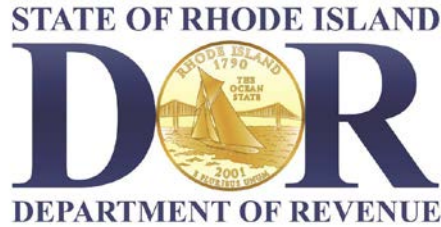


*STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS*  
**GOVERNOR GINA M. RAIMONDO**



**Office of Revenue Analysis**

**FY 2019 Cash Collections Report as of October 2018 Summary**

***Fiscal Year-to-Date through October:***

FY 2019 total general revenue cash collections through October were \$1.4 billion, up \$102.5 million, or 8.0 percent, over the same period in FY 2018. The breakdown by major revenue components is as follows:

<b>Component</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>Difference</b>	<b>% Change</b>
Personal Income Tax	\$ 435,671,868	\$ 417,332,825	\$ 18,339,043	4.4 %
Sales and Use Taxes	392,549,792	371,230,742	21,319,050	5.7 %
Departmental Receipts	234,022,033	210,114,491	23,907,542	11.4 %
Lottery Transfer	128,892,480	95,127,841	33,764,639	35.5 %
All Other Revenues	189,341,872	184,122,695	5,219,177	2.8 %
<b>Total General Revenues</b>	<b>\$ 1,380,478,045</b>	<b>\$ 1,277,928,594</b>	<b>\$ 102,549,451</b>	<b>8.0 %</b>

***Month of October:***

October 2018 total general revenue cash collections were \$281.0 million, up \$10.9 million, or 4.0 percent, over October 2017. The breakdown by major revenue components is as follows:

<b>Component</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>Difference</b>	<b>% Change</b>
Personal Income Tax	\$ 102,278,000	\$ 94,249,616	\$ 8,028,384	8.5 %
Sales and Use Taxes	93,947,471	90,521,765	3,425,706	3.8 %
Departmental Receipts	19,714,473	18,921,274	793,199	4.2 %
Lottery Transfer	33,105,130	31,832,256	1,272,874	4.0 %
All Other Revenues	31,970,564	34,593,037	(2,622,473)	-7.6 %
<b>Total General Revenues</b>	<b>\$ 281,015,638</b>	<b>\$ 270,117,948</b>	<b>\$ 10,897,690</b>	<b>4.0 %</b>

**STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS**  
**Fiscal Year To Date**

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	FY 2019 YTD October	FY 2018 YTD October	Nominal Difference	Change
<b><u>Personal Income Tax</u></b>	\$ 435,671,868	\$ 417,332,825	\$ 18,339,043	4.4%
<b><u>General Business Taxes</u></b>				
Business Corporation	47,769,783	25,169,611	22,600,172	89.8%
Public Utilities Gross Earnings	22,776,862	2,078,709	20,698,153	995.7%
Financial Institutions	4,652,119	266,393	4,385,726	1,646.3%
Insurance Companies	22,644,438	2,875,709	19,768,729	687.4%
Bank Deposits	775,032	-	775,032	-
Health Care Provider Assessment	15,071,590	14,692,772	378,818	2.6%
<b><u>Excise Taxes</u></b>				
Sales and Use	392,549,792	371,230,742	21,319,050	5.7%
Motor Vehicle	379,429	2,682,490	(2,303,061)	-85.9%
Cigarettes	48,910,677	50,298,059	(1,387,382)	-2.8%
Alcohol	7,058,802	6,762,021	296,781	4.4%
Controlled Substances	2,000	-	2,000	-
<b><u>Other Taxes</u></b>				
Estate and Transfer	11,381,716	73,877,205	(62,495,489)	-84.6%
Racing and Athletics	348,019	337,535	10,484	3.1%
Realty Transfer	6,804,266	4,857,882	1,946,384	40.1%
<b>Total Taxes</b>	<b>\$ 1,016,796,393</b>	<b>\$ 972,461,953</b>	<b>\$ 44,334,440</b>	<b>4.6%</b>
<b><u>Departmental Receipts</u></b>				
Licenses and Fees	\$ 212,275,751	\$ 190,180,223	\$ 22,095,528	11.6%
Fines and Penalties	10,040,292	9,703,007	337,285	3.5%
Sales and Services	3,292,824	2,979,391	313,433	10.5%
Miscellaneous	8,413,166	7,251,870	1,161,296	16.0%
<b>Total Departmental Receipts</b>	<b>\$ 234,022,033</b>	<b>\$ 210,114,491</b>	<b>\$ 23,907,542</b>	<b>11.4%</b>
<b>Taxes and Departmentals</b>	<b>\$ 1,250,818,426</b>	<b>\$ 1,182,576,444</b>	<b>\$ 68,241,982</b>	<b>5.8%</b>
<b><u>Other General Revenue Sources</u></b>				
Other Miscellaneous Revenues	\$ 767,139	\$ 224,309	\$ 542,830	242.0%
Lottery Transfer	128,892,480	95,127,841	33,764,639	35.5%
Unclaimed Property	-	-	-	-
<b>Total Other Sources</b>	<b>\$ 129,659,619</b>	<b>\$ 95,352,150</b>	<b>\$ 34,307,469</b>	<b>36.0%</b>
<b>Total General Revenues</b>	<b>\$ 1,380,478,045</b>	<b>\$ 1,277,928,594</b>	<b>\$ 102,549,451</b>	<b>8.0%</b>

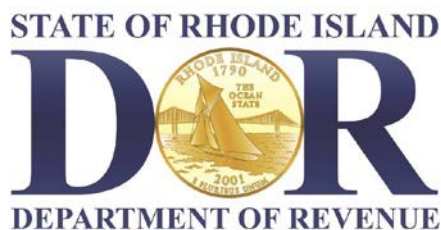
## STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS

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## Month of October

	FY 2019 Month of October	FY 2018 Month of October	Nominal Difference	% Change
<b><u>Personal Income Tax</u></b>	\$ 102,278,000	\$ 94,249,616	\$ 8,028,384	8.5%
<b><u>General Business Taxes</u></b>				
Business Corporation	8,573,262	2,560,404	6,012,858	234.8%
Public Utilities Gross Earnings	544,758	595,814	(51,056)	-8.6%
Financial Institutions	(216,112)	19,810	(235,922)	-1,190.9%
Insurance Companies	1,245,604	1,284,310	(38,706)	-3.0%
Bank Deposits	-	-	-	-
Health Care Provider Assessment	3,469,065	3,554,740	(85,675)	-2.4%
<b><u>Excise Taxes</u></b>				
Sales and Use	93,947,471	90,521,765	3,425,706	3.8%
Motor Vehicle	87,750	736,316	(648,566)	-88.1%
Cigarettes	10,330,577	10,836,165	(505,588)	-4.7%
Alcohol	1,557,803	1,533,415	24,388	1.6%
Controlled Substances	500	-	500	-
<b><u>Other Taxes</u></b>				
Estate and Transfer	3,867,342	12,263,031	(8,395,689)	-68.5%
Racing and Athletics	94,531	77,814	16,717	21.5%
Realty Transfer	1,636,501	1,131,164	505,337	44.7%
<b>Total Taxes</b>	<b>\$ 227,417,052</b>	<b>\$ 219,364,364</b>	<b>\$ 8,052,688</b>	<b>3.7%</b>
<b><u>Departmental Receipts</u></b>				
Licenses and Fees	\$ 10,850,401	\$ 9,689,934	\$ 1,160,467	12.0%
Fines and Penalties	6,902,018	6,562,553	339,465	5.2%
Sales and Services	980,727	1,099,506	(118,779)	-10.8%
Miscellaneous	981,327	1,569,281	(587,954)	-37.5%
<b>Total Departmental Receipts</b>	<b>\$ 19,714,473</b>	<b>\$ 18,921,274</b>	<b>\$ 793,199</b>	<b>4.2%</b>
<b>Taxes and Departmentals</b>	<b>\$ 247,131,525</b>	<b>\$ 238,285,638</b>	<b>\$ 8,845,887</b>	<b>3.7%</b>
<b><u>Other General Revenue Sources</u></b>				
Other Miscellaneous Revenues	\$ 778,983	\$ 54	\$ 778,929	1,442,461.1%
Lottery Transfer	33,105,130	31,832,256	1,272,874	4.0%
Unclaimed Property	-	-	-	-
<b>Total Other Sources</b>	<b>\$ 33,884,113</b>	<b>\$ 31,832,310</b>	<b>\$ 2,051,803</b>	<b>6.4%</b>
<b>Total General Revenues</b>	<b>\$ 281,015,638</b>	<b>\$ 270,117,948</b>	<b>\$ 10,897,690</b>	<b>4.0%</b>

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



Office of Revenue Analysis

FY 2019 State of Rhode Island Cash Collections Report  
October 2018 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.*

The Office of Revenue Analysis (ORA) has modified the Cash Collections Report to shorten it without sacrificing any detailed information that might be of interest to users of the report. Specifically, ORA has moved the written portion of the cash flow differences section into the individual revenue item sections. For example, cash flow differences for personal income tax are listed under the personal income tax by component table. ORA has provided a linked page number in the cash flow differences table to assist readers in finding these disaggregated cash flow differences sections within the body of the report. Additionally, ORA was able to determine the amount of sales and use tax generated by meals and beverages prepared away from home and sold for immediate consumption. This information is now included in the sales and use tax cash collections by component table, along with total non-motor vehicle sales and use taxes less the sales and use tax collections from meals and beverages. Finally, ORA has decided to provide figures for the general business taxes less business corporation tax. Data on business corporation tax cash collections by component immediately follows the sales and use tax cash collections by component section.

## Cash Flow Differences

### *Fiscal Year-To-Date through October:*

The following table displays the differences in cash flows for FY 2019 through October and FY 2018 through October:

<b>Page Number</b>	<b>Revenue Source</b>	<b>Cash Flow Differences</b>	<b>YTD FY 2019</b>	<b>YTD FY 2018</b>
<a href="#">8</a>	Personal Income Tax	FY 2019 correction for prior period payments transferred from bus corp tax	\$3,636,675	\$(773,745)
<a href="#">8</a>	Personal Income Tax	Large estimated payment(s) in Sept 2017	\$0	\$2,511,323
<a href="#">8</a>	Personal Income Tax	FY 2018 correction for prior period payments transferred from bus corp tax	\$0	\$579,873
<a href="#">10</a>	Business Corp Tax	FY 2019 correction for prior period payments transferred to pers inc tax	\$(3,636,675)	\$773,745
<a href="#">10</a>	Business Corp Tax	FY 2019 correction for prior period payments transferred to financial inst tax	\$(2,375,000)	\$0
<a href="#">10</a>	Business Corp Tax	FY 2018 correction for prior period payments transferred to pers inc tax	\$0	\$(579,873)
<a href="#">12</a>	Financial Inst Tax	FY 2019 correction for prior period payments transferred from bus corp tax	\$2,375,000	\$0
<a href="#">12</a>	Ins Gross Premiums Tax	Jul 2017 reimbursement of redeemed HSTCs accrued to FY 2017	\$0	\$1,297,387
<a href="#">9</a>	Sales and Use Tax	Audit payment(s)	\$0	\$500,000
<a href="#">13</a>	MV License & Reg Fees	State's share of June 2018 receivable	\$36,568	\$0
<a href="#">13</a>	MV License & Reg Fees	Change in transfer to RIHMA of MV license and reg fees	\$0	\$2,339,629
<a href="#">15</a>	Estate and Transfer	Large, infrequent payment(s) received in FY 2018 YTD	\$0	\$67,221,075
<a href="#">15</a>	Realty Transfer Tax	Large, infrequent controlling interest payment(s) received in Aug 2018	\$1,166,958	\$0
<a href="#">17</a>	Departmental Receipts	Hospital licensing fee incr. from 5.652% to 5.856 % and advance base	\$15,402,329	\$0
<a href="#">17</a>	Departmental Receipts	Payment made to Providence in Aug 2018 that accrued to FY 2018	\$(537,270)	\$0
<a href="#">17</a>	Departmental Receipts	Late posting of Vets Home related payment(s)	\$0	\$(320,548)
<a href="#">20</a>	Lottery Transfer	Overpayment to the general fund	\$32,019,344	\$0
<a href="#">21</a>	Lottery Transfer	Receipt of prior year revenues	\$0	\$1,910,826

***Month of October:***

The following table displays the differences in cash flows for October 2018 and October 2017:

<b>Page Number</b>	<b>Revenue Source</b>	<b>Cash Flow Differences</b>	<b>October 2018</b>	<b>October 2017</b>
<a href="#">8</a>	Personal Income Tax	Oct 2018 transfer from business corporation tax for prior period payments	\$3,348,400	\$0
<a href="#">11</a>	Business Corp Tax	Oct 2018 transfer to personal income tax for prior period payments	\$(3,348,400)	\$0
<a href="#">14</a>	MV License & Reg Fees	Change in transfer to RIHMA of MV license and reg fees	\$0	\$648,566
<a href="#">15</a>	Estate and Transfer	Large, infrequent payment(s) received in October 2017	\$0	\$9,231,337
<a href="#">19</a>	Departmental Receipts	Hospital licensing fee incr. from 5.652% to 5.856 % and advance base	\$(323,142)	\$0
<a href="#">19</a>	Departmental Receipts	Late posting of Vets Home related payment(s)	\$0	\$1,630
<a href="#">21</a>	Lottery Transfer	Underpayment to the general fund	\$(295,930)	\$0
<a href="#">21</a>	Lottery Transfer	Receipt of prior year revenues	\$0	\$1,910,826

### **Historic Structures Tax Credit Reimbursements:**

FY 2019 total Historic Structures Tax Credit (HSTC) redemptions/reimbursements for all taxes through October were \$1.6 million compared to \$5.7 million reimbursed in FY 2018 through October, a decrease of 72.9 percent. October 2018 HSTC redemptions/reimbursements for all taxes were \$1.2 million, \$806,530 less than the \$2.0 million reimbursed in October 2017, which is a decrease of 41.0 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 2019	FY 2018	October 2018	October 2017
Personal Income	\$ 1,349,773	\$ 3,024,420	\$ 1,160,560	\$ 1,463,010
Business Corporation	0	504,080	0	504,080
Financial Institutions	0	0	0	0
Insurance/Non-HMOs	0	0	0	0
Insurance/HMOs	0	1,297,387	0	0
Non-Profit Refund	203,379	900,000	0	0
<b>Total</b>	<b>\$ 1,553,152</b>	<b>\$ 5,725,887</b>	<b>\$ 1,160,560</b>	<b>\$ 1,967,090</b>

### **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. Please see the cash flow differences table below for information on cash flow anomalies between year-to-date FY 2019 and year-to-date FY 2018.

#### ***Fiscal Year-to-Date through October:***

Component	FY 2019	FY 2018	Difference	% Change
Estimated Payments	\$ 66,133,611	\$ 60,931,366	\$ 5,202,244	8.5 %
Final Payments *	26,349,071	23,142,081	3,206,991	13.9 %
Refunds/Adjustments	(32,566,987)	(34,415,936)	1,848,949	-5.4 %
Withholding Tax Payments	375,756,173	367,675,313	8,080,860	2.2 %
* Includes HSTC reimbursements of \$1.3 million in FY 2019 YTD and \$3.0 million in FY 2018 YTD.				

Cash Flow Differences:

## FY 2019

- Refunds and adjustments include \$3.6 million for transfers from business corporation tax to correct for payments received in prior periods as listed below:
  - \$288,275 for September 2018 transfers to correct for payments received in September 2017 and March 2018.
  - \$3.3 million for October 2018 transfers to correct for payments received in FY 2017 – FY 2018.

## FY 2018

- Year-to-date FY 2018 finals and estimated payments do not include \$773,745 in payments incorrectly paid to business corporation tax. These payments were corrected for in September and October 2018 as noted above.
- FY 2018 year-to-date personal income tax cash collections include large, infrequent estimated payment(s) of \$2.5 million.
- Refunds and adjustments include \$579,873 for transfers from business corporation tax to correct for payments received in prior periods as listed below:
  - \$120,564 for a July 2017 transfer to correct for payment(s) received in July 2016;
  - \$459,309 for an August 2017 transfer to correct for payments received in March and April 2016.

***Month of October:***

<b>Component</b>	<b>October 2018</b>	<b>October 2017</b>	<b>Difference</b>	<b>% Change</b>
Estimated Payments	\$ 7,373,120	\$ 7,756,400	\$ (383,280)	-4.9 %
Final Payments *	13,532,527	11,093,749	2,438,778	22.0 %
Refunds/Adjustments	(14,279,950)	(11,261,128)	(3,018,821)	26.8 %
Withholding Tax Payments	95,652,304	86,660,595	8,991,709	10.4 %
* Includes HSTC reimbursements of \$1.2 million in October 2018 and \$1.5 million in October 2017.				

Cash Flow Differences:

## October 2018

- Refunds and adjustments include \$3.3 million for transfers from business corporation tax to correct for estimated payments received in FY 2017 – FY 2018.

**Sales and Use Tax 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 October:***

<b>Component</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>Difference</b>	<b>% Change</b>
Net Taxation	\$ 348,076,897	\$ 330,619,925	\$ 17,456,973	5.3 %
Providence Place Mall	4,743,540	4,651,395	92,145	2.0 %
<b>Total Non-Motor Vehicle (MV)</b>	<b>\$ 352,820,437</b>	<b>\$ 335,271,320</b>	<b>\$ 17,549,118</b>	<b>5.2 %</b>
Meals and Beverage (M&B)	75,496,088	76,507,847	(1,011,759)	-1.3 %
<b>Total Non-MV Less M&amp;B</b>	<b>\$ 277,324,349</b>	<b>\$ 258,763,472</b>	<b>\$ 18,560,877</b>	<b>7.2 %</b>
Motor Vehicle Use Tax Receipts*	\$ 39,769,640	\$ 36,052,786	\$ 3,716,854	10.3 %

\* Previously referred to as Registry Receipts.

***Cash Flow Differences:***

FY 2018

- FY 2018 year-to-date sales and use tax cash collections include payment(s) of \$500,000 associated with the audit of prior year sales and use taxes incurred.

***Month of October:***

<b>Component</b>	<b>October 2018</b>	<b>October 2017</b>	<b>Difference</b>	<b>% Change</b>
Net Taxation	\$ 82,323,795	\$ 80,027,467	\$ 2,296,328	2.9 %
Providence Place Mall	1,229,666	1,402,202	(172,536)	-12.3 %
<b>Total Non-Motor Vehicle (MV)</b>	<b>\$ 83,553,462</b>	<b>\$ 81,429,669</b>	<b>\$ 2,123,792</b>	<b>2.6 %</b>
Meals and Beverage (M&B)	15,445,713	18,543,538	(3,097,825)	-16.7 %
<b>Total Non-MV Less M&amp;B</b>	<b>\$ 68,107,749</b>	<b>\$ 62,886,131</b>	<b>\$ 5,221,617</b>	<b>8.3 %</b>
Motor Vehicle Use Tax Receipts*	\$ 10,331,612	\$ 9,108,122	\$ 1,223,490	13.4 %

\* Previously referred to as Registry Receipts.

**Business Corporation Tax Cash Collections by Component:**

Effective for tax years beginning on or after January 1, 2018, businesses with Rhode Island tax liabilities will make estimated payments equal to 25 percent of their expected tax year liabilities in April, June, September, and December. This estimated payments schedule is in contrast to the estimated payments schedule of 40 percent of expected total tax liability due in March and 60 percent of expected total tax liability due in June that was in place for tax years ending on or before December 31, 2017.

The tables below are based on data provided by the Division of Taxation and break down business corporation 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. Please see the cash flow differences table below for information on cash flow anomalies between year-to-date FY 2019 and year-to-date FY 2018.

***Fiscal Year-to-Date through October:***

<b>Component</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>Difference</b>	<b>% Change</b>
Estimated Payments	\$ 28,776,202	\$ 21,224,383	\$ 7,551,819	35.6 %
Final Payments	30,070,223	13,089,175	16,981,049	129.7 %
Refunds/Adjustments	(11,173,470)	(9,186,657)	(1,986,813)	21.6 %

***Cash Flow Differences:***

**FY 2019**

- Refunds and adjustments include transfers to personal income tax of \$3.6 million to correct for payments received in prior periods as listed below:
  - \$288,275 for a September 2018 transfer to correct for payments received in September 2017 and March 2018;
  - \$3.3 million for an October 2018 transfer to correct for payments received in FY 2017 – FY 2018.
- Refunds and adjustments include transfers of \$2.4 million to financial institutions tax to correct for payments received in prior periods as listed below:
  - \$800,000 for an August 2018 transfer to correct for payment(s) received in January 2018;
  - \$1,575,000 for a September 2018 transfer to correct for payments received in FY 2016 – FY 2018.

**FY 2018**

- Refunds and adjustments include transfers to personal income tax of \$579,873 to correct for payments received in prior periods as listed below:
  - \$120,564 for a July 2017 transfer to correct for payment(s) received in July 2016;
  - \$459,309 for an August 2017 transfer to correct for payments received in March and April 2016.

***Month of October:***

<b>Component</b>	<b>October 2018</b>	<b>October 2017</b>	<b>Difference</b>	<b>% Change</b>
Estimated Payments	\$ 4,245,901	\$ 786,058	\$ 3,459,842	440.2 %
Final Payments	11,648,770	3,626,675	8,022,095	221.2 %
Refunds/Adjustments	(7,410,653)	(1,856,743)	(5,553,910)	299.1 %

Cash Flow Differences:

October 2018

- Refunds and adjustments include a transfer of \$3.3 million to personal income tax to correct for estimated payments received in FY 2017 – FY 2018.

**General Business Taxes Other than Business Corporation Tax**

<b>October</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>Difference</b>	<b>% Change</b>
Fiscal YTD	\$ 65,920,041	\$ 19,913,583	\$ 46,006,458	231.0 %
Month	\$ 5,043,315	\$ 5,454,674	\$ (411,359)	-7.5 %

Effective for tax years beginning on or after January 1, 2018, businesses with Rhode Island tax liabilities will make estimated payments equal to 25 percent of their expected tax year liabilities in April, June, September, and December. The current estimated payments schedule is in contrast to the estimated payments schedule of 40 percent of expected total tax liability due in March and 60 percent of expected total tax liability due in June that was in place for tax years ending on or before December 31, 2017. There is one exception to this payment pattern, namely the health care provider assessment, payments of which are made on a monthly basis. As a result, health care provider assessments flow more evenly into the general fund over the course of a fiscal year. Please see the cash flow differences table below for information on cash flow anomalies between year-to-date FY 2019 and year-to-date FY 2018.

***Fiscal Year-to-Date through October:***

General business taxes other than business corporation tax collected through October of FY 2019 increased by 231.0 percent over general business taxes other than business corporation tax collected through October of FY 2018. FY 2019 general business taxes other than business corporation tax collected through October were \$65.9 million compared to \$19.9 million collected for the same period in FY 2018, an increase of \$46.0 million.

The following general business taxes categories showed significant increases in cash collections on a fiscal year-to-date basis. These increases are believed to be due largely to the change in the estimated payments schedule noted above.

- Public utilities gross earnings tax cash collections were \$20.7 million more than the \$2.1 million collected in FY 2018 through October;
- Financial institutions tax cash collections were \$4.4 million more than the \$266,393 collected during the same period last fiscal year;
- Insurance company gross premiums tax cash collections were \$19.8 million more than the \$2.9 million received on a year-to-date basis in FY 2018;
- Bank deposits tax cash collections were \$775,032 more than in FY 2018 through October when no cash was received from bank deposits taxpayers.

The FY 2019 year-to-date through October health care provider assessment cash collections were \$15.1 million, \$378,818 more than the \$14.7 million collected in the same period last fiscal year. This is an increase of 2.6 percent on a fiscal year-to-date-over-fiscal year-to-date basis.

Cash Flow Differences:

FY 2019

- Financial institutions tax cash collections include transfers from business corporation tax to correct for payments received in prior periods as listed below:
  - \$800,000 for an August 20018 transfer to correct for payment(s) received in January 2018.
  - \$1,575,000 for a September 2018 transfer to correct for payments received in FY 2016 – FY 2018.

FY 2018

- Insurance company gross premiums tax includes \$1.3 million of reimbursed HSTCs that were received in July 2017 and accrued back to FY 2017.

***Month of October:***

General business taxes other than business corporation tax collected in October 2018 decreased by 7.5 percent from general business taxes other than business corporation tax collected in October 2017. October 2018 general business taxes other than business corporation tax were \$5.0 million compared to \$5.5 million collected for October 2017, a decrease of \$411,359.

There were no significant year-over-year cash flow differences for public utilities gross earnings tax, financial institutions tax, insurance company gross premiums tax, bank deposits tax, and health care provider assessment cash collections in October 2018. Details on each of these tax sources can be found in the table *State of Rhode Island Monthly Cash Collections, Month of October* on page 3 of this report.

Cash Flow Differences:

October 2018

- Financial institutions tax cash collections include a transfer of \$1.6 million from business corporation tax to correct for payment(s) received in FY 2016 – FY 2018.

**Excise Taxes Other Than the Sales and Use Tax**

<b>October</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>Difference</b>	<b>% Change</b>
Fiscal YTD	\$ 56,350,908	\$ 59,742,570	\$ (3,391,662)	-5.7 %
Month	\$ 11,976,630	\$ 13,105,896	\$ (1,129,266)	-8.6 %

***Fiscal Year-to-Date through October:***

Excise taxes other than sales and use taxes collected in FY 2019 through October decreased by 5.7 percent from excise taxes other than sales and use taxes collected through October of FY 2018. FY 2019 excise taxes other than sales and use taxes collected through October were \$56.4 million compared to the \$59.7 million collected for the same period last fiscal year, a decrease of \$3.4 million.

Motor vehicle license and registration fees were \$379,429 in FY 2019 through October, which is \$2.3 million, or 85.9 percent, less than motor vehicle license and registration fees in FY 2018 through October of \$2.7 million. Except for adjustments, motor vehicle license and registration fees in FY 2019 year-to-date include only duplicate license and license update fees. Additionally, duplicate license and license update fees increased from \$5 to \$25, effective July 1, 2018.

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 October of FY 2019 were \$48.9 million, down \$1.4 million compared to the \$50.3 million collected for the same period last fiscal year, a decrease of 2.8 percent. Included in year-to-date FY 2019 cigarettes excise tax cash collections is \$30,788 in cigarette floor stock receipts and \$3.3 million of other tobacco products taxes. In year-to-date FY 2018, these amounts are \$1.4 million and \$3.0 million, respectively.

Finally, the change in Rhode Island 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 October of FY 2019, Rhode Island cigarette sales decreased 6.1 percent compared to the same period last fiscal year.

Alcohol excise tax cash collections increased \$296,781, or 4.4 percent, in FY 2019 through October compared to FY 2018 through October.

**Cash Flow Differences:**

**FY 2019**

- Motor vehicle license and registration fees include \$36,568 from a June 2018 receivable. This figure is the portion due to the general fund at the final enacted rate of 60.0 percent of FY 2018 motor vehicle license and registration fees.

**FY 2018**

- After accounting for the State's portion of the June 2018 receivable, motor vehicle license and registration fees were greater by \$2.3 million in year-to-date FY 2018 compared to year-to-date FY 2019. Effective July 1, 2018, all motor vehicle license and registration fees are transferred to RIHMA except duplicate license and license update fees. In FY 2018 year-to-date, only 80.0 percent of motor vehicle license and registration fees were transferred to RIHMA. In FY 2018 through October, the transfer to RIHMA

was \$10.6 million compared to the transfer of \$14.4 million in FY 2019 through October, which is a difference of \$3.8 million. The FY 2019 year-to-date RIHMA transfer includes \$54,852 from the June 2018 receivable noted above. This transfer was done at the final enacted rate of 60.0 percent of FY 2018 motor vehicle license and registration fees.

### ***Month of October:***

Excise taxes other than sales and use taxes collected in October 2018 decreased by 1.1 percent from excise taxes other than sales and use taxes collected in October 2017. October 2018 excise taxes other than sales and use taxes were \$12.0 million compared to the \$13.1 million collected for the same period last fiscal year, a decrease of \$1.1 million.

Motor vehicle license and registration fees in October 2018 were \$87,750, which is 88.1 percent less than motor vehicle license and registration fees in October 2017 of \$736,316. October 2018 motor vehicle license and registration fees include only duplicate license and license update fees. Additionally, duplicate license and license update fees increased from \$5 to \$25, effective July 1, 2018.

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 in October 2018 were \$10.3 million, down \$505,588 compared to the \$10.8 million collected for the same period last fiscal year, a decrease of 4.7 percent. Included in October 2018 cigarettes excise tax cash collections is \$(209) in cigarette floor stock receipts and \$792,664 of other tobacco products taxes. For October 2017, the comparable figures were \$4,843 in cigarette floor stock receipts and \$716,701 in other tobacco products tax receipts.

Finally, the change in Rhode Island 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. In October 2018, Rhode Island cigarette sales decreased 5.7 percent compared to October 2017.

### **Cash Flow Differences:**

#### October 2017

- Motor vehicle license and registration fees were greater by \$648,566 in October 2017 compared to October 2018. Effective July 1, 2018, all motor vehicle license and registration fees are transferred to RIHMA except duplicate license and license update fees. In October 2017, only 80.0 percent of motor vehicle license and registration fees were transferred to RIHMA. In October 2017, the transfer to RIHMA was \$2.9 million compared to the transfer of \$3.9 million in October 2018, which is a difference of \$977,308.

## **Other Taxes**

<b>October</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>Difference</b>	<b>% Change</b>
Fiscal YTD	\$ 18,534,001	\$ 79,072,622	\$ (60,538,621)	-76.6 %
Month	\$ 5,598,374	\$ 13,472,009	\$ (7,873,635)	-58.4 %

### ***Fiscal Year-to-Date through October:***

Other taxes collected in FY 2019 through October decreased 76.6 percent from other taxes collected through October of FY 2018. FY 2019 other taxes collected through October were \$18.5 million compared to the \$79.1 million collected in the same period last fiscal year, a decrease of \$60.5 million. FY 2019 estate and transfer taxes collected through October were \$11.4 million, down \$62.5 million compared to the same period in FY 2018, a decrease of 84.6 percent. FY 2019 realty transfer taxes collected through October were \$6.8 million, up \$1.9 million, or 40.1 percent, compared to the same period last fiscal year.

### **Cash Flow Differences:**

#### **FY 2019**

- Year-to-date FY 2019 realty transfer tax cash collections include large, infrequently occurring controlling interest payment(s) of \$1.2 million received in August 2018.

#### **FY 2018**

- Year-to-date FY 2018 estate and transfer tax cash collections include large, infrequently occurring payment(s) of \$67.2 million.

### ***Month of October:***

Other taxes collected in October 2018 decreased 58.4 percent from other taxes collected in October 2017. October 2018 other taxes cash collections were \$5.6 million compared to the \$13.5 million collected in October 2017, a decrease of \$7.9 million. Estate and transfer taxes collected in October 2018 were \$3.9 million, down \$8.4 million compared to the same period in FY 2018, a decrease of 68.5 percent. Realty transfer taxes collected in October 2018 were \$1.6 million, up \$505,337, or 44.7 percent, compared to October 2017.

### **Cash Flow Differences:**

#### **October 2017**

- Estate and transfer tax cash collections include large, infrequently occurring payment(s) of \$9.2 million received in October 2017.

## **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. *For all accounts noted by an asterisk (\*), please see the departmental receipts fiscal year-to-date cash*

*flow differences section for more information on cash flow anomalies between the two fiscal periods.*

***Fiscal Year-to-Date through October:***

As is apparent from the *State of Rhode Island Monthly Cash Collections: Fiscal Year-to-Date* table, total departmental receipts in FY 2019 through October increased by 11.4 percent compared to total departmental receipts in FY 2018 through October. Fiscal year-to-date total departmental receipts collected in FY 2019 were \$234.0 million compared to \$210.1 million collected for the same period last year, an increase of \$23.9 million.

The licenses and fees category of departmental receipts through October of FY 2019 was up \$22.1 million, or 11.6 percent, over the \$190.2 million collected through October of FY 2018. The accounts with the largest nominal increases / decreases greater than \$100,000 in year-to-date FY 2019 versus year-to-date FY 2018 are listed below:

<b>Licenses and Fees</b>	<b>Nominal Increase / Decrease</b>
Hospital licensing fee *	\$ 15,402,329
Registration fees for securities ^	2,577,690
Insurance claim adjusters license fees †	1,225,433
<hr/>	
Professional regulation licensing	(158,104)
Board for Design Professionals license fees	(135,334)
Teacher certification fees	(128,250)
^ The mutual funds registration fee increased from \$1,000 to \$1,750 in FY 2019.	
† The license fee for insurance claim adjusters increased from \$150 to \$250 in FY 2019.	

The finest and penalties category of departmental receipts through October of FY 2019 was up \$337,285, or 3.5 percent, over the \$9.7 million collected through October of FY 2018. In the fines and penalties category, the accounts with the largest nominal increases / decreases greater than \$100,000 in year-to-date FY 2019 compared to year-to-date FY 2018 are listed below.

<b>Fines and Penalties</b>	<b>Nominal Increase / Decrease</b>
Penalty on overdue taxes	\$ 620,670
Insurance verification license reinstatement fees	148,650
Banking enforcement fees	125,725
<hr/>	
Interest on overdue taxes	(391,312)
Utility fines	(267,250)

The sales and services category of departmental receipts through October of FY 2019 was up \$313,433 over the \$3.0 million collected through October of FY 2018, an increase of 10.5 percent. The accounts with the largest nominal increases / decreases greater than \$100,000 in October 2018 versus October 2017 are listed below:



<b>Fines and Penalties</b>	<b>Nominal Increase</b>
Rhode Island Veterans Home Board and Support *	\$ 361,044

*Miscellaneous departmental receipts* through October of FY 2019 were up \$1.2 million, or 16.0 percent, over the \$7.3 million collected through October of FY 2018. The accounts with the largest nominal increases / decreases greater than \$100,000 for year-to-date FY 2019 versus year-to-date FY 2018 are listed below:

<b>Miscellaneous Departmental Receipts</b>	<b>Nominal Increase / Decrease</b>
Miscellaneous refunds – Treasury Department	\$ 886,910
Miscellaneous revenues – Office of the Attorney General	635,637
Cost recovery account - Judiciary	421,431
Income tax refund checks written off	(469,580)
Cost recovery account – Treasury Department	(366,871)
Cost recovery account – Department of Labor and Training	(269,329)

#### Cash Flow Differences:

##### FY 2019

- In licenses and fees, cash collections from the hospital licensing fee were \$15.4 million more in year-to-date FY 2019 compared to year-to-date FY 2018. In general, the prior fiscal year hospital licensing fee is received in July of the current year. The hospital licensing fee rate for FY 2017 was 5.652 percent compared to 5.856 percent for FY 2018, and the hospital licensing fee base advanced from hospital FY 2015 net patient revenues in FY 2017 to hospital FY 2016 net patient revenues in FY 2018. Not included in FY 2019 YTD or FY 2018 YTD cash collections from the hospital licensing fee is the payment from Eleanor Slater Hospital, which is received in June of the fiscal year for which it is due.
- Licenses and fees include a payment of \$537,270 to the City of Providence for the city's share of the Wexford Innovation Center building permit fees that was made in August 2018 but accrued back to FY 2018.

##### FY 2018

- The sales and services category of departmental receipts for FY 2018 through October does not include payment(s) of \$318,918 intended for board and support for the Rhode Island Veterans Home in October 2017 but not posted until November 2017.

#### **Month of October:**

As is apparent from the *State of Rhode Island Monthly Cash Collections: Month of October* table, total departmental receipts in October 2018 increased by 4.2 percent compared to total departmental receipts in October 2017. Departmental receipts collected in October 2018 were \$19.7 million compared to \$18.9 million collected for the same period last fiscal year, an increase of \$793,199.

The *licenses and fees* category of departmental receipts in October 2018 was up \$1.2 million, or 12.0 percent, over the \$9.7 million collected in October 2017. The accounts with the largest nominal increases / decreases greater than \$100,000 in October 2018 versus October 2017 are listed below:

<b>Licenses and Fees</b>	<b>Nominal Increase / Decrease</b>
Registration fees for securities ^	\$ 699,360
Insurance claim adjusters license fees †	283,838
E911 accounts ‡	226,660
<hr/>	
Hospital licensing fee *	(323,142)
Local building permit levy ADA surcharge	(103,975)
^ The mutual funds registration fee increased from \$1,000 to \$1,750 in FY 2019. † The license fee for insurance claim adjusters increased from \$150 to \$250 in FY 2019. ‡ Includes the E911 wireline surcharge, E911 wireless surcharge, E911 prepaid wireless fees, and GIS and technical fund accounts	

The *finer and penalties* category of departmental receipts in October 2018 was up \$339,465, or 5.2 percent, over the \$6.6 million collected in October 2017. In the fines and penalties category, the accounts that had the largest nominal increases / decreases greater than \$100,000 in October 2018 compared to October 2017 were:

<b>Licenses and Fees</b>	<b>Nominal Increase / Decrease</b>
Penalties on overdue taxes	\$ 620,670
<hr/>	
Interest on overdue taxes	(391,312)

The *sales and services* category of departmental receipts in October 2018 was down \$118,779 from the \$1.1 million collected in October 2017, a decrease of 10.8 percent. No account had a nominal increase or decrease greater than \$100,000 on a year-over-year basis.

*Miscellaneous departmental receipts* in October 2018 were down \$587,954, or 37.5 percent, from the \$1.6 million collected in October 2017. The miscellaneous departmental receipts accounts with the largest nominal increases / decreases greater than \$100,000 for October 2018 versus October 2017 are listed below:

<b>Miscellaneous Departmental Receipts</b>	<b>Nominal Increase / Decrease</b>
Cost recovery account – Judiciary	\$ 351,885
<hr/>	
Income tax refund checks written off	(386,078)
Cost recovery account – Department of Health	(365,623)
Cost recovery account – Department of Labor and Training	(286,039)

Cash Flow Differences:

## October 2018

- In licenses and fees, cash collections from the hospital licensing fee were \$323,142 less in October 2018 compared to October 2017. The difference is due to payment plan receipts being higher in October 2017 than in October 2018. In general, the prior fiscal year hospital licensing fee is received in July of the current year. The hospital licensing fee rate for FY 2017 was 5.652 percent compared to 5.856 percent for FY 2018, and the hospital licensing fee base advanced from hospital FY 2015 net patient revenues in FY 2017 to hospital FY 2016 net patient revenues in FY 2018.

## October 2017

- The sales and services category of departmental receipts includes a net difference of \$1,630 between late payments intended for board and support for the Rhode Island Veterans Home. The difference includes the following items:
  - \$320,548 intended for board and support for the Rhode Island Veterans Home in September 2017 but not posted until October 2017;
  - \$318,918 intended for board and support for the Rhode Island Veterans Home in October 2017 but not posted until November 2017.

**Motor Fuel Tax, Per Penny Yield**

<b>October</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>Difference</b>	<b>% Change</b>
Fiscal YTD	\$ 1,837,783	\$ 1,553,668	\$ 284,115	18.3 %
Month	\$ 631,878	\$ 375,101	\$ 256,777	68.5 %

In FY 2019, 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 2018. 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 October:***

The per penny yield of the state's motor fuel tax collected in FY 2019 through October was \$284,115 more than in FY 2018 through October. This represents an increase of 18.3 percent between the two fiscal year-to-date periods. Much of this increase is attributable to the receipt of large, infrequently occurring payment(s) of \$250,604 in October 2018. For FY 2019 through October, the per-penny yield was \$1.84 million versus \$1.55 million for FY 2018 through October.

***Month of October:***

The per penny yield of the state's motor fuel tax collected in October 2018 was \$256,777 more than in October 2017. This represents an increase of 68.5 percent between the two periods. Much of this increase is attributable to the receipt of large, infrequently occurring payment(s) of

\$250,604 in October 2018. For October 2018, the per-penny yield was \$631,878 versus \$375,101 for October 2017.

### **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 October:***

<b>Component</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>Difference</b>	<b>% Change</b>
Traditional Games	\$ 10,013,972	\$ 10,512,088	\$ (498,116)	-4.7 %
Keno	4,277,168	4,569,737	(292,569)	-6.4 %
Twin River VLTs	68,236,934	67,122,317	1,114,617	1.7 %
Twin River Traditional Table Games	4,360,046	4,332,424	27,622	0.6 %
Twin River Poker Tables	274,401	263,264	11,137	4.2 %
Newport Grand/Tiverton VLTs *	10,799,750	7,614,373	3,185,377	41.8 %
Tiverton Traditional Table Games	27,643	0	27,643	n/a
* Newport Grand ceased operations on August 28, 2018, and Tiverton Casino commenced operations on August 29, 2018.				

In fiscal year-to-date 2019, Twin River operated a maximum of 97 traditional table games and 22 poker tables. In the same period in FY 2018, Twin River operated a maximum of 97 traditional table games and 21 poker tables. In year-to-date FY 2019, Tiverton operated a maximum of 32 traditional table games. 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.

#### **Cash Flow Differences:**

##### **FY 2019**

- In year-to-date FY 2019, Division of Lottery overpaid the general fund \$32,019,344.
  - Total lottery transfers in year-to-date FY 2019 were \$128,892,480. Based on lottery activity, the transfers normally would have been \$96,873,136, which is a difference of \$32,019,344.
  - At the end of FY 2018, the general fund owed the Division of Lottery \$1,480,823. Not included in the overpayment is \$784,726 that the Division of Lottery withheld of the August lottery transfer to offset the general fund's outstanding payable, reducing it to \$696,097.

## FY 2018

- The FY 2018 lottery transfer includes receipts of \$1.9 million received in October 2017 that were accrued back to FY 2017.

***Month of October:***

<b>Component</b>	<b>October 2018</b>	<b>October 2017</b>	<b>Difference</b>	<b>% Change</b>
Traditional Games	\$ 3,365,171	\$ 2,740,859	\$ 624,312	22.8 %
Keno	1,384,220	1,543,085	(158,865)	-10.3 %
Twin River VLTs	21,120,443	22,063,689	(943,246)	-4.3 %
Twin River Traditional Table Games	1,565,177	1,429,176	136,001	22.0 %
Twin River Poker Tables	97,378	86,308	11,070	8.8 %
Newport Grand/Tiverton VLTs *	6,002,469	2,440,878	3,561,591	145.9 %
Tiverton Traditional Table Games	174,447	0	174,447	n/a

\* Newport Grand ceased operations on August 28, 2018, and Tiverton Casino commenced operations on August 29, 2018.

The month of October data reflects September gaming activity. In September 2018 and September 2017, Twin River operated a maximum of 97 traditional table games and 22 poker tables. In September 2018, Tiverton operated a maximum of 32 traditional table games. 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.

***Cash Flow Differences:*****October 2017**

- The Division of Lottery underpaid the general fund by \$295,930. The October 2018 transfer was \$33,105,130 compared to September lottery activity of \$33,401,060.

**October 2017**

- The October lottery transfer includes receipts of \$1.9 million that were accrued back to FY 2017.



Mark A. Furcolo, Director  
Rhode Island Department of Revenue  
November 20, 2018