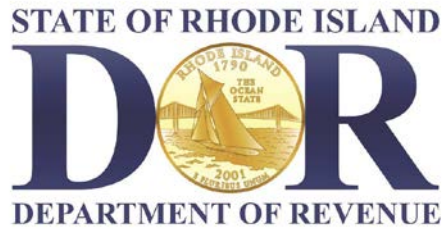


STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
GOVERNOR GINA M. RAIMONDO



Office of Revenue Analysis

Cash Collections Report as of December 2016 Summary

Fiscal Year-to-Date through December:

FY 2017 total general revenue cash collections through December were \$1.7 billion, up \$24.4 million or 1.4 percent over the same period in FY 2016. The breakdown by major revenue components is as follows:

Component	FY 2017	FY 2016	Difference	% Change
Personal Income Tax	\$ 629,326,127	\$ 621,446,721	\$ 7,879,406	1.3 %
Sales and Use Taxes	516,950,471	509,039,502	7,910,969	1.6 %
Departmental Receipts	238,619,431	222,188,269	16,431,162	7.4 %
Lottery Transfer	150,087,455	149,752,707	334,748	0.2 %
All Other Revenues	196,884,476	205,054,447	(8,169,971)	-4.0 %
Total General Revenues	\$ 1,731,867,960	\$ 1,707,481,646	\$ 24,386,314	1.4 %

Month of December:

December 2016 total general revenue cash collections were \$281.9 million, down \$10.1 million from December 2015, a decrease of 3.5 percent. The breakdown by major revenue components is as follows:

Component	December 2016	December 2015	Difference	% Change
Personal Income Tax	\$ 128,082,895	\$ 129,125,069	\$ (1,042,174)	-0.8 %
Sales and Use Taxes	76,579,898	77,680,278	(1,100,380)	-1.4 %
Departmental Receipts	13,918,065	13,170,977	747,088	5.7 %
Lottery Transfer	28,878,884	28,507,040	371,844	1.3 %
All Other Revenues	34,443,988	43,517,546	(9,073,558)	-20.9 %
Total General Revenues	\$ 281,903,730	\$ 292,000,910	\$ (10,097,180)	-3.5 %

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Fiscal Year To Date

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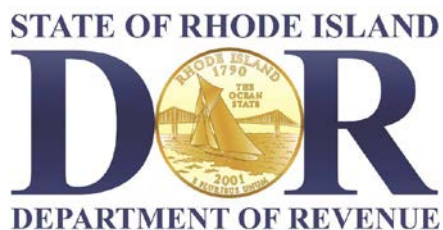
	FY 2017 YTD December	FY 2016 YTD December	Nominal Difference	Change
<u>Personal Income Tax</u>	\$ 629,326,127	\$ 621,446,721	\$ 7,879,406	1.3%
<u>General Business Taxes</u>				
Business Corporations	43,154,030	46,543,763	(3,389,733)	-7.3%
Public Utilities Gross Earnings	1,891,073	1,680,641	210,432	12.5%
Financial Institutions	1,605,432	963,991	641,441	66.5%
Insurance Companies	20,100,928	7,077,128	13,023,800	184.0%
Bank Deposits	(176)	28,802	(28,978)	-100.6%
Health Care Provider Assessment	20,576,416	21,886,525	(1,310,109)	-6.0%
<u>Excise Taxes</u>				
Sales and Use	516,950,471	509,039,502	7,910,969	1.6%
Motor Vehicle	4,722,280	15,235,872	(10,513,592)	-69.0%
Motor Carrier Fuel Use	-	3,968	(3,968)	-
Cigarettes	73,298,530	76,123,815	(2,825,285)	-3.7%
Alcohol	10,223,489	9,879,561	343,928	3.5%
<u>Other Taxes</u>				
Estate and Transfer	14,426,359	19,340,366	(4,914,007)	-25.4%
Racing and Athletics	561,015	515,336	45,679	8.9%
Realty Transfer	6,216,755	5,651,363	565,392	10.0%
Total Taxes	\$ 1,343,052,729	\$ 1,335,417,354	\$ 7,635,375	0.6%
<u>Departmental Receipts</u>				
Licenses and Fees	\$ 209,567,402	\$ 199,355,903	\$ 10,211,499	5.1%
Fines and Penalties	12,278,898	8,604,294	3,674,604	42.7%
Sales and Services	5,182,299	5,207,943	(25,644)	-0.5%
Miscellaneous	11,590,832	9,020,129	2,570,703	28.5%
Total Departmental Receipts	\$ 238,619,431	\$ 222,188,269	\$ 16,431,162	7.4%
Taxes and Departmentals	\$ 1,581,672,160	\$ 1,557,605,623	\$ 24,066,537	1.5%
<u>Other General Revenue Sources</u>				
Other Miscellaneous Revenues	\$ 108,345	\$ 123,316	\$ (14,971)	-12.1%
Lottery Transfer	150,087,455	149,752,707	334,748	0.2%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 150,195,800	\$ 149,876,023	\$ 319,777	0.2%
Total General Revenues	\$ 1,731,867,960	\$ 1,707,481,646	\$ 24,386,314	1.4%

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Month of December

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	FY 2017 Month of December		FY 2016 Month of December	Nominal Difference	% Change
<u>Personal Income Tax</u>	\$ 128,082,895		\$ 129,125,069	\$ (1,042,174)	-0.8%
<u>General Business Taxes</u>					
Business Corporations	12,330,125		17,650,246	(5,320,121)	-30.1%
Public Utilities Gross Earnings	238,767		189,150	49,617	26.2%
Financial Institutions	1,070,753		469,719	601,034	128.0%
Insurance Companies	958,914		494,949	463,965	93.7%
Bank Deposits	-		-	-	-
Health Care Provider Assessment	3,420,529		3,417,131	3,398	0.1%
<u>Excise Taxes</u>					
Sales and Use	76,579,898		77,680,278	(1,100,380)	-1.4%
Motor Vehicle	494,513		2,487,092	(1,992,579)	-80.1%
Motor Carrier Fuel Use	-		(82,314)	82,314	-
Cigarettes	11,230,218		13,772,379	(2,542,161)	-18.5%
Alcohol	1,891,862		1,538,231	353,631	23.0%
<u>Other Taxes</u>					
Estate and Transfer	1,671,739		2,479,388	(807,649)	-32.6%
Racing and Athletics	71,118		80,952	(9,834)	-12.1%
Realty Transfer	1,061,692		1,009,271	52,421	5.2%
Total Taxes	\$ 239,103,023		\$ 250,311,541	\$ (11,208,518)	-4.5%
<u>Departmental Receipts</u>					
Licenses and Fees	\$ 9,768,624		\$ 9,710,543	\$ 58,081	0.6%
Fines and Penalties	1,191,934		1,113,472	78,462	7.0%
Sales and Services	886,363		823,715	62,648	7.6%
Miscellaneous	2,071,144		1,523,247	547,897	36.0%
Total Departmental Receipts	\$ 13,918,065		\$ 13,170,977	\$ 747,088	5.7%
Taxes and Departmentals	\$ 253,021,088		\$ 263,482,518	\$ (10,461,430)	-4.0%
<u>Other General Revenue Sources</u>					
Other Miscellaneous Revenues	\$ 3,758		\$ 11,352	\$ (7,594)	-66.9%
Lottery Transfer	28,878,884		28,507,040	371,844	1.3%
Unclaimed Property	-		-	-	-
Total Other Sources	\$ 28,882,642		\$ 28,518,392	\$ 364,250	1.3%
Total General Revenues	\$ 281,903,730		\$ 292,000,910	\$ (10,097,180)	-3.5%

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
GOVERNOR GINA M. RAIMONDO



Office of Revenue Analysis

**State of Rhode Island Cash Collections Report
 December 2016 Detail**

The Rhode Island Department of Revenue cash collections report is a comprehensive analysis of fiscal year-to-date and monthly cash collections on all revenue sources estimated by the principals of the Revenue Estimating Conference (see Rhode Island General Laws § 35-16-1). *Users of this report should be cautious when comparing year-to-date growth rates for Other Miscellaneous Revenues and Unclaimed Property as the receipt of these revenues occurs at discrete points in time over the course of a fiscal year. Further complicating matters is the fact that the discrete pattern of receipts varies so that payments received do not necessarily occur at the same point in time in each fiscal year.*

Cash Flow Differences

Fiscal Year-To-Date through December:

The following cash flow differences between FY 2017 and FY 2016 should be noted:

FY 2017

- Fiscal year-to-date personal income tax refunds and adjustments cash collections include \$9.3 million for refunds paid out in July and August 2016 but accrued back to FY 2016.
- Fiscal year-to-date personal income tax withholding cash collections include a large payment of \$3.3 million received in August 2016.
- Fiscal year-to-date personal income tax estimated payments cash collections include large payments totaling \$2.6 million received in November 2016.
- Fiscal year-to-date business corporations tax cash collections include a transfer of \$100,000 of receipts to financial institutions tax in September 2016 to properly record a tax payment that was incorrectly recorded in a prior month.
- Fiscal year-to-date financial institutions tax cash collections include \$100,000 of receipts that were moved in September 2016 from business corporations tax cash collections to properly record a tax payment that was incorrectly recorded in a prior month.

- Fiscal year-to-date insurance companies gross premiums tax cash collections include \$16.8 million in HMO payments posted in July 2016 that accrued back to FY 2016.
- Fiscal year-to-date sales and use tax cash collections include \$2.3 million from a payment received in August 2016 that is associated with the audit of prior year sales and use tax incurred.
- Fiscal year-to-date realty transfer tax cash collections through December include \$1,485 of funds designated for the Housing Resources Commission (HRC). The amount reflects the difference between the June 2016 transfer that occurred in July 2016 and the December 2016 transfer that will occur in January 2017.
- For the fiscal year-to-date period through December, hospital licensing fee cash collections were \$9.5 million more than the same period in FY 2016. The increase in hospital licensing fee cash collections is due to an increase in the hospital licensing fee rate from 5.745 percent for FY 2015 to 5.862 percent for FY 2016 and the advancement of the hospital licensing fee base from hospital FY 2013 net patient revenues in FY 2015 to hospital FY 2014 net patient revenues in FY 2016. The prior fiscal year hospital licensing fee is received in July of the current year.
- The licenses and fees category of departmental receipts in FY 2017 through December includes a payment of \$276,946 for beach parking fees that was received in July 2016 but accrued to FY 2016.
- In the fines and penalties category of departmental receipts, collections from the Rhode Island Traffic Tribunal are \$371,863 more in FY 2017 through December compared to FY 2016 through December. Due to the implementation of a new collections system, receipts from the Traffic Tribunal are able to be posted in the same month as when the activity that generated those receipts occurred. Previously, receipts were posted in the month following the activity.
- In miscellaneous departmental receipts, collections from a Department of Health cost recovery account in FY 2017 through December were up by \$246,725 compared to FY 2016 through December. Effective January 1, 2016, deposits generated by quarterly payments for this account must be made into a lockbox and be transferred into the general fund by request. The transfers occur, in general, on a monthly basis, with the exception of the quarterly collection period when they are done weekly. Previously, deposits were made directly into the account and may have been done on a quarterly, semi-annual, or annual basis.
- Year-to-date miscellaneous departmental receipts include the transfer of \$1.6 million in October 2016 of refunds written off by the Office of the Treasurer and the Division of Taxation to unclaimed property.
- Miscellaneous department receipts in year-to-date FY 2017 include \$161,901 in indirect cost recovery cash collections as a result of the transfer in refund check write-offs to unclaimed property in October 2016.
- The FY 2017 year-to-date lottery transfer includes receipts of \$1.4 million that accrued back to FY 2016.

FY 2016

- Fiscal year-to-date personal income tax refunds and adjustments cash collections include \$1.4 million of reimbursed Historic Structures Tax Credits (HSTCs), which were recorded in July 2015 but accrued back to FY 2015.
- Fiscal year-to-date personal income tax refunds and adjustments cash collections include \$2.0 million of receipts that were moved from business corporations tax to personal income tax in October 2015 to properly record tax payments that were incorrectly recorded in prior months.
- Fiscal year-to-date business corporations tax refunds and adjustments cash collections include a transfer of \$2.0 million of receipts from business corporations tax to personal income tax in October 2015 to properly record tax payments that were incorrectly recorded in prior months.
- Fiscal year-to-date insurance companies gross premiums tax cash collections include \$4.5 million of reimbursed HSTCs, which were recorded in July 2015 but accrued back to FY 2015.
- Motor vehicle license and registration fees through December of FY 2016 were greater by \$10.5 million compared to motor vehicle license and registration fees through December of FY 2017. This difference is comprised of the following revenue items:
 - Effective July 1, 2016, the percentage of motor vehicle license and registration fees that are transferred to the Rhode Island Highway Maintenance Account (RIHMA) increased from 25 percent to 75 percent. On a fiscal year-to-date basis, the 75 percent transfer to RIHMA has reduced FY 2017 motor vehicle license and registration fees by \$14.2 million, an increase of \$9.1 million compared to the 25 percent transfer in the same period of FY 2016 of \$5.1 million.
 - Year-to-date FY 2016 motor vehicle license and registration fees include a total of \$1.1 million of funds that were deposited but not recorded in prior months. The transfer to RIHMA includes \$368,841 of receipts from this late posting of motor vehicle license and registration fees.
- FY 2016 through December motor carrier fuel use tax cash collections were greater by \$3,968 compared to collections in FY 2017 through December. Effective July 1, 2016, motor carrier fuel use tax cash collections are transferred from general revenues to other funds.
- Fiscal year-to-date realty transfer tax cash collections through December include \$259,369 of receipts that were transferred to the Housing Resources Commission (HRC) in January 2016.
- Miscellaneous departmental receipts in FY 2016 through December include the transfer of \$4.8 million of refunds written off by the Office of the Treasurer and the Division of Taxation to unclaimed property that occurred in November 2015.
- Miscellaneous departmental receipts in year-to-date FY 2016 include \$484,394 in indirect cost recovery cash collections as a result of the transfer of refund check write-offs to unclaimed property in November 2015.
- Miscellaneous departmental receipts in FY 2016 through December include \$215,960 received in July 2015 from a settlement between the Office of the Attorney General and a

credit card provider and \$118,609 in July 2015 from a settlement with a mobile telephone provider for placing third-party service charges on consumers' bills, known as "mobile cramming", and \$685,467 in October 2015 from a settlement with a pharmaceutical manufacturer.

- Year-to-date FY 2016 miscellaneous departmental receipts include \$388,625 in state hotel tax receipts that reflect hotel activity in June 2015. Effective July 1, 2015, the state's share and the statewide tourism district's share of the state 5.0 percent hotel tax were transferred from general revenues to the Rhode Island Commerce Corporation (RICC) for a state level tourism promotion and business attraction campaign.
- The FY 2016 year-to-date lottery transfer includes receipts of \$1.1 million that accrued back to FY 2015.

The following table displays the differences in cash flows for FY 2017 through December and FY 2016 through December:

Revenue Source	Cash Flow Differences	YTD FY 2017	YTD FY 2016
Personal Income Tax	Refunds paid but accrued to prior year	\$(9,297,000)	\$0
Personal Income Tax	Large withholding payment in Aug. 2016	\$3,333,842	\$0
Personal Income Tax	Large estimated payments in Nov. 2016	\$2,640,671	\$0
Personal Income Tax	Late reimbursement of HSTCs	\$0	\$1,355,142
Personal Income Tax	Transfer from bus corp tax in Oct. 2015	\$0	\$2,049,477
Bus Corp Tax	Transfer to financial institutions in Sept. 2016	\$(100,000)	\$0
Bus Corp Tax	Transfer to personal income tax in Oct. 2015	\$0	\$(2,049,477)
Financial Inst. Tax	Transfer from bus corp tax in Sept. 2016	\$100,000	\$0
Ins Gross Premiums Tax	Late HMO payments	\$16,844,511	\$0
Ins Gross Premiums Tax	Late reimbursement of HSTCs	\$0	\$4,450,735
Sales and Use Tax	Audit payment	\$2,273,693	\$0
MV License & Reg Fees	25% RIHMA transfer increase to 75%	\$0	\$9,407,068
MV License & Reg Fees	Funds deposited but not recorded	\$0	\$1,106,524
Motor Carrier Fuel Use	Transfer to other funds	\$0	\$3,968
Realty Transfer	Delayed transfer to Housing Resources Comm.	\$1,485	\$259,369
Departmental Receipts	Hospital licensing fee difference	\$9,478,109	\$0
Departmental Receipts	Late beach parking fee payments	\$276,946	\$0
Departmental Receipts	End of traffic tribunal delayed posting	\$371,863	\$0
Departmental Receipts	Health cost recovery deposit change	\$246,725	\$0
Departmental Receipts	Transfer of refund checks to Unclaimed Prop	\$(1,619,009)	\$(4,843,938)
Departmental Receipts	Cost recovery exemption/unclaimed property	\$161,901	\$484,394

Revenue Source	Cash Flow Differences	YTD FY 2017	YTD FY 2016
Departmental Receipts	AG settlements/recoveries	\$0	\$1,020,036
Departmental Receipts	State hotel tax transfer	\$0	\$388,625
Lottery Transfer	Receipt of prior year revenues	\$1,408,965	\$1,062,175

Month of December:

The following cash flow differences between December 2016 and December 2015 should be noted:

December 2016

- December 2016 realty transfer tax cash collections include \$67,991 of funds designated for the Housing Resources Commission (HRC). The amount reflects the difference between the November 2016 transfer that occurred in December 2016 and the December 2016 transfer that will occur in January 2017.
- December 2016 hospital licensing fee cash collections were \$324,630 more than collections in December 2015 due to an increase in the hospital licensing fee rate from 5.745 percent for FY 2015 to 5.862 percent for FY 2016 and the advancement of the hospital licensing fee base from hospital FY 2013 net patient revenues in FY 2015 to hospital FY 2014 net patient revenues in FY 2016.

December 2015

- December 2015 motor vehicle license and registration fees are greater by \$2.0 million compared to motor vehicle license and registration fees in December 2016. This difference is comprised of the following revenue items:
 - Effective July 1, 2016, the percentage of motor vehicle license and registration fees that are transferred to the Rhode Island Highway Maintenance Account (RIHMA) increased from 25 percent to 75 percent. In December 2016, the 75 percent transfer to RIHMA reduced motor vehicle license and registration fees by \$1.5 million, an increase of \$654,508 compared to the 25 percent transfer in December 2015 of \$829,031.
 - Motor vehicle license and registration fees in December 2015 include a total of \$1.1 million of funds that were deposited but not recorded in previous months. The transfer to RIHMA includes \$368,841 of receipts from this late posting of motor vehicle license and registration fees.
- December 2015 motor carrier fuel use tax cash collections are greater by \$(82,314) compared to December 2016. Effective July 1, 2016, motor carrier fuel use tax cash collections are transferred from general revenues to other funds.
- December 2015 realty transfer tax includes \$259,369 of funds transferred to the Housing Resources Commission (HRC) in January 2016.

The following table displays the differences in cash flows for December 2016 and December 2015.

Revenue Source	Cash Flow Differences	December 2016	December 2015
MV License & Reg Fees	25% RIHMA transfer increase to 75 %	\$0	\$886,055
MV License & Reg Fees	Funds deposited but not recorded	\$0	\$1,106,524
Motor Carrier Fuel Use	Transfer to Other Funds	\$0	\$(82,314)
Realty Transfer Tax	Delayed transfer to Housing Resources Commission	\$67,991	\$259,369
Departmental Receipts	Hospital licensing fee difference	\$324,630	\$0

Historic Structures Tax Credit Reimbursements:

FY 2017 total Historic Structures Tax Credit (HSTC) redemptions/reimbursements for all taxes through December were \$9.5 million compared to \$5.1 million reimbursed in FY 2016 through December, an increase of 84.2 percent. December 2016 total redemptions/reimbursements for all taxes were \$267,629 compared to \$209,249 in December 2015, an increase of 27.9 percent.

The breakdown of the reimbursement of redeemed HSTCs by tax type is shown in the table below:

Tax Type	Year-to-Date		Monthly	
	FY 2017	FY 2016	December 2016	December 2015
Personal Income	\$ 7,138,367	\$ 3,171,749	\$ 267,629	\$ 209,249
Business Corporations	103,411	432,162	0	0
Financial Institutions	0	0	0	0
Insurance/Non-HMOs	0	1,532,975	0	0
Insurance/HMOs	0	0	0	0
Non-Profit Refund	2,217,981	0	0	0
Total	\$ 9,459,759	\$ 5,136,886	\$ 267,629	\$ 209,249

Personal Income Tax Cash Collections by Component

The tables below are based on data provided by the Division of Taxation and break down personal income tax cash collections by component on both a fiscal year-to-date and monthly basis. It should be noted that differences may exist between the figures reported by the Division of Taxation and those reported by the Controller due to timing differences in the posting of receipts.

Fiscal Year-to-Date through December:

Component	FY 2017	FY 2016	Difference	% Change
Estimated Payments *	\$ 91,333,072	\$ 90,613,927	\$ 719,145	0.8 %
Final Payments ^	33,437,143	25,976,952	7,460,191	28.7 %
Refunds/Adjustments †	(48,864,804)	(18,409,423)	(30,455,381)	165.4 %
Withholding Tax Payments ‡	553,420,717	523,265,264	30,155,453	5.8 %
* Estimated Payments include large payments totaling \$2.6 million received in November 2016.				
^ Final Payments include Historic Structures Tax Credit (HSTC) reimbursements of \$7,138,367 in year-to-date FY 2017 and \$3,171,749 in year-to-date FY 2016.				
† FY 2017 YTD refunds and adjustments include \$9,297,000 in refunds paid out in July and August 2016 but accrued back to FY 2016. FY 2016 YTD refunds and adjustments include an adjustment of \$1,355,142 for reimbursed FY 2015 HSTCs that were recorded in July 2015 but accrued back to FY 2015 and a transfer of \$2,049,477 received in October 2015 from business corporations tax receipts to correct for improperly recorded prior tax payments.				
‡ Withholding tax payments include a large payment of \$3,333,842 received in August 2016. It should be noted that there were 15 Fridays in FY 2017 YTD compared to 14 Fridays in FY 2016 YTD.				

Month of December:

Component	December 2016	December 2015	Difference	% Change
Estimated Payments	\$ 23,921,759	\$ 27,084,288	\$ (3,162,528)	-11.7 %
Final Payments ^	2,844,002	2,011,778	832,224	41.4 %
Refunds/Adjustments	(5,643,842)	(1,797,473)	(3,846,369)	214.0 %
Withholding Tax Payments †	106,960,975	101,820,481	5,140,495	5.0 %
^ Final Payments include \$267,629 in HSTC reimbursements in December 2016 and \$209,249 in December 2015 HSTC reimbursements.				
† It should be noted that there were three Fridays in December 2016 compared to two Fridays in December 2015.				

Sales and Use Taxes Cash Collections by Component

The tables below are based on data provided by the Division of Taxation and break down sales and use tax cash collections by component on both a fiscal year-to-date and monthly basis. It should be noted that differences may exist between the figures reported by the Division of Taxation and those reported by the Controller due to timing differences in the posting of receipts.

Fiscal Year-to-Date through December:

Component	FY 2017	FY 2016	Difference	% Change
Net Taxation *	\$ 456,755,463	\$ 448,291,918	\$ 8,463,545	1.9 %
Registry Receipts	53,773,457	54,213,328	(439,871)	-0.8 %
Providence Place Mall	6,659,794	6,837,867	(178,074)	-2.6 %

* FY 2017 includes \$2,273,693 from a payment received in August 2016 for a prior year audit.

Month of December:

Component	December 2016	December 2015	Difference	% Change
Net Taxation	\$ 66,206,751	\$ 68,761,800	\$ (2,555,050)	-3.7 %
Registry Receipts	9,260,450	8,147,218	1,113,232	13.7 %
Providence Place Mall	1,170,676	1,123,513	47,163	4.2 %

General Business Taxes

December	FY 2017	FY 2016	Difference	% Change
Fiscal YTD	\$ 87.3 million	\$ 78.2 million	\$ 9.1 million	11.7 %
Month	\$ 18.0 million	\$ 22.2 million	\$ (4.2 million)	-18.9 %

In general, businesses with Rhode Island tax liabilities make estimated payments of their tax year liabilities in March and June of the fiscal year, with 40.0 percent of the estimated total tax liability due in March and 60.0 percent of the estimated total tax liability due in June. There is one exception to this payment pattern, namely the health care provider assessment, payments of which are made on a monthly basis. Business corporations, or corporate income, tax payments are also received more consistently over the course of the fiscal year due to the varying fiscal years of corporations and the number of filers that are on extension at any given point in time. As a result, both business corporation taxes and health care provider assessments flow more evenly into the general fund over the course of a fiscal year.

Fiscal Year-to-Date through December:

General business taxes collected through December of FY 2017 increased by 11.7 percent over general business taxes collected through December of FY 2016. FY 2017 general business taxes collected through December were \$87.3 million compared to \$78.2 million collected for the same period in FY 2016, an increase of \$9.1 million.

FY 2017 business corporations tax cash collections through December were \$43.2 million, \$3.4 million below the \$46.5 million of business corporations tax cash collections received in FY 2016 through December, which is a decrease of 7.3 percent. In year-to-date FY 2017, business corporations tax cash collections include \$103,411 in historic structures tax credits (HSTCs) reimbursements compared to \$432,162 in HSTCs reimbursements in year-to-date FY 2016.

Further, FY 2017 through December business corporations tax cash collections include a transfer of \$100,000 to financial institutions tax made in September 2016 due to an incorrect posting of payments received in a prior month. It should be noted that legislation enacted by the General Assembly in the 2014 session established mandatory unitary combined reporting, single sales factor apportionment, and market-based sourcing for business corporations tax filers for tax years beginning on or after January 1, 2015. In order to account for this change, calendar filers who normally would have had a filing due date of March 15, 2016 for TY 2015 were granted an extended due date of October 15, 2016. Further, prior to the implementation of a new system by the Division of Taxation in October 2016, the Division of Taxation's Corporate Tax Section increased the number of business corporations tax refunds that were processed and paid out in order to reduce the backlog of returns. Additionally, previously issued business corporations tax refunds were returned to the Division of Taxation in November 2016 in order to be converted to a carry-forward amount. In FY 2016 through December, business corporations tax cash collections include a transfer of \$2.0 million to personal income tax in October 2015 to properly record tax payments that were incorrectly recorded in prior months.

FY 2017 financial institutions tax cash collections through December were \$1.6 million, \$641,441 more than the \$963,991 collected in FY 2016 through December, an increase of 66.5 percent. Year-to-date FY 2017 financial institutions cash collections include a transfer of \$100,000 from business corporations tax received in September 2016 due to an incorrect posting of payments received in a prior month.

FY 2017 insurance companies taxes collected through December increased by \$13.0 million or 184.0 percent over the \$7.1 million collected through December of FY 2016. It should be noted that insurance companies gross premiums tax cash collections for FY 2017 through December include \$16.8 million in health insurance (HMO) gross premiums tax payments that were recorded in July 2016 but accrued back to FY 2016. Year-to-date FY 2017 insurance companies gross premiums tax cash collections include no reimbursed HSTCs compared to \$1.5 million in reimbursed HSTCs in year-to-date FY 2016. In addition, insurance companies gross premiums tax cash collections for FY 2016 through December include \$4.5 million of reimbursed HSTCs that were recorded in July 2015 but accrued back to FY 2015.

Finally, the FY 2017 year-to-date through December health care provider assessment cash collections are \$1.3 million less than in the same period last year. This is a decrease of 6.0 percent on a fiscal year-to-date-over-fiscal year-to-date basis. The bank deposits tax did not show a significant difference in year-to-date over year-to-date cash collections.

Month of December:

General business taxes collected in December 2016 decreased 18.9 percent from general business taxes collected in December 2015. December 2016 general business taxes collected were \$18.0 million compared to \$22.2 million collected during the same period last fiscal year, a decrease of \$4.2 million. December 2016 business corporations tax cash collections were \$12.3 million, \$5.3 million less than the \$17.7 of business corporations tax cash collections in December 2015.

For the month of December, financial institutions tax cash collections were \$601,034 more in 2016 than the \$469,719 collected in December 2015, a variance of 128.0 percent. Insurance companies gross premiums tax cash collections were \$463,965 more in December 2016 than in December 2015, an increase of 93.7 percent. The remaining components of the general business taxes category did not show significant year-over-year differences.

Business Corporations Tax Cash Collections by Component:

The tables below are based on data provided by the Division of Taxation and break down business corporations tax cash collections by component on both a fiscal year-to-date and monthly basis. It should be noted that differences may exist between the figures reported by the Division of Taxation and those reported by the Controller due to timing differences in the posting of receipts.

Fiscal Year-to-Date through December:

Component	FY 2017	FY 2016	Difference	% Change
Estimated Payments	\$ 33,742,166	\$ 35,554,404	\$ (1,812,238)	-5.1 %
Final Payments *	18,382,744	19,921,371	(1,538,627)	-7.7 %
Refunds/Adjustments ^{^,†}	(9,008,440)	(9,401,543)	393,102	-4.2 %
* Final Payments include \$103,411 in historic structures tax credit (HSTC) reimbursements in YTD 2017 and \$432,162 in HSTC reimbursements in YTD 2016.				
[^] FY 2017 YTD refunds and adjustments include a transfer of \$100,000 to financial institutions tax in September 2016 due to an incorrect posting of payments received.				
[†] FY 2016 YTD refunds and adjustments include a transfer of \$2.0 million to personal income tax in October 2015 due to an incorrect posting of payments received.				

Month of December:

Component	December 2016	December 2015	Difference	% Change
Estimated Payments	\$ 9,182,172	\$ 12,004,076	\$ (2,821,905)	-23.5 %
Final Payments	3,725,635	5,698,211	(1,972,576)	-34.6 %
Refunds/Adjustments	(577,682)	(391,082)	(186,600)	47.7 %

Excise Taxes Other Than the Sales and Use Tax

December	FY 2017	FY 2016	Difference	% Change
Fiscal YTD	\$ 88.2 million	\$ 101.2 million	\$ (13.0 million)	-12.8 %
Month	\$ 13.6 million	\$ 17.7 million	\$ (4.1 million)	-23.1 %

Fiscal Year-to-Date through December:

Excise taxes other than sales and use taxes collected in FY 2017 through December decreased by 12.8 percent from excise taxes other than sales and use taxes collected through December of FY 2016. FY 2017 excise taxes other than sales and use taxes collected through December were \$88.2 million compared to the \$101.2 million collected for the same period last fiscal year, a decrease of \$13.0 million. Motor vehicle license and registration fees were \$4.7 million in FY 2017 through December, down \$10.5 million compared to FY 2016 through December, a decrease of 69.0 percent. It is important to note that, effective July 1, 2016, the transfer from motor vehicle license and registration fees general revenues to the Rhode Island Highway Maintenance Account (RIHMA) increased from 25 percent to 75 percent of cash collections. To date in FY 2017, this transfer has totaled \$14.2 million, \$9.1 million more than the transfer of \$5.1 million during the same period last fiscal year. FY 2016 through December cash collections for motor vehicle license and registration fees include \$1.1 million of funds that were deposited but not recorded in previous months. The RIHMA transfer for the same period includes \$368,841 of funds from the late posting of motor vehicle license and registration fees.

In the 2016 session, the General Assembly reclassified collections generated from the motor carrier fuel use tax from general revenues to other funds effective July 1, 2016. In year-to-date FY 2017, there were no receipts from motor carrier fuel use tax compared to \$3,968 in receipts in year-to-date FY 2016.

Rhode Island cigarettes tax receipts are comprised of excise taxes collected on the sale of cigarettes and smokeless tobacco (which also includes cigars and pipe tobacco), and a one-time cigarette floor stock tax. The cigarette floor stock tax is imposed only when there is an increase in the excise tax rate on cigarettes. Total cigarettes excise tax cash receipts through December of FY 2017 were \$73.3 million, down \$2.8 million compared to the \$76.1 million collected for the same period last fiscal year, a decrease of 3.7 percent. Finally, the change in cigarette sales is determined. Cigarette floor stock tax and other tobacco products tax cash collections are netted out of the cigarettes tax cash receipts data, yielding only cigarette excise tax cash collections. Through December of FY 2017, Rhode Island cigarette sales decreased 6.2 percent compared to the same period last fiscal year.

Month of December:

Excise taxes other than sales and use taxes collected in December 2016 decreased 23.1 percent from excise taxes other than sales and use taxes collected in December 2015. December 2016 excise taxes other than sales and use taxes collected totaled \$13.6 million compared to \$17.7 million collected in December 2015, a decrease of \$4.1 million. Motor vehicle license and registration fees were down \$2.0 million in December 2016 compared to December 2015. The December 2016 transfer to RIHMA from motor vehicle operator license and registration fees totaled \$1.5 million, \$654,508 more than the transfer of \$829,031 made in December 2015. December 2015 cash collections for motor vehicle license and registration fees include \$1.1 million of funds that were deposited but not recorded in previous months. The RIHMA transfer for the same period includes \$368,841 of funds from the late posting of motor vehicle license and registration fees.

December 2016 cigarette excise tax receipts were \$11.2 million, \$2.5 million less than the \$13.8 million collected in December 2015, a decrease of 18.5 percent. After accounting for any cigarette floor stock receipts and other tobacco products tax cash collections, the percentage change in Rhode Island cigarette sales is determined. For December 2016, Rhode Island cigarette sales decreased by 20.2 percent compared to December 2015.

Other Taxes

December	FY 2017	FY 2016	Difference	% Change
Fiscal YTD	\$ 21.2 million	\$ 25.5 million	\$ (4.3 million)	-16.9 %
Month	\$ 2.8 million	\$ 3.6 million	\$ (765,062)	-21.4 %

Fiscal Year-to-Date through December:

Other taxes collected in FY 2017 through December decreased 16.9 percent from other taxes collected through December of FY 2016. FY 2017 other taxes collected through December were \$21.2 million compared to the \$25.5 million collected in the same period last fiscal year, a decrease of \$4.3 million. FY 2017 estate and transfer taxes collected through December were \$14.4 million, down \$4.9 million compared to the same period in FY 2016, a decrease of 25.4 percent.

FY 2017 realty transfer taxes collected through December were \$6.2 million, up \$565,392 or 10.0 percent compared to the same period last fiscal year. It should be noted that year-to-date FY 2017 realty transfer tax cash collections include \$1,485 of net receipts designated for the Housing Resources Commission (HRC). The amount reflects the difference between the June 2016 transfer that occurred in July 2016 and the December 2016 transfer that will occur in January of 2017. Year-to-date FY 2016 realty transfer tax cash collections include \$259,369 of receipts from December 2015 that were transferred to the HRC in January 2016.

Month of December:

Other taxes collected in December 2016 decreased 21.4 percent from other taxes collected in December 2015. December 2016 other taxes collected totaled \$2.8 million compared to \$3.6 million collected in December 2015, a decrease of \$765,062. December 2016 estate and transfer tax cash collections were \$1.7 million, down \$807,649 from the \$2.5 million collected in December 2015, a decrease of 32.6 percent.

December 2016 realty transfer tax cash collections were \$1.1 million, up \$52,421 in December 2016 compared to December 2015, an increase of 5.2 percent. It should be noted that December 2016 realty transfer tax includes \$67,991 of net receipts designated for the HRC. The amount reflects the difference between the November 2016 transfer that occurred in December 2016 and the December 2016 transfer that will occur in January 2017. Realty transfer tax cash collections for December 2015 include \$259,369 of receipts that were transferred to the HRC in January 2016.

Departmental Receipts Cash Collections by Component

The tables below are based on data provided by the Controller and break down departmental receipts cash collections by component on both a fiscal year-to-date and monthly basis.

Fiscal Year-to-Date through December:

Component	FY 2017	FY 2016	Difference	% Change
Licenses and Fees *	\$ 209,567,402	\$ 199,355,903	\$ 10,211,499	5.1 %
Fines and Penalties	12,278,898	8,604,294	3,674,604	42.7 %
Sales and Services	5,182,299	5,207,943	(25,644)	-0.5 %
Miscellaneous	11,590,832	9,020,129	2,570,703	28.5 %
Total	\$ 238,619,431	\$ 222,188,269	\$ 16,431,162	7.4 %
* Licenses and fees cash collections include hospital licensing fees of \$157,210,737 in year-to-date FY 2017 and \$147,732,628 in year-to-date FY 2016.				

Total departmental receipts in FY 2017 through December increased by 7.4 percent compared to total departmental receipts in FY 2016 through December. Fiscal year-to-date total departmental receipts collected in FY 2017 were \$238.6 million compared to \$222.2 million collected for the same period last year, an increase of \$16.4 million.

The licenses and fees category of departmental receipts through December of FY 2017 was up 5.1 percent or \$10.2 million over the \$199.4 million collected through December of FY 2016. Much of the increase in licenses and fees is due to the increase in hospital licensing fee cash collections. For the fiscal year-to-date period through December, hospital licensing fee cash collections are \$9.5 million more than the same period in FY 2016. The increase in hospital licensing fee cash collections is due to an increase in the hospital licensing fee rate from 5.745 percent for FY 2015 to 5.862 percent for FY 2016 and the advancement of the hospital licensing fee base from hospital FY 2013 net patient revenues in FY 2015 to hospital FY 2014 net patient revenues in FY 2016. The prior fiscal year hospital licensing fee is received in July of the current year. Additionally, part of the increase in licenses and fees is due to the expense recovery cost account for public utilities being up \$1.7 million in FY 2017 through December compared to the same period last fiscal year. Physician licensing fees were also up \$295,070 in year-to-date FY 2017 compared to year-to-date FY 2016. Banking Licenses were up \$250,565 in FY 2017 through December compared to the same period last fiscal year. Insurance companies annual assessment fees were up \$223,563 in fiscal year-to-date FY 2017 compared to the previous fiscal year. The Compassion Center Surcharge collections were up \$210,400 in FY 2017 through December compared to FY 2016 through December.

In the enacted FY 2017 budget, signed into law by Governor Raimondo on June 15, 2016, parking fees at state beaches were reduced by 50.0 percent. Cash collections for beach parking fees were down \$765,565 in FY 2017 through December compared to FY 2016 through December. It should be noted that FY 2017 through December beach parking fees include a

payment of \$276,946 received in July 2016 that accrued back to June 2016. It is also important to note that numerous licenses included in the licenses and fees category of departmental receipts are renewed on a biennial or triennial basis, which skews the fiscal year-to-date comparisons.

The fines and penalties category of departmental receipts through December of FY 2017 was up \$3.7 million or 42.7 percent over the \$8.6 million collected through December of FY 2016. Much of this increase can be accounted for by cash collections from interest and penalties on overdue taxes being up \$2.8 million in FY 2017 through December compared to FY 2016 through December. Receipts from insurance verification license reinstatement fees are also up \$476,806 in year-to-date FY 2017 compared to year-to-date FY 2016. Traffic tribunal cash collections were up \$371,863 in FY 2017 through December compared to FY 2016 through December. Part of this increase in traffic tribunal receipts is due to the implementation of a new collections system that allows receipts to be posted in the same month they were generated rather than in the following month.

The sales and services category of departmental receipts through December of FY 2017 was down \$25,644 from the \$5.2 million collected through December of FY 2016, a decrease of 0.5 percent.

FY 2017 miscellaneous departmental receipts through December were up \$2.6 million or 28.5 percent compared to cash collections through December of FY 2016. In year-to-date FY 2017, \$1.6 million of refunds and other checks written off by the Office of the Treasurer and the Division of Taxation were transferred to unclaimed property in October 2016 compared to \$4.8 million in refunds and other checks written off that were transferred in November of FY 2016. As a result of the transfers to unclaimed property, there were indirect cost recovery cash collections of \$161,901 in year-to-date FY 2017 versus \$484,394 collected in year-to-date FY 2016. Additionally, income on investments was up \$364,455 in FY 2017 through December compared to the same period last fiscal year.

Miscellaneous departmental receipts for Office of the Attorney General in FY 2017 through December were down \$1.0 million compared to FY 2016 through December. Included in year-to-date FY 2016 miscellaneous departmental receipts from the Office of the Attorney General was \$215,960 received in July 2015 from a settlement between the Office of the Attorney General and a credit card provider, \$118,609 in July 2015 from a settlement with a mobile telephone provider for placing third-party service charges on consumers' bills, known as "mobile cramming", and \$685,467 in October 2015 from a settlement with a pharmaceutical manufacturer. The Department of Health's cost recovery account was also down \$246,725 in year-to-date FY 2017 compared to year-to-date FY 2016. Effective January 1, 2016, deposits generated by quarterly payments for this account must be made into a lockbox and be transferred into the general fund by request. The transfers occur, in general, on a monthly basis, with the exception of the quarterly collection period when they are done weekly. Previously, deposits were made directly into the account and may have been done on a quarterly, semi-annual, or annual basis.

During the 2015 session, the General Assembly accepted the Governor's proposal to transfer the state's share and the statewide tourism district's share of the state 5.0 percent hotel tax from

general revenues to the Rhode Island Commerce Corporation (RICC) for a state level tourism promotion and business attraction campaign effective July 1, 2015. As hotel tax receipts, in general, reflect activity for the prior month, the first transfer to the RICC from the legislative change occurred in August 2016. Due to this transfer, state hotel tax receipts are down \$388,625 in FY 2017 through December compared to the same period last fiscal year.

Month of December:

Component	December 2016	December 2015	Difference	% Change
Licenses and Fees *	\$ 9,768,624	\$ 9,710,543	\$ 58,081	0.6 %
Fines and Penalties	1,191,934	1,113,472	78,462	7.0 %
Sales and Services	886,363	823,715	62,648	7.6 %
Miscellaneous	2,071,144	1,523,247	547,897	36.0 %
Total	\$ 13,918,065	\$ 13,170,977	\$ 747,088	5.7 %
* Licenses and fees include hospital licensing fees of \$833,409 in December 2016 and \$508,779 in December 2015.				

Total departmental receipts in December 2016 increased 5.7 percent from total departmental receipts in December 2015. December 2016 total departmental receipts collected were \$13.9 million compared to \$13.2 million collected in December 2015, an increase of \$747,088.

The licenses and fees category of departmental receipts for December 2016 was up 0.6 percent or \$58,081 over the \$9.7 million collected in December 2015. In licenses and fees, hospital licensing fees were up \$324,630 compared to December 2015.

The fines and penalties category of departmental receipts for December 2016 was up \$78,462 or 7.0 percent over the \$1.1 million collected in December 2015.

In December 2016, the sales and services category of departmental receipts was up \$62,648 compared to the \$823,715 collected in December 2015, an increase of 7.6 percent.

December 2016 miscellaneous departmental receipts were up \$547,897 compared to cash collections of \$1.5 million in December of 2015. A Public Utilities Commission cost recovery account was up \$373,315 in December 2016 compared to December 2015. Additionally, the Drinking Water Protection Fund was up \$318,548 in December 2016 compared to December 2015.

Motor Fuel Tax, Per Penny Yield

December	FY 2017	FY 2016	Difference	% Change
Fiscal YTD	\$ 2.27 million	\$ 2.26 million	\$ 12,214	0.5 %
Month	\$ 366,920	\$ 365,663	\$ 1,257	0.3 %

In FY 2017, the State's motor fuel tax consists of a \$0.33 per gallon excise tax on the distribution of motor fuel in the State and an additional \$0.01 per gallon surcharge for motor fuel that is delivered to an underground storage tank. These tax rates were the same in FY 2016 except for the July 2015 receipts which were based on the FY 2015 motor fuel tax rates of \$0.32 per gallon and \$0.01 per gallon respectively. The revenue change from the one cent increase in the motor fuel excise tax, effective July 1, 2015, was not realized in the motor fuel tax cash collections until August 2015. No portion of the motor fuel tax is designated as general revenues. The data provided in this section of the report is for informational purposes only.

Fiscal Year-to-Date through December:

The per penny yield of the state's motor fuel tax collected in FY 2017 through December was \$12,214 more than in FY 2016 through December. This represents an increase of 0.5 percent between the two fiscal year-to-date periods. For FY 2017 through December, the per-penny yield was \$2.27 million versus \$2.26 million for FY 2016 through December.

Month of December:

The per-penny yield of the State's motor fuel tax collected in December 2016 totaled \$366,920, an increase of \$1,257 or 0.3 percent over the \$365,663 collected in December 2015.

Lottery Transfer Cash Collections by Component

The tables below are based on data provided by the Division of Lottery and break down the lottery transfer cash collections by component on both a fiscal year-to-date and monthly basis. It should be noted that slight differences may exist between the figures reported by the Division of Lottery and those reported by the Controller due to timing differences in the posting of receipts. Data on lottery transfer cash collections reflect the prior month's gaming activity.

Fiscal Year-to-Date through December:

Component	FY 2017	FY 2016	Difference	% Change
Traditional Games	\$ 15,170,785	\$ 15,115,152	\$ 55,633	0.4 %
Keno	7,379,454	7,559,318	(179,864)	-2.4 %
Twin River VLTs	109,120,935	110,860,481	(1,739,546)	-1.6 %
Twin River Traditional Table Games	6,693,413	5,778,655	914,758	15.8 %
Twin River Poker Tables	383,986	0	383,986	n/a
Newport Grand VLTs	11,950,962	11,366,269	584,693	5.1 %

In fiscal year-to-date 2017, Twin River operated a maximum of 92 traditional table games and 16 poker tables. In the same period in FY 2016, Twin River operated a maximum of 88 traditional table games and no poker tables. It should be noted that in order to make space for additional table games and a poker room, Twin River had 24 fewer VLTs operating in fiscal year-to-date 2017 compared to the same period last fiscal year. Both Twin River and Newport Grand VLT

cash collections do not reflect unclaimed prizes, distressed communities relief program receipts, or the State's payment to either Newport Grand's or Twin River's marketing program.

Month of December:

Component	December 2016	December 2015	Difference	% Change
Traditional Games	\$ 3,229,213	\$ 2,621,815	\$ 607,398	23.2 %
Keno	1,473,952	1,437,654	36,298	2.5 %
Twin River VLTs	20,998,258	21,443,928	(445,670)	-2.1 %
Twin River Traditional Table Games	1,408,430	1,232,522	175,908	14.3 %
Twin River Poker Tables	84,687	0	84,687	n/a
Newport Grand VLTs	2,088,620	2,180,564	(91,944)	-4.2 %

In December 2016, Twin River operated a maximum of 93 traditional table games and 16 poker tables. In December 2015, Twin River operated a maximum of 92 traditional table games and no poker tables. It should be noted that in order to make space for additional table games and a poker room, Twin River had 41 fewer VLTs operating in December 2016 compared to December 2015. Both Twin River and Newport Grand VLT cash collections do not reflect unclaimed prizes, distressed communities relief program receipts, or the State's payment to either Newport Grand's or Twin River's marketing program.

Robert S. Hull, Director
Rhode Island Department of Revenue
January 23, 2017