the state employee retirement trust fund.

Internal service: These are bookkeeping entities created to track certain kinds of costs. An example would be an internal service fund for the photocopy center of an agency. Funds are appropriated to different departments of the agency which then "purchase" photocopy services from the center as needed. The internal service fund provides an accounting mechanism for estimating for budget purposes and for keeping track of the actual costs of operating the photocopy center. Internal service funds, however, do involve a double counting of funds. In the example, the agency department spends $1 of appropriated funds buying photocopy services which the center books as $1 of internal service fund revenue. When the center buys supplies, the same $1 is booked as an internal service fund expenditure.

Revolving: Funds which are not new revenue from any source. These "funds" represent an expenditure authority which may or may not be adequately financed in any given fiscal year. If successful, payments into the revolving fund will equal disbursements from the fund. In any event, expenditures in support of this unit of government may be made, up to the limit of the appropriation, even if it results in a deficit or surplus in the

Enterprise: Funds that provide money for services to the general public through programs that are expected to recover their full costs, primarily through user charges. Examples include the Lottery Fund, the Liquor Control Fund and Vermont Life Magazine.

Tobacco Litigation Settlement Fund: This is a special fund established by section 435a of Title 32. All receipts received by the state under the Master Tobacco Settlement Agreement. Funds are appropriated by the legislature for the purposes of Chapter 225 of Title 18 of the Vermont Statutes Annotated.

Transfer: Funds which are not new revenue from any source. These "funds" represent a transfer from one unit of government to another. The original source may be general, transportation, federal, etc. An example is the Fire Service Training Council which receives transfer funds from the Department of Public Safety.

Direct Applications: Unanticipated funds and expenditure recoveries from other funds that are deposited to the general fund with Legislative authorization.

General Fund Appropriations: Five-Year Detailed History

(FY 2006 Appropriations from Act 71 of the 2005 session; prior to budget adjustment)

PROGRAM	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
GENERAL GOVERNMENT					
Administration Agency					
Secretary's Office	376,786	387,988	511,337	381,798	846,821
In-State Travel Reduction (Executive Branch)	0	0	0	0	(300,000)
Single Audit Revolving Fund - Administration	0	0	0	400,000	0
Federal Jobs & Growth Tax Relief - 1 Time	0	0	13,800,000	0	0
VT Renewable Power Supply Requisition - CT River Hydroelectric	0	0	100,000	0	0
Sunrise Professional Regulation - 1 Time	0	0	20,000	0	0
Finance & Management	618,663	612,323	791,756	772,314	816,881
Financial Operations	669,465	0	0	0	0
Human Resources	1,906,908	1,632,215	1,604,503	1,747,729	1,989,210
Buildings & General Services	13,022,253	4,137,161	4,900,957	3,974,015	3,984,617
Information Centers (Part of BGS)	94,138	0	0	0	0
Tax Department	12,052,482	11,694,830	12,303,819	12,678,572	13,167,874
Libraries	1,955,933	2,227,850	2,322,745	2,331,998	2,328,186
Total Agency of Administration	**30,696,628**	**20,692,367**	**36,355,117**	**22,286,426**	**22,833,589**
Auditor of Accounts	442,759	465,151	445,062	453,732	468,742
State Treasurer	502,658	657,438	796,913	833,409	837,580
Labor Relations Board	160,113	168,958	168,272	171,697	187,100
Executive Office	989,521	1,071,473	1,090,705	1,141,866	1,206,200
National & Community Service	60,803	60,803	57,000	56,528	56,528
Governor-Elect	0	30,000	0	0	0
VOSHA Review Board	18,709	18,654	20,150	20,097	20,097
City of Montpelier - Municipal Services	184,000	184,000	184,000	184,000	184,000
Correctional Facilities Tax Payment	40,000	40,000	40,000	40,000	40,000
Payments in Lieu of Taxes (PILOT)	1,450,000	1,045,000	1,000,000	800,000	600,000
Use Tax Reimbursement	2,265,437	3,029,610	3,389,610	3,889,280	4,569,542
Lt Governor	87,791	92,060	94,738	115,517	117,089
Legislature	3,752,869	4,883,378	4,684,593	3,935,297	4,414,316
Legislative Council	1,359,322	1,444,667	1,711,192	1,974,477	2,152,114
Sergeant-at-Arms	316,935	381,207	394,540	456,405	461,044
Joint Fiscal Office	640,687	747,276	812,920	831,789	982,901
FUNCTION TOTAL - GENERAL GOVERNMENT	**42,968,232**	**35,012,042**	**51,244,812**	**37,190,520**	**39,130,842**
PROTECTION TO PERSONS & PROPERTY					
Attorney General	2,100,705	2,274,914	2,446,068	2,550,429	2,822,155
Court Diversion	574,230	615,531	890,531	957,238	981,093
State's Attorneys	5,411,575	5,768,721	6,344,290	6,670,635	6,856,903
Sheriffs	1,859,853	1,075,541	1,130,298	2,313,344	2,489,576
Transports	0	879,687	1,005,070	0	0
Defender General	6,119,275	6,240,661	6,547,204	7,286,984	7,649,359
Military	2,832,267	2,853,772	2,998,036	3,100,631	2,979,602
Labor & Industry	765,597	860,096	819,251	913,722	836,000
Criminal Justice Training Council	145,337	469,083	558,151	647,358	902,574
Racing Commission	6,530	2,001	5,000	5,000	5,000
Secretary of State	511,108	506,141	642,023	928,352	583,525

General Fund Appropriations: Five-Year Detailed History

(Continued)

PROGRAM	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Banking & Insurance	524,428	486,513	476,523	466,993	469,832
Public Safety	7,459,383	14,497,063	15,614,811	17,260,749	20,191,722
Fire Service Training Council	130,897	251,588	365,157	464,860	0
Firefighter 1 Training	0	50,000	0	0	0
Agriculture	3,284,801	3,561,188	3,911,115	3,806,724	5,206,093
State Stipend	163,257	163,500	163,500	175,000	175,000
Public Service Dept	0	0	0	100,000	0
Judiciary	16,979,541	19,906,952	21,508,700	23,018,570	24,803,705
Center for Crime Victims' Services	728,721	748,724	868,828	963,878	1,018,644
Human Rights Commission	246,584	257,484	242,907	273,225	278,014
FUNCTION TOTAL - PROTECTION	**49,844,089**	**61,469,160**	**66,537,463**	**71,903,692**	**78,248,797**
HUMAN SERVICES					
Human Services Agency					
Secretary's Office	3,832,940	4,367,245	5,314,193	3,872,236	4,507,196
AHS; Restructuring; Consultation Srvs	0	0	300,000	0	0
Office of Vermont Health Access	0	0	0	1,166,438	0
Appropraition and Transfer to HATF	0	0	0	88,139,252	78,104,989
Office of Economic Opportunity (Now w/ Dept for Children & Family Srvs)	978,464	1,110,673	1,091,226	0	0
Human Services Board	89,718	98,500	121,879	121,082	129,693
Corrections Department	73,237,636	77,542,929	38,843,868	99,189,994	103,059,847
Health Department	17,188,181	16,916,678	13,070,886	58,728,315	66,957,970
Dept. for Children & Families	119,987,471	109,379,553	118,202,552	100,616,779	105,125,999
Office of Child Support Services (Now w/ Dept. of Children & Family Srvs)	932,555	1,086,425	1,114,864	0	0
SRS (Now w/Dept. of Children & Family Services)	33,424,125	38,634,180	45,002,066	0	0
Aging & Independent Living	12,832,073	15,115,021	16,389,410	56,216,464	61,895,035
Developmental & Mentral Health Srvs	56,760,665	59,899,830	62,525,243	0	0
Alcohol & Drug Abuse Program (Now w/ Health Dept)	0	0	4,495,770	0	0
Total Agency of Human Services	**319,263,828**	**324,151,034**	**306,471,957**	**408,050,560**	**419,780,729**
Childrens' Trust Fund (Now part of DCF)	106,156	102,705	102,705	100,651	0
Commission on Women	199,912	230,386	234,151	231,777	250,421
RSVP	132,400	130,071	123,567	131,096	131,096
Association for the Blind	24,885	24,447	24,447	0	0
Disabled and Needy Veterans	31,565	37,025	0	0	0
Veterans Home	1,049,733	911,786	964,171	969,037	912,495
FUNCTION TOTAL - HUMAN SERVICES	**320,808,479**	**325,587,454**	**307,920,998**	**409,483,121**	**421,074,741**
EMPLOYMENT AND TRAINING					
Employment & Training	781,260	653,367	1,107,259	1,103,541	1,395,248
FUNCTION TOTAL - EMPLOYMENT AND TRAINING	**781,260**	**653,367**	**1,107,259**	**1,103,541**	**1,395,248**

General Fund Appropriations: Five –Year Detailed History

(Continued)

PROGRAM	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
EDUCATION					
Education Department	13,056,796	13,609,327	13,218,192	13,113,425	13,016,004
Fiscal Review Panel	0	40,000	0	0	0
Fund Approp & Transfers to Educ Fd	246,427,558	245,705,935	268,400,000	249,300,000	259,300,000
Tax Dept - Homestead Property Tax Income	4,900,000	0	0	0	0
Teachers Retirement	20,446,282	20,446,282	24,446,282	20,446,282	24,446,282
Property Tax Assistance	0	6,500,000	7,084,690	8,680,000	7,988,056
Total - General Education & Property Taxes	**284,830,636**	**286,301,544**	**313,149,164**	**291,539,707**	**304,750,342**
University of Vermont	34,182,130	36,197,999	37,047,057	37,937,512	39,271,166
Morgan Horse Farm	1	4,912	5,000	5,000	5,000
Vermont Public Television	604,136	593,507	563,832	563,832	573,832
Vermont State Colleges	19,598,628	20,769,755	21,185,150	21,867,742	22,532,878
Allied Health	578,232	592,206	883,750	620,661	993,527
Interactive Television	840,507	836,775	795,331	795,331	815,331
VT Student Assistance Corporation	15,445,766	16,581,671	16,683,804	17,142,609	17,771,050
NE Higher Education Compact	76,642	75,294	88,840	88,840	80,000
Education Commission of the States	39,600	100	0	0	0
Total - Higher Education	**71,365,642**	**75,652,219**	**77,252,764**	**79,021,527**	**82,042,784**
FUNCTION TOTAL - EDUCATION	**356,196,278**	**361,953,763**	**390,401,928**	**370,561,234**	**386,793,126**
NATURAL RESOURCES					
Natural Resources Administration	2,138,032	2,384,095	2,509,894	2,914,400	4,324,943
Conn River Watershed Advisory Commission	25,000	25,000	22,500	22,500	22,500
Local Property Tax Assessment	691,468	749,730	670,000	756,377	974,684
Information Technology	0	0	78,975	0	0
Lake Champlain Commission	9,015	10,000	7,500	7,500	7,500
Forests, Parks, & Recreation	3,984,878	4,571,100	4,665,018	5,539,878	5,640,064
Environmental Conservation	4,484,571	7,244,350	6,930,444	7,587,540	8,072,188
Fish & Wildlife	0	0	157,000	1,531,009	1,726,853
Total Agency	**11,332,964**	**14,984,275**	**15,041,331**	**18,359,204**	**20,768,732**
Natural Resources Bd	811,128	809,045	779,728	880,992	1,065,127
Water Resources Board	314,679	318,178	315,745	324,515	0
Green - Up	0	0	0	6,036	6,646
FUNCTION TOTAL - NATURAL RESOURCES	**12,458,771**	**16,111,498**	**16,136,804**	**19,570,747**	**21,840,505**
COMMERCE & COMMUNITY DEVELOPMENT					
Administration	1,344,475	1,683,210	1,927,465	1,874,906	1,922,819
Historic Sites Operations	395,741	399,041	484,352	465,717	479,352
Housing & Community Affairs	1,364,373	1,418,257	1,613,865	1,531,188	1,531,188

General Fund Appropriations: Five-Year Detailed History

(Continued)

PROGRAM	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Economic Development	2,428,705	2,444,670	3,690,052	3,164,403	3,467,184
Tourism & Marketing	4,682,757	4,408,057	5,745,085	4,678,637	4,209,458
Marketing and Promotional Team	0	348,405	0	0	0
Government Marketing Assistance Ctr.	90,267	90,324	0	0	0
Vermont Training Program	606,813	705,922	1,107,700	1,707,700	1,607,700
Job Development Zones	0	50,967	57,863	0	0
Total Agency of Development	**10,913,131**	**11,548,853**	**14,626,382**	**13,422,551**	**13,217,701**
VT Economic Development Authority	263,088	0	0	0	0
Vermont Council on the Arts	517,206	517,206	516,618	519,618	494,618
Vermont Symphony Orchestra	107,326	107,326	101,960	101,960	101,960
VT Historical Society	256,781	405,830	629,874	597,660	630,653
VT Council on the Humanities	139,935	137,473	130,599	150,599	160,599
FUNCTION TOTAL - COMMERCE & COMMUNITY DEVELOPMENT	**12,197,467**	**12,716,688**	**16,005,433**	**14,792,388**	**14,605,531**
DEBT SERVICE					
Bonded Debt	22,005,182	0	0	0	0
Principal	41,894,190	68,786,319	65,362,583	62,587,361	62,968,427
Job Zones	59,789	0	0	0	0
FUNCTION TOTAL - DEBT SERVICE	**63,959,161**	**68,786,319**	**65,362,583**	**62,587,361**	**62,968,427**
MISCELLANEOUS					
Farm Buildings; Payment to Municipalities	0	0	125,000	0	
Commission on Compensation & Benefits	0	0	50,000	0	
Contractual Agreement; Exempt Pay Plans	0	0	523,190	5,743,862	4,019,782
Pay Act	0	0	0	0	3,415,000
Transfer to Health Access Trust Fd	0	0	0	0	17,000,000
Tax Dept., Property Tax Assistance, Income Sensitivity	0	0	0	0	3,400,000
Joint Fiscal Committee Staff Transition	0	63,000	0	0	0
Veterans' Medals	0	20,000	0	0	0
FY01/02 One Time Appropropriation	7,775,879	0	0	0	0
One Time App - Legislative & Judicial	218,000	0	0	0	0
Shoreham Non-point Source Phosphorus Control	15,000	0	0	0	0
One Time Drug Intervention Docket: Dist/Family Court	27,333	0	0	0	0
FUNCTION TOTAL - MISCELLANEOUS	**8,036,212**	**83,000**	**698,190**	**5,743,862**	**27,834,782**

General Fund Appropriations: Five-Year Detailed History

(Continued)

PROGRAM	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
OTHER BILLS:					
Pay Act	4,480,876	5,723,260	0	0	0
ANR, Restructured Agency; Consultant (Act 52, Sec. 3, 2005 Sess)	0	0	0	0	50,000
GF Appropriations & Transfers (One Time) H.516 of 2005	0	0	0	8,819,000	0
FY05 Designated Balance (Waterfall) Act 71 Sec. 263	0	0	0	34,605,000	0
VSAC, Students in SRS Trust Fund (Act 72, Sec. 2(a))	0	0	0	25,000	0
Judiciary, Permit Reform, (Act 115, Sec. 121 (c))	0	0	0	335,000	0
ANR, Stormwater Impaired Water Quality Remediation 3 pos (Act 140, Sec. 8(c))	0	0	0	200,700	0
PS, Sex Offender Registry (Act 157, Sec. 18)	0	0	0	95,000	0
Corrections (Act 122, Sec. 289)	0	0	0	330,000	0
Legislature (Act 22 Sec. 1, 2005 Sess.)	0	0	0	800,000	0
Corrections, Psychosexual Pre-sentence Evals (Act 79, Sec. 11 of 2005)	0	0	0	50,000	0
Firefighters; Survivors' Benefits (Act 119, S.8)	0	60,000	0	0	0
Judiciary, Law Clerk (Act 149, Capitol, H.763)	0	59,000	0	0	0
Pilot Project for Combating Drug Crimes (Act 1228, H.128)	10,000	0	0	0	0
Comp Benefits for Certain Employees, Leg. Session Costs	400,000	0	0	0	0
TOTAL - OTHER BILLS	**4,890,876**	**5,842,260**	**0**	**45,259,700**	**50,000**
GRAND TOTAL - GENERAL FUNDS	**872,140,825**	**888,215,551**	**915,415,470**	**1,038,196,166**	**1,053,941,999**

Transportation Fund Appropriations: Five –Year Detailed History

(FY 2006 Appropriations from Act 71 of the 2005 session; prior to budget adjustment)

PROGRAM	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
GENERAL GOVERNMENT					
Administration - Secretary	61,034	61,875	61,875	49,704	50,102
Finance & Management	479,890	132,511	137,467	110,428	111,313
Human Resources	636,891	648,047	676,116	543,132	547,486
Buildings & General Services	5,710,448	4,586,675	4,840,504	4,627,513	5,331,748
Tax - Administration/Collection	258,427	263,785	263,785	211,902	213,601
Use Tax Reimbursement Fund	2,420,400	2,070,390	2,310,390	2,310,390	2,328,913
Auditor of Accounts	69,490	70,368	73,252	58,845	59,317
State Treasurer	121,214	123,714	128,477	103,208	104,035
State Labor Relations Board	5,412	5,528	5,676	4,560	4,597
Executive - Governor's Office	183,709	187,676	194,481	156,230	157,483
Lieutenant Governor	22,044	22,611	23,813	19,130	19,283
Legislature	856,937	859,687	867,677	697,017	702,605
Legislative Council	270,053	278,124	288,708	231,924	233,783
Sergeant at Arms	47,843	48,693	50,305	40,411	40,735
Joint Fiscal Office	158,371	161,550	167,300	134,395	135,472
PILOT - Correctional Facilities					
FUNCTION TOTAL - GENERAL GOVT.	**11,302,163**	**9,521,234**	**10,089,826**	**9,298,789**	**10,040,473**
PROTECTION TO PERSONS AND PROPERTY					
Attorney General	81,696	83,495	85,971	69,061	69,615
Public Safety	23,949,243	21,347,070	22,440,455	22,440,455	22,801,328
VT Court Diversion	177,804	177,804	177,804	142,833	143,978
State's Attorneys	436,856	447,230	456,076	366,373	369,310
Sheriffs	668,421	684,075	704,212	565,704	570,239
Agriculture	45,013	45,824	47,993	38,553	38,862
Judiciary	3,565,620	3,627,781	3,740,140	3,004,507	3,028,595
Criminal Justice Training Council	346,281	348,154	348,154	279,677	281,919
Defender General	883,240	890,068	907,025	728,626	734,468
VT Fire Service Training Council	98,994	99,985	99,985	80,320	0
FUNCTION TOTAL - PROTECTION	**30,253,168**	**27,751,486**	**29,007,815**	**27,716,109**	**28,038,314**

Transportation Fund Appropriations: Five-Year Detailed History

(Continued)

PROGRAM	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
HUMAN SERVICES					
Aging & Disabilities - Advocacy	522,000	522,000	522,000	419,330	422,692
Corrections - Correctional Services	1,402,578	1,424,702	1,424,702	1,144,483	1,153,658
Dept. for Children and Families	75,000	75,000	75,000	60,249	60,732
FUNCTION TOTAL - HUMAN SERVICES	**1,999,578**	**2,021,702**	**2,021,702**	**1,624,062**	**1,637,082**
EDUCATION					
Education Department	639,932	642,080	648,155	520,672	524,846
Property Tax Assistance	0	3,842,000	4,385,016	3,520,000	2,378,220
Tax Dept - Homestead Property Tax Income	3,600,000	0	0	0	0
FUNCTION TOTAL - EDUCATION	**4,239,932**	**4,484,080**	**5,033,171**	**4,040,672**	**2,903,066**
NATURAL RESOURCES					
Forests, Parks & Recreation	628,039	628,039	628,039	504,513	508,558
State Land Local Property Tax Assessment	262,815	262,815	262,815	211,123	212,816
Environmental Conservation	216,584	221,040	228,689	183,709	185,182
Fish & Wildlife	0	0	0	365,000	367,926
FUNCTION TOTAL - NATURAL RES.	**1,107,438**	**1,111,894**	**1,119,543**	**1,264,345**	**1,274,482**
DEBT SERVICE					
Interest	841,689	0	0	0	0
Principal	2,068,366	2,835,622	2,407,287	2,356,088	2,109,547
FUNCTION TOTAL - DEBT SERVICE	**2,910,055**	**2,835,622**	**2,407,287**	**2,356,088**	**2,109,547**
MISCELLANEOUS					
Pay Act	0	0	0	1,458,637	1,248,449
Farm Buildings; Payment to Municipalities	0	0	125,000	0	0
Rutland Multi-Modal Transp Ctr to BGS	0	240,000	0	0	0
Transportation Fund Transfer & Appropriation	0	5,950,000	0	0	0
FUNCTION TOTAL - MISCELLANEOUS	**0**	**6,190,000**	**125,000**	**1,458,637**	**1,248,449**

Transportation Fund Appropriations: Five -Year Detailed History

(Continued)

PROGRAM	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
TRANSPORTATION AGENCY					
Transportation and Arbitration Board	80,000	74,762	130,000	78,400	83,400
Total Boards	**80,000**	**74,762**	**130,000**	**78,400**	**83,400**
Agency:					
Finance & Administration	7,900,000	8,734,748	9,034,722	9,606,306	9,671,292
Technical Services	3,165,200	3,786,152	0	0	0
Traffic Operations	0	940,822	0	0	0
Rest Areas	396,884	484,199	19,500	0	25,000
Vermont Transportation Authority	490,989	521,259	6,000	0	0
Policy & Planning	5,709,787	6,014,764	1,434,945	1,742,221	1,806,692
Maintenance-State System	46,316,856	46,926,890	49,971,854	52,678,459	54,104,586
Buildings	1,565,000	1,565,000	1,550,000	1,304,000	1,297,548
Rail Program	12,220,435	6,243,074	7,310,836	6,413,236	8,196,929
Public Transit	0	0	5,847,522	6,379,376	5,796,599
Aviation Program	2,526,500	2,535,000	2,892,080	3,024,775	2,222,416
Highway Central Garage Fund	0	0	0	2,600,000	0
Program Development	25,599,233	23,236,750	31,620,172	33,473,081	28,453,772
Total Agency	**105,890,884**	**100,988,658**	**109,687,631**	**117,221,454**	**111,574,834**
Department of Motor Vehicles:					
Customer Service	15,400,000	16,213,234	17,235,903	19,112,258	22,286,370
Motorcycle Rider Training	0	220,834	0	0	0
Total Department	**15,400,000**	**16,434,068**	**17,235,903**	**19,112,258**	**22,286,370**
Town Highways:					
Aid Program (Grants)	22,769,744	23,857,744	23,857,744	24,982,744	24,982,744
Structures	3,494,500	3,494,500	3,494,500	3,944,500	3,494,500
Bridges	5,403,007	4,700,034	4,627,672	6,679,406	3,892,314
Emergency Fund	0	182,111	750,000	749,170	57,129
Class 1 Supplemental	128,750	128,750	128,750	128,750	128,750
Class 2 Resurfacing Program (2 for 1 Match)	4,036,750	4,248,750	4,248,750	4,248,750	4,748,750
Vermont Local Roads Program	283,000	283,000	308,000	435,600	333,867
Bridge Maintenance Program	0	0	0	0	959,622
Discretionary Spending	0	0	0	0	566,338
Total Town Highways	**36,115,751**	**36,894,889**	**37,415,416**	**41,168,920**	**39,164,014**
FUNCTION TOTAL - TRANSPORTATION	**157,486,635**	**154,392,377**	**164,468,950**	**177,581,032**	**173,108,618**
OTHER BILLS:					
Pay Act	2,447,220	2,803,121	0	0	0
DMV, Abandoned Motor Vehicles (Act 101, Sec. 8)	0	0	0	5,000	0
Capitol Construction	1,168,741	0	0	0	0
FY05 Big Bill (Act 122, Sec. 289b App & Transfer) 04 Sess.	0	0	6,326,296	0	0
Transp. Capital Program (Act 160, Sec. 56 (a)) 04 Sess.	0	0	1,365,000	0	0
TOTAL - OTHER BILLS	**3,615,961**	**2,803,121**	**7,691,296**	**5,000**	**0**
GRAND TOTAL - TRANSPORTATION FUND	**212,914,930**	**211,111,516**	**221,964,590**	**225,344,734**	**220,360,031**

Education Fund Appropriations: Five-Year Detailed History

(FY 2006 Appropriations from Act 71 of the 2005 session; prior to budget adjustment)

PROGRAM	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Education Programs	7,540,457	7,949,075	8,376,070	9,656,923	9,836,396
Fund Appropriation and Transfer	450,000	0	0	0	0
Prebate Appropriation	800,000	0	0	0	0
Special Education Formula Grants	63,980,005	69,750,914	74,702,258	105,256,030	116,120,000
State Placed Students	10,402,407	9,858,500	10,689,886	11,642,880	12,500,000
Adjusted Education Payment (Education Grants)	594,474,446	601,400,000	619,700,000	910,971,994	966,000,000
Transportation	12,458,850	12,727,961	12,922,700	13,190,788	13,496,399
Small School Grants	4,632,403	4,760,660	5,023,842	5,213,383	5,250,000
Capital Debt Service Aid	3,482,659	3,161,935	2,126,341	459,546	450,355
Local Share PropertyTax	39,500,000	42,200,000	42,000,000	0	0
Tax Department - Reappraisal & Listing Payments	2,239,769	2,240,000	2,384,500	2,266,000	3,210,000
Tax Department - Property Tax Assistance	71,300,000	86,745,000	98,000,000	92,311,600	108,600,000
Adult Education Literacy	0	0	0	499,999	250,000
Essential Early Education Grant	0	0	0	4,273,279	4,379,337
Council on Education Governance	0	0	0	0	75,000
Stowe & Rutland Recalculation Payment - 1 Time	111,078	0	0	0	0
Debt Serice	0	0	200,000	0	0
Act 68 (H.480, Sec. 69) Education Funding	0	0	784,472	0	0
Act 142, Sec 317; Wilmington Recalculation	215,600	0	0	0	0
Education Dept., Capitol Construction Aid	0	0	0	932,000	0
GRAND TOTAL - EDUCATION FUND	**811,587,674**	**840,794,045**	**876,910,069**	**1,156,674,422**	**1,240,167,487**

FISCAL YEAR 2006 APPROPRIATIONS

By Object Code, All Funds, Prior to Adjustment

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
GENERAL GOVERNMENT					
SECRETARY OF ADMINISTRATION	445,340	51,583	400,000	0	896,923
IN-STATE TRAVEL REDUCTION	0	(300,000)	0	0	(300,000)
INFORMATION & INNOVATION - GOV-NET	567,046	189,353	0	0	756,399
COMMUNICATIONS & INFORMATION TECHNOLOGY	3,482,819	563,177	0	0	4,045,996
FINANCIAL OPERATIONS	2,139,003	1,203,059	0	0	3,342,062
FINANCE & MANAGEMENT - BUDGET & MANAGEMENT	908,332	128,752	0	0	1,037,084
HUMAN RESOURCES - OPERATIONS	1,606,082	314,842	0	0	1,920,924
HR WORKFORCE PLANNING & EMPLOY-MENT SERVICES	841,435	301,357	0	0	1,142,792
EMPLOYEE BENEFITS & WELLNESS	1,448,884	355,564	0	0	1,804,448
INFORMATION TECHNOLOGY	515,184	370,605	0	0	885,789
LIBRARIES	1,881,114	1,573,421	70,000	0	3,524,535
TAX DEPARTMENT	11,477,404	2,684,071	0	0	14,161,475
BUILDINGS & GENERAL SERVICES - ADMINISTRATION	1,438,892	109,308	0	0	1,548,200
ENGINEERING	1,876,190	444,472	0	0	2,320,662
INFORMATION CENTERS	3,294,693	1,177,513	370,000	0	4,842,206
PURCHASING	704,895	169,370	0	0	874,265
PUBLIC RECORDS	863,949	701,543	0	0	1,565,492
POSTAL SERVICES	599,500	142,952	0	0	742,452
COPY CENTER	788,629	215,702	0	0	1,004,331
SUPPLY CENTER	246,376	132,601	0	0	378,977
FEDERAL SURPLUS PROPERTY	63,749	70,299	0	0	134,048
STATE SURPLUS PROPERTY	58,930	65,680	0	0	124,610
PROPERTY MANAGEMENT	1,240,936	2,606,448	0	0	3,847,384
ALL OTHER INSURANCE	59,648	11,739	0	0	71,387
GENERAL LIABILITY INSURANCE	223,314	38,632	0	0	261,946
WORKERS' COMPENSATION INSURANCE	958,583	152,019	0	0	1,110,602
FEE FOR SPACE	10,385,701	9,960,599	0	0	20,346,300
GEOGRAPHIC INFORMATION SYSTEMS	0	0	393,957	0	393,957
TOTAL - ADMINISTRATION	48,116,628	23,434,661	1,233,957	0	72,785,246

FISCAL YEAR 2006 APPROPRIATIONS (continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
AUDITOR OF ACCOUNTS	1,866,196	103,338	0	0	1,969,534
STATE TREASURER	2,158,253	329,009	25,000	0	2,512,262
ABANDONED PROPERTY	541,534	242,188	0	0	783,722
VT STATE RETIREMENT SYSTEM	20,448,159	729,324	0	0	21,177,483
MUNICIPAL EMPLOYEES' RETIREMENT	1,427,518	213,732	0	0	1,641,250
STATE LABOR RELATIONS BOARD	157,439	40,128	0	0	197,567
EXECUTIVE - GOVERNOR'S OFFICE	1,158,112	369,756	0	0	1,527,868
NATIONAL & COMMUNITY SERVICE	191,634	121,871	1,745,415	0	2,058,920
VOSHA REVIEW BOARD	31,652	8,542	0	0	40,194
USE TAX REIMBURSEMENT FUND	0	0	6,898,455	0	6,898,455
LIEUTENANT GOVERNOR	118,723	17,649	0	0	136,372
LEGISLATURE	4,414,316	702,605	0	0	5,116,921
LEGISLATIVE COUNCIL	1,685,880	136,604	0	0	1,822,484
LEGISLATIVE INFORMATION TECHNOL-	309,186	254,227	0	0	563,413
SERGEANT AT ARMS	438,870	62,909	0	0	501,779
JOINT FISCAL OFFICE	1,045,988	72,385	0	0	1,118,373
LOTTERY COMMISSION	1,279,592	1,057,167	0	0	2,336,759
PAYMENT IN LIEU OF TAXES	0	0	2,500,000	0	2,500,000
PAYMENTS IN LIEU OF TAXES - MONTPE-	0	0	184,000	0	184,000
PAYMENTS IN LIEU OF TAXES - CORREC-TIONAL FACILITIES	0	0	40,000	0	40,000
TOTAL - GENERAL GOVERNMENT	85,389,680	27,896,095	12,626,827	0	125,912,602
PROTECTION TO PERSONS AND PROPERTY					
ATTORNEY GENERAL	5,356,126	924,563	0	0	6,280,689
VT COURT DIVERSION	0	0	1,525,071	0	1,525,071
CENTER FOR CRIME VICTIM SERVICES	1,035,455	220,612	7,425,277	0	8,681,344
STATE'S ATTORNEYS	7,807,300	1,203,460	45,000	0	9,055,760
SHERIFFS	2,752,546	307,269	0	0	3,059,815
DEFENDER GENERAL - PUBLIC DEFENSE	5,681,340	636,231	0	0	6,317,571
ASSIGNED COUNSEL	2,734,829	52,850	0	0	2,787,679
MILITARY - ADMINISTRATIVE	450,746	152,035	200,000	0	802,781
AIR SERVICE CONTRACT	3,838,895	837,681	0	0	4,676,576
ARMY SERVICE CONTRACT	2,692,018	5,780,134	0	0	8,472,152
BUILDING MAINTENANCE	883,960	383,512	0	0	1,267,472
VETERANS' AFFAIRS	246,316	108,740	121,165	0	476,221
LABOR & INDUSTRY	3,149,401	719,650	75,000	0	3,944,051
CRIMINAL JUSTICE TRAINING COUNCIL	873,949	880,979	0	0	1,754,928
LIQUOR CONTROL - ENFORCEMENT &	1,557,469	155,685	0	0	1,713,154
ADMINISTRATION	1,250,029	352,646	0	0	1,602,675
WAREHOUSING & DISTRIBUTION	716,954	165,065	0	0	882,019

FISCAL YEAR 2006 APPROPRIATIONS (continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
VERMONT RACING COMMISSION	2,076	2,924	0	0	5,000
SECRETARY OF STATE	3,603,036	2,746,911	0	0	6,349,947
BANKING, INSURANCE, SECURITIES & HEALTH CARE ADMINISTRATION - BANKING	1,141,527	248,745	0	0	1,390,272
INSURANCE	3,017,341	530,135	0	0	3,547,476
CAPTIVE	2,565,519	387,214	0	0	2,952,733
SECURITIES	519,436	130,100	0	0	649,536
HEALTH CARE ADMINISTRATION	3,609,269	358,002	0	0	3,967,271
ADMINISTRATION	922,370	48,000	0	0	970,370
PUBLIC SAFETY - ADMINISTRATION	1,502,205	27,548	48,000	0	1,577,753
HOMELAND SECURITY	851,441	974,324	11,771,817	0	13,597,582
VERMONT STATE POLICE	36,221,326	6,337,277	1,759,547	0	44,318,150
CRIMINAL JUSTICE SERVICES	4,933,618	3,585,669	3,969,200	0	12,488,487
EMERGENCY MANAGEMENT	1,495,775	532,443	630,012	0	2,658,230
RADIOLOGICAL EMERGENCY RESPONSE	548,205	271,030	496,112	0	1,315,347
FIRE SAFETY	3,356,644	1,099,628	0	0	4,456,272
AGRICULTURE - ADMINISTRATION	880,196	453,668	342,004	0	1,675,868
FOOD SAFETY & CONSUMER ASSUR-	2,360,887	281,572	2,901,492	0	5,543,951
AGRICULTURE DEVELOPMENT	816,602	504,152	1,049,421	0	2,370,175
LABORATORIES, AGRICULTURAL RE-	3,003,076	554,576	616,000	0	4,173,652
STATE STIPEND FUND	0	0	175,000	0	175,000
MOSQUITO CONTROL	20,000	70,000	0	0	90,000
PUBLIC SERVICE - REGULATION & EN-	4,464,769	631,466	800,000	0	5,896,235
PURCHASE & SALE OF POWER	10,600	2,215	0	0	12,815
ENHANCED 9-1-1 BOARD	2,020,257	397,331	0	0	2,417,588
PUBLIC SERVICE BOARD	2,380,294	310,000	0	0	2,690,294
JUDICIARY	24,276,133	6,576,667	0	0	30,852,800
HUMAN RIGHTS COMMISSION	353,523	84,182	0	0	437,705
FIRE SERVICE TRAINING COUNCIL					0
TOTAL-PROTECTION TO PERSONS	145,903,458	40,026,891	33,950,118	0	219,880,467

FISCAL YEAR 2006 APPROPRIATIONS (continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
HUMAN SERVICES					
HUMAN SERVICES - SECRETARY'S OF-	3,746,236	1,245,070	7,633,936	0	12,625,242
RATE SETTING	632,040	92,395	0	0	724,435
HUMAN SERVICES BOARD	278,443	40,298	0	0	318,741
DEVELOPMENTAL DISABILITIES COUN-	110,310	27,237	350,838	0	488,385
OFFICE OF VERMONT HEALTH ACCESS - ADMINISTRATION	27,263,444	681,014	0	0	27,944,458
MEDICAID	0	0	589,599,773	0	589,599,773
APPROPRIATION & TRANSFER TO HATF	0	0	95,354,989	0	95,354,989
HEALTH - ADMINISTRATION & SUPPORT	5,606,480	1,477,930	0	0	7,084,410
HEALTH PROTECTION	3,561,696	680,062	1,574,400	0	5,816,158
HEALTH SURVEILLANCE	7,258,188	1,900,115	2,461,560	0	11,619,863
HEALTH IMPROVEMENT	8,355,130	1,155,320	9,362,086	0	18,872,536
COMMUNITY PUBLIC HEALTH	11,727,467	1,620,114	11,782,520	0	25,130,101
ALCOHOL & DRUG ABUSE PRGS	2,391,227	836,119	18,725,833	0	21,953,179
MENTAL HEALTH	3,404,696	507,616	106,674,609	0	110,586,921
VT STATE HOSPITAL	16,580,497	1,813,522	3,000	0	18,397,019
MEDICAL PRACTICE BOARD	669,764	130,309	0	0	800,073
DEPT FOR CHILDREN & FAMILIES - ADMINISTRATIVE & SUPPORT SERVICES	26,563,475	5,025,540	1,414,675	0	33,003,690
DCF - OFFICE OFCHILD SUPPORT	8,220,005	2,797,032	0	0	11,017,037
DCF - CHILD DEVELOPMENT	2,412,885	468,401	45,178,245	0	48,059,531
DCF - CHILD WELFARE FAMILY SER-	18,261,673	2,870,402	62,032,908	0	83,164,983
DCF - WOODSIDE REHABILITATION	2,361,201	432,306	0	0	2,793,507
DCF - DISABILITY DETERMINATION	3,337,193	495,020	0	0	3,832,213
DCF - AID TO AGED, BLIND & DISABLED	1,365,966	9,336,901	0	0	10,702,867
DCF - GENERAL ASSISTANCE	0	0	4,326,260	0	4,326,260
DCF - REACH UP	0	0	43,217,279	0	43,217,279
DCF - LIHEAP FUEL	20,000	90,000	10,146,117	0	10,256,117
DCF - FOOD STAMP CASH OUT	0	0	6,141,229	0	6,141,229
DCF - OFFICE OF ECONOMIC OPPORTU-	261,733	89,517	5,035,390	0	5,386,640
DCF - OEO - WEATHERIZATION ASSIS-	150,478	39,950	7,079,010	0	7,269,438
AGING & DISABILITIES INDEPENDENT LIVING - ADMINISTRATION & SUPPORT	20,691,990	3,450,004	0	0	24,141,994
ADVOCACY & INDEPENDENT LIVING	0	0	20,577,895	0	20,577,895
BLIND & VISUALLY IMPAIRED	0	0	1,359,000	0	1,359,000
VOCATIONAL REHABILITATION	0	0	5,402,643	0	5,402,643
TBI HOME & COMMUNITY BASED	0	0	2,749,010	0	2,749,010
DEVELOPMENTAL SERVICES	0	0	103,600,138	0	103,600,138

FISCAL YEAR 2006 APPROPRIATIONS (continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
CORRECTIONS - ADMINISTRATION	2,109,825	322,087	0	0	2,431,912
PAROLE BOARD	232,722	65,555	0	0	298,277
CORRECTIONAL EDUCATION	3,042,574	465,312	0	0	3,507,886
CORRECTIONAL SERVICES	67,705,162	31,405,544	1,971,500	0	101,082,206
CORRECTIONAL FACILITIES - RECREATION	518,212	473,986	0	0	992,198
VT OFFENDER WORK PROGRAM	1,391,272	1,731,740	0	0	3,123,012
DCF - CHILDRENS' TRUST FUND	0	0	340,891	0	340,891
COMMISSION ON WOMEN	194,319	61,102	0	0	255,421
RETIRED SENIOR VOLUNTEER PROGRAM	0	0	131,096	0	131,096
VETERANS' HOME - CARE & SUPPORT SERVICES	12,833,472	3,128,718	0	0	15,962,190
TOTAL - HUMAN SERVICES	263,259,775	74,956,238	1,164,226,830	0	1,502,442,843
EMPLOYMENT AND TRAINING					
EMPLOYMENT AND TRAINING	18,317,440	4,568,929	1,615,210	0	24,501,579
GENERAL EDUCATION					
FINANCE AND ADMINISTRATION	4,533,633	1,377,940	10,620,000	0	16,531,573
EDUCATION PROGRAMS	12,107,019	1,981,112	108,322,608	0	122,410,739
TECHNICAL EDUCATION	0	0	9,836,396	0	9,836,396
SPECIAL EDUCATION: FORMULA GRANTS	0	0	116,120,000	0	116,120,000
STATE-PLACED STUDENTS	0	0	12,500,000	0	12,500,000
ADULT EDUCATION & LITERACY	0	0	3,951,017	0	3,951,017
ADJUSTED EDUCATION PAYMENT	0	0	966,000,000	0	966,000,000
ESSENTIAL EARLY EDUCATION GRANT	0	0	4,379,337	0	4,379,337
TRANSPORTATION	0	0	13,496,399	0	13,496,399
SMALL SCHOOL GRANTS	0	0	5,250,000	0	5,250,000
CAPITAL DEBT SERVICE AID	0	0	450,355	0	450,355
TOBACCO LITIGATION	116,151	25,073	842,783	0	984,007
ACT 117 COST CONTAINMENT	969,605	104,571	65,000	0	1,139,176
EDUCATION GOVERNANCE COUNCIL	0	0	75,000	0	75,000
FUND APPROPRIATIONS & TRANSFERS	0	0	259,300,000	0	259,300,000
STATE TEACHERS' RETIREMENT	17,061,408	842,461	24,446,282	0	42,350,151
TAX DEPT. - REAPPRAISAL & LISTING PAYMENTS	0	0	3,210,000	0	3,210,000

FISCAL YEAR 2006 APPROPRIATIONS (continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
TAX - PROPERTY TAX ASSISTANCE	0	0	118,966,276	0	118,966,276
TOTAL GENERAL EDUCATION AND PROPERTY TAX SUPPORT	34,787,816	4,331,157	1,657,831,453	0	1,696,950,426
HIGHER EDUCATION AND OTHER					
UNIVERSITY OF VERMONT	0	0	39,271,166	0	39,271,166
MORGAN HORSE FARM	0	0	5,000	0	5,000
VERMONT PUBLIC TELEVISION	0	0	573,832	0	573,832
VERMONT STATE COLLEGES	0	0	22,532,878	0	22,532,878
ALLIED HEALTH	0	0	993,527	0	993,527
VERMONT INTERACTIVE TELEVISION	0	0	815,331	0	815,331
VERMONT STUDENT ASSISTANCE CORPORATION	0	0	17,771,050	0	17,771,050
NEW ENGLAND HIGHER EDUCATION	0	0	80,000	0	80,000
TOTAL HIGHER EDUCATION &	0	0	82,042,784	0	82,042,784
NATURAL RESOURCES					
ADMINISTRATION	4,138,173	1,651,001	90,180	0	5,879,354
BROWNFIELDS REVITALIZATION	0	0	400,000	0	400,000
CT. RIVER WATERSHED ADVISORY	0	0	38,000	0	38,000
ADVISORY COMM ON LAKE CHAM-PLAIN'S FUTURE	3,800	3,700	0	0	7,500
STATE LAND LOCAL PROPERTY TAX ASSESSMENT	0	1,449,000	0	0	1,449,000
GREEN UP	0	0	17,196	0	17,196
FISH & WILDLIFE - SUPPORT & FIELD	9,556,015	4,004,370	672,453	0	14,232,838
WATERSHED IMPROVEMENT	0	0	50,661	0	50,661
FORESTS, PARKS & RECREATION - ADMINISTRATION	849,194	475,239	1,998,100	0	3,322,533
FORESTRY	4,514,728	503,152	353,000	0	5,370,880
STATE PARKS	4,538,235	1,891,697	5,000	0	6,434,932
LANDS ADMINISTRATION	521,610	237,989	0	0	759,599
YOUTH CONSERVATION CORPS	387,133	25,357	500,000	0	912,490
FOREST HIGHWAY MAINTENANCE	222,978	301,000	0	0	523,978
ENV. CONS. - MANAGEMENT & SUP-PORT SERVICES	2,835,084	823,118	96,267	0	3,754,469
AIR & WASTE MANAGEMENT	6,944,360	6,328,003	1,706,000	0	14,978,363
ONE - TIME WASTE MANAGEMENT	0	0	150,000	0	150,000
OFFICE OF WATER PROGRAMS	12,236,776	2,099,391	2,953,502	0	17,289,669

FISCAL YEAR 2006 APPROPRIATIONS (continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
TAX LOSS - CONNECTICUT RIVER FLOOD CONTROL	0	40,000	0	0	40,000
NATURAL RESOURCES BOARD	2,320,080	394,264	0	0	2,714,344
TOTAL - NATURAL RESOURCES	49,068,166	20,227,281	9,030,359	0	78,325,806
COMMERCE & COMMUNITY DEVELOPMENT					
C.C.D. - ADMINISTRATION	1,270,218	441,401	236,200	0	1,947,819
AGENCY-WIDE GENERAL FUND REDUCTION	0	(25,000)	0	0	(25,000)
HOUSING & COMMUNITY AFFAIRS	2,492,749	301,356	4,079,340	0	6,873,445
HISTORIC SITES OPERATIONS	604,583	275,769	0	0	880,352
HISTORIC SITES - SPECIAL IMPROVE-MENTS	71,408	911,408	0	0	982,816
COMMUNITY DEVELOPMENT BLOCK GRANTS (FY 05)	0	0	8,646,118	0	8,646,118
DOWNTOWN TRANSP & CAPITAL IMPROVEMENT FD	40,000	760,000	0	0	800,000
ECONOMIC DEVELOPMENT	1,759,654	726,057	1,634,943	0	4,120,654
VT TRAINING PROGRAM (VTP)	67,050	26,637	1,549,013	0	1,642,700
TOURISM AND MARKETING	1,804,143	2,068,315	337,000	0	4,209,458
VERMONT LIFE	719,770	128,000	0	0	847,770
VERMONT COUNCIL ON THE ARTS	0	0	494,618	0	494,618
VERMONT SYMPHONY ORCHESTRA	0	0	101,960	0	101,960
VERMONT HISTORICAL SOCIETY	0	0	630,653	0	630,653
VT HOUSING & CONSERVATION BOARD	0	0	26,246,036	0	26,246,036
VT COUNCIL ON THE HUMANITIES	0	0	160,599	0	160,599
TOTAL - DEVELOPMENT & COMM. AFFAIRS	8,829,575	5,613,943	44,116,480	0	58,559,998
TRANSPORTATION					
FINANCE & ADMINISTRATION	8,155,420	2,063,928	0	0	10,219,348
AVIATION	1,199,104	8,023,312	50,000	0	9,272,416
BUILDINGS	210,000	1,087,548	0	0	1,297,548
PROGRAM DEVELOPMENT	37,671,918	72,436,634	37,115,246	0	147,223,798
INTERSTATE REST AREAS	80,000	916,100	0	0	996,100
MAINTENANCE STATE SYSTEM	29,352,669	24,471,617	987,800	0	54,812,086
POLICY AND PLANNING	2,641,670	492,908	4,140,769	0	7,275,347
RAIL	743,456	7,103,746	2,700,000	0	10,547,202
PUBLIC TRANSIT	470,313	130,240	14,288,340	0	14,888,893
CENTRAL GARAGE	3,183,942	9,959,952	0	0	13,143,894
MOTOR VEHICLES DEPARTMENT	16,324,559	6,438,943	156,250	0	22,919,752
TOWN HIGHWAY STRUCTURES	0	0	3,494,500	0	3,494,500
TOWN HIGHWAY - EMERGENCY FUND	0	0	57,129	0	57,129
TWN HWAY - VERMONT LOCAL ROADS	0	0	783,700	0	783,700
TOWN HIGHWAY - CLASS 2 ROAD-WAY	0	0	4,748,750	0	4,748,750
TOWN HIGHWAY BRIDGES	3,650,000	16,862,175	43,000	0	20,555,175
TOWN HIGHWAY AID PROGRAM	0	0	24,982,744	0	24,982,744
TWN HWAY - CLASS 1 SUPPLEMEN-TAL	0	0	128,750	0	128,750

FISCAL YEAR 2006 APPROPRIATIONS (continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
PUBLIC ASSISTANCE GRANT PRO-	0	0	200,001	0	200,001
TRANSPORTATION BOARD	72,795	10,605	0	0	83,400
BRIDGE MAINTENANCE PROGRAM	0	0	4,662,281	0	4,662,281
DISCRETIONARY SPENDING	0	0	1,825,068	0	1,825,068
TOTAL - TRANSPORTATION	103,755,846	149,997,708	100,364,328	0	354,117,882
DEBT SERVICE					
DEBT SERVICE - GENERAL	0	0	0	67,461,234	67,461,234
MISCELLANEOUS SECTIONS					
Pay Act	5,268,231	0	0	0	5,268,231
Pay Act; Sec. of Administration; Up To:	3,415,000	0	0	0	3,415,000
Transfer to HATF				17,000,000	
Tax Dept.; For Property Tax Assistance, Income Sensitivity				3,400,000	
Brownfield Revitalization Fd (SF in ACCD but because Sec. 184 is in DEC, not in ACCD totals.)	0	0	0	400,000	400,000
TOTAL MISCELLANEOUS	8,683,231	0	0	20,800,000	29,483,231
OTHER BILLS OF THE 2005 SESSION					
DET; from Crime Victims Restitution Fund (Act 49, Sec. 4(a))	0	0	30,000	0	30,000
ANR; Restructured Agency; Consultant	50,000	0	0	0	50,000
TOTAL - OTHER BILLS	50,000	0	30,000	0	80,000
GRAND TOTAL - FY 2006 APPRO-	718,044,987	327,618,242	3,105,834,389	88,261,234	4,239,758,852

Useful Internet Sites

Bureau of Economic Analysis ..... www.bea.doc.gov/beahome.html

Bureau of Labor Statistics ..... http://stats.bls.gov

Federal Reserve Bank of Boston ..... http://www.std.com/frbbos

Federation of Tax Administrators ..... http://sso.org/fta/tax_stru.html

IRS ..... www.irs.ustreas.gov/prod/cover.html

National Conference of State Legislatures ..... http://www.ncsl.org

Social Security Administration ..... http://www.ssa.gov

State & Federal Government Pages ..... http://www.state.vt.us/govs.htm

State of Vermont ..... http://www.vermont.gov

TaxWeb ..... http://www.taxweb.com

Transportation Research Board ..... www.nas.edu/trb/index.html

U.S. Legislative Information ..... http://thomas.loc.gov