



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF REVENUE

State of Rhode Island Monthly Revenue Brief
 FY 2011 Cash Collections through July 2010

The Rhode Island Department of Revenue monthly revenue brief is a comprehensive analysis of fiscal year-to-date cash collections on all revenue sources estimated by the principals of the Revenue Estimating Conference (see RI General Law § 35-16-1). *Users of the report should be cautious when comparing year-to-date growth rates to the growth estimate 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.*

Total General Revenues

Annual Growth Rates	<u>Enacted Growth Estimate</u> 0.0 %	<u>Actual YTD Growth</u> 5.6 %	<u>Base YTD Growth</u> 7.0 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$3.020 Billion	<u>Actual YTD Cash</u> \$311.5 Million	

Fiscal Year 2011 total general revenues collected through July 2010 have increased by 5.6 percent as compared to Fiscal Year 2010 total general revenues collected through July of last year. For the fiscal year-to-date period through July 2010, total general revenues were \$311.5 million as compared to \$294.8 million for the same period last year, an increase of \$16.7 million. The FY 2011 enacted growth estimate is 0.0 percent in total enacted FY 2011 general revenues over final enacted FY 2010 collections.

It is necessary to make adjustments to the cash collections for these two fiscal years in order to determine the base year-over-year fiscal year-to-date growth in collections. In FY 2010 through July, a net total of -\$121.0 million of adjustments must be made. These adjustments include a decrease of \$496,275 in the Health Care Provider Assessments to reflect the fact that the group home portion of this assessment has been repealed effective July 1, 2009. The receipts received in July 2009 are for services rendered in May and June 2009 and were accrued back to FY 2009. Also included are an increase of \$1.6 million in Motor Vehicle Licenses and Fees to account for the late posting of interstate trucking payments that are made to the forty-nine other states and

Canada. Further, an adjustment of -\$70,048 is made to Racing and Athletics taxes to account for the elimination of live greyhound racing at Twin River after August of 2009. In addition, the adjustment includes a decrease of \$121.7 million in Departmental Receipts of which \$121.5 million is the receipt in July 2009 of the FY 2009 Hospital Licensing Fee and \$163,508 in non-Medicaid payments for board and support of patients at Zambrano and Slater hospitals that were converted to restricted receipts in June 2010. Finally, the net adjustment includes a decrease of \$311,226 in the Gas Tax Transfer due to the repeal of the dedication of \$0.01 per gallon of the state's \$0.33 per gallon gas tax for general purposes.

In FY 2011 through July, a net total of -\$125.5 million of adjustments must be made. These adjustments include a decrease of \$1.8 million in Motor Vehicle Licenses and Fees for the timely disbursement of interstate trucking payments that are made to the forty-nine other states and Canada which occurred in June of FY 2010. The timely disbursement of these payments has resulted in the overstatement of the July year-to-date cash collections for FY 2011 vis-à-vis the prior fiscal year. Also included are decreases of \$3.3 million in public utilities gross earnings taxes to account for the one-time receipts in July of proceeds from an FY 2010 audit recovery that will be accrued back to FY 2010 and a decrease of \$119.5 million in Departmental Receipts which accounts for the receipt in July 2010 of the FY 2010 Hospital Licensing Fee. Finally, the net adjustment includes a decrease of \$985,560 in Other Miscellaneous Revenues to account for the proceeds received from the sale of the Smithfield Salt Barn which will be accrued back to FY 2010.

The necessary adjustments that need to be made are displayed in the table below:

Revenue Source	Adjustment	Year-to-Date FY 2010	Year-to-Date FY 2011
Health Care Provider	Deduct receipts that accrue to FY 2009	\$(496,275)	\$0
Public Utilities	FY 2010 Audit Recovery	\$0	\$(3,301,780)
Motor Vehicle	Interstate trucking payments adjustment	\$1,588,398	\$(1,774,525)
Racing and Athletics	Elimination of live greyhound racing	\$(70,408)	\$0
Licenses & Fees	Hospital Licensing Fee	\$(121,542,759)	\$(119,471,020)
Sales & Services	Non-Medicaid Board/Support payments	\$163,508	\$0
Other Miscellaneous	Sale of Smithfield Salt Barn	\$0	\$(985,560)
Gas Tax Transfer	Deduct receipts that accrue to FY 2009	\$(311,226)	\$0
Total		\$(120,995,418)	\$(125,532,884)

Accounting for these revenue adjustments yields a base rate of growth for the fiscal year-to-date period through July 2010 of 7.0 percent. It should be noted that the base year-to-date growth rate is not necessarily indicative of the projected annual growth in revenues.

Taxes and Departmental Receipts

Annual Growth Rates	<u>Enacted Growth Estimate</u> 1.2 %	<u>Actual YTD Growth</u> 5.4 %	<u>Base YTD Growth</u> 7.0 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$2.662 Billion	<u>Actual YTD Cash</u> \$310.5 Million	

The Rhode Island Department of Revenue reports that FY 2011 taxes and departmental receipts collected through July 2010 have increased by 5.4 percent as compared to FY 2010 cash collections for the comparable period a year ago. For the fiscal year-to-date period ending July 2010, total taxes and departmental receipts were \$310.5 million as compared to \$294.5 million for the same period last fiscal year, an increase of \$16.0 million.

The group home Health Care Provider Assessment receipt accrual, the Motor Vehicle Licenses and Fees' late interstate trucking payments, the adjustment for the elimination of live greyhound racing, the Hospital Licensing Fee; and the non-Medicaid board and support receipt accrual result in a -\$120.6 million adjustment in FY 2010 for comparability between fiscal years. The public utilities gross earnings audit recovery, the Motor Vehicle and Licenses Fees June 2010 disbursement of interstate trucking payments, the Hospital Licensing Fee accrual result in a -\$124.5 million adjustment in FY 2011 for comparability between fiscal years. These adjustments yield a FY 2011 base growth rate in taxes and departmental receipts of 7.0 percent. The FY 2011 enacted growth estimate enacted by the General Assembly projects an increase of 1.2 percent in FY 2011 total taxes and departmental receipts over final enacted FY 2010 collections.

Other General Revenue Sources

Annual Growth Rates	<u>Enacted Growth Estimate</u> -7.9 %	<u>Actual YTD Growth</u> 201.7 %	<u>Base YTD Growth</u> -95.4 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$357.5 Million	<u>Actual YTD Cash</u> \$986,280	

FY 2011 other general revenue sources collected through the first month of the fiscal year have increased by 201.7 percent as compared to cash collections through the first month of fiscal year 2010. Other general revenue sources include the Gas Tax Transfer to the general fund, Other Miscellaneous Revenues, the Lottery Transfer to the general fund, and Unclaimed Property that is transferred to the State in June of each fiscal year. The FY 2011 enacted growth estimate for other general revenue sources projects a decrease of 7.9 percent in other general revenue sources over final enacted FY 2010 collections. For the fiscal year-to-date period ending July 2010, total other general revenue sources were \$986,280 as compared to \$326,910 for the same period last year, an increase of \$659,370. Adjusting for the \$311,226 receipt accrual for the Gas Tax Transfer in FY 2010 and the \$985,560 receipt accrual for the proceeds from the sale of the Smithfield Salt Barn in FY 2011, results in a base year-to-date growth rate of -95.4 percent.

Total Taxes

Annual Growth Rates	<u>Enacted Growth Estimate</u> 0.8 %	<u>Actual YTD Growth</u> 11.4 %	<u>Base YTD Growth</u> 7.4 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$2.317 Billion	<u>Actual YTD Cash</u> \$174.4 Million	

Total tax revenues for the fiscal year-to-date period through July 2010 were \$174.4 million, or 11.4 percent more than the \$156.6 million in total tax cash collections in FY 2010 through July 2009. The FY 2011 enacted growth estimate for tax collections is 0.8 percent for FY 2011 tax collections over final enacted FY 2010 tax collections. Adjustments of \$1.0 million are needed in FY 2010 for the receipt accrual of the Health Care Provider Assessment on group homes, the underreporting of Motor Vehicle License and Fee revenues and to create comparability between fiscal years. In FY 2011, the public utilities gross earnings audit recovery and the payment of the interstate trucking payments in June 2010 instead of July 2010 result in an adjustment of -\$5.1 million. Taking into account the FY 2010 and FY 2011 adjustments to total taxes yields a base fiscal year-to-date growth rate of 7.4 percent.

It is important to note that any historic structures tax credits redeemed from FY 2009 onward are reimbursed from the Historic Tax Credit Fund's bond proceeds upon receipt of the tax credit certificate. Prior to FY 2009, the redemption of Historic Structures Tax Credit (HSTC) certificates were deducted directly from realized tax receipts. Thus, the actual revenues for the tax types that had HSTCs redeemed to offset an actual tax liability were net revenues (i.e., total collection *less* HSTC redemptions). Since FY 2009, the actual revenues for the tax types that have HSTCs redeemed to offset an actual tax liability are gross revenues (i.e., total collections *plus* HSTC reimbursements).

In FY 2010, total historic structure tax credit redemptions/reimbursements for all taxes through July totaled \$3.0 million vs. \$191,750 in FY 2011. The breakdown of the reimbursement of redeemed HSTCs by tax type is shown in the table below:

Historic Structure Tax Credit Reimbursements		
Tax Type	Year-to-Date FY 2010	Year-to-Date FY 2011
Personal Income	\$ 320,875	\$ 191,750
Business Corporations	0	0
Financial Institutions	0	0
Insurance/Other than HMOs	0	0
Insurance/HMOs	2,711,000	0
Total	\$ 3,031,875	\$ 191,750

Personal Income Taxes

Annual Growth Rates	<u>Enacted Growth Estimate</u> 2.1 %	<u>Actual YTD Growth</u> 17.3 %	<u>Base YTD Growth</u> 17.3 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$937.9 Million	<u>Actual YTD Cash</u> \$68.0 Million	

Actual personal income tax cash collections for FY 2011 through the first month of the fiscal year were up \$10.0 million, or 17.3 percent, compared to the same period last fiscal year. The FY 2011 year-to-date growth rate surpasses the enacted FY 2011 over final enacted FY 2010 growth rate of 2.1 percent in personal income tax collections. Total personal income tax cash collections for FY 2011 through July 2010 were \$68.0 million vs. FY 2010 cash collections of \$58.0 million through July 2010.

The FY 2011 year-to-date personal income tax cash collections include historic structures tax credit reimbursements in July of \$191,750. This compares to \$320,875 of historic structures tax credit reimbursements in July of FY 2010. Thus, through July, FY 2011 HSTC reimbursements for personal income taxes are \$129,125 less, or -40.2 percent vs. the same period in FY 2010.

The table below is provided by the Division of Taxation, and breaks down personal income tax cash collections by component for FY 2010 and FY 2011 through July. It should be noted that slight 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 revenues.

Component	FY 2010	FY 2011	Percent Difference	Enacted Growth Estimate
Estimated Payments	\$ 2,143,862	\$ 3,558,995	66.0 %	13.8 %
Final Payments*	3,075,107	3,502,329	13.9 %	-1.6 %
Withholding	62,488,914	68,069,624	8.9 %	0.5 %
Refunds/Adjustments	(9,702,098)	(7,103,489)	-26.8 %	1.5 %
* Final Payments include historic structures tax credit reimbursements of \$320,875 in FY 2010 and \$191,750 in FY 2011.				

FY 2011 year-to-date income tax refunds paid were less by \$2.6 million or -26.8 percent, compared to the same period in FY 2010. The -26.8 percent actual growth in cash income tax refunds paid between FY 2011 and FY 2010 leads the enacted growth rate for income tax refunds paid of 1.5 percent. On average over the last five fiscal years only 2.8 percent of total income tax refunds are paid in the first month of the fiscal year.

Income tax withholding payments have increase by \$5.6 million or 8.9 percent, through the first month of FY 2011 when compared to the same period in FY 2010. The 8.9 percent actual growth in cash withholding payments between FY 2011 and FY 2010 exceeds the enacted

growth estimate for income tax withholding payments of 0.5 percent. On average, over the past five fiscal years, 7.2 percent of income tax withholding payments is collected in the first month of the fiscal year.

Fiscal year-to-date FY 2010 final income tax payments received have increased by \$427,222, or 13.9 percent, through July of FY 2011 as compared to final payments for the first month of FY 2010. The 13.9 percent actual growth in cash final income tax payments received between FY 2011 and FY 2010 exceeds the enacted growth rate for final income tax payments received of -1.6 percent. On average, over the last five fiscal years only 1.7 percent of total final income tax payments are received in the first month of the fiscal year.

Finally, with respect to estimated income tax payments, year-to-date FY 2011 collections were up \$1.4 million from FY 2010 collections at this time last year. In FY 2011, \$1.1 million of total estimated income tax payments were generated from the sale of real estate by non-residents. The increase translates into a fiscal year-to-date growth rate of 66.0 percent. The 66.0 percent actual growth in cash estimated income tax payments received between FY 2010 and FY 2011 surpasses the enacted growth rate for estimated income tax payments received of 13.8 percent. On average, over the last five fiscal years only 1.7 percent of total estimated income tax payments are made by the end of July.

Sales and Use Taxes

Annual Growth Rates	<u>Enacted Growth Estimate</u> -0.1 %	<u>Actual YTD Growth</u> 4.2 %	<u>Base YTD Growth</u> 4.2 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$787.0 Million	<u>Actual YTD Cash</u> \$75.7 Million	

Sales and use tax cash collections in FY 2011 were up \$3.0 million, or 4.2 percent, relative to last fiscal year at this time. As always, the monthly sales tax receipts reported here reflect the prior month's retail sales activity. For both FY 2010 and FY 2011, the state's sales tax rate is 7.0 percent. The 4.2 percent growth in sales and use tax revenues for fiscal year-to-date exceeds the enacted FY 2011 over the final enacted FY 2010 sales and use tax cash collections growth estimate of -0.1 percent.

The Division of Taxation provides the following component breakdown for sales and use tax collections through July:

Component	FY 2010	FY 2011	Nominal Difference	Percent Difference
Net Taxation	\$ 66,407,020	\$ 67,283,354	\$ 876,334	1.3 %
Registry	5,277,767	7,444,335	2,166,568	41.1 %
Prov. Place Mall	1,006,694	1,156,584	149,890	14.9 %

Within the sales tax components, registry receipts were up 41.1 percent in the first month of FY 2011 when compared to same period last fiscal year. Net sales tax receipts remitted directly to the Division of Taxation posted an increase of 1.3 percent during FY 2011's first month versus the first month of FY 2010. Providence Place Mall (PPM) sales tax receipts were up 14.9 percent through July of FY 2011 versus the same period in FY 2010.

General Business Taxes

Annual Growth Rates	<u>Enacted Growth Estimate</u> 1.7 %	<u>Actual YTD Growth</u> -0.4 %	<u>Base YTD Growth</u> -29.0 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$361.3 Million	<u>Actual YTD Cash</u> \$10.3 Million	

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 Health Care Provider Assessments, 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 number of filers that are on extension at any given point in time. As a result, both Business Corporations taxes and Health Care Provider Assessments flow more evenly into the general fund over the course of a fiscal year.

FY 2011 total general business taxes collected through July 2010 of the fiscal year-to-date were \$10.3 million or \$44,561 less than the \$10.3 million collected for the same period in FY 2010. Year-to-date growth in FY 2010 is -0.4 percent. The enacted FY 2011 growth over final enacted FY 2010 total general business taxes is 1.7 percent.

An adjustment to FY 2010 total general business taxes cash collections is made to more accurately reflect anticipated collections. In particular, the Health Care Provider Assessment is reduced by \$496,275 to account for the fact that the assessment on group homes for the developmentally disabled has been repealed and the receipts that have been received in July 2009 are accrued back to FY 2009. In FY 2011, \$3.3 million in Public Utilities Gross Earnings taxes are attributable to an FY 2010 audit recovery and will be accrued back to FY 2010. This results in a negative adjustment to FY 2011. Incorporating these two adjustments produce a base fiscal year-to-date growth rate of -29.0 percent.

FY 2011 year-to-date business corporations taxes were up \$315,038 or 9.8 percent, from last fiscal year at this time. This growth rate exceeds the business corporations tax enacted growth estimate of 3.5 percent. On average, over the past five years, 3.0 percent of business corporate tax payments are made in the first month of the fiscal year.

The Division of Taxation reports the components of the business corporations tax through July as follows:

Component	FY 2010	FY 2011	Nominal Difference	Percent Difference
Estimated Payments	\$ 3,885,139	\$ 3,971,418	\$ 86,279	2.2 %
Final Payments	2,901,754	1,037,446	(1,864,308)	-64.2 %
Refunds/Adjustments	(3,595,445)	(1,589,462)	2,005,983	-55.8 %

Health care provider assessment taxes through July 2010 were \$3.2 million, a decrease of 10.0 percent over the same period in FY 2010. On average, over the past five years, 7.9 percent of nursing home health care provider assessment tax payments are made by the end of July. A reduction in FY 2010 receipts of \$496,275 in the Health Care Provider Assessments is needed to reflect the fact that the group home portion of this assessment has been repealed effective July 1, 2009 resulting in a base year-to-date growth rate of 4.8 percent.

Bank deposit taxes tend to post irregularly until March, when the first 40.0 percent of estimated total tax liability is due. No bank deposit taxes were received through the first month of FY 2011 as compared to \$186,476 collected through the first month of FY 2010. On average, over the past five fiscal years, only 1.9 percent of bank deposit tax payments are collected in the first month of the fiscal year.

The insurance companies gross premiums tax is down 95.0 percent year-to-date. Insurance companies gross premiums tax cash collections through July 2010 total \$147,269 compared to collections of \$3.0 million in FY 2010. FY 2010 collections include \$2.7 million of reimbursed Historic Structures Tax Credits through July. In general, insurance companies gross premiums taxes tend to post irregularly until March, when the first 40.0 percent of total tax liability is due. On average, over the past five fiscal years, only 0.3 percent of insurance companies gross premiums tax payments are collected in the first month of the fiscal year.

The financial institutions tax is down -1,009.0 percent on a fiscal year-to-date cash basis in FY 2011 vs. FY 2010. Financial institutions tax collections totaled -\$192,710 through July 2010 vs. \$21,200 through July 2009. On average, over the past five fiscal years only 0.5 percent, of financial institutions taxes are collected in July.

Finally, public utilities gross earnings taxes were \$3.7 million through July 2010, an increase of 722.3 percent from collections of \$444,865 through July 2009. The base year-to-date growth in public utilities gross earnings taxes is -19.9 percent once the receipt of \$3.3 million in July 2010 from a FY 2010 audit recovery is taken into account. On average, over the past five fiscal years only 0.4 percent of public utilities gross earnings taxes are collected in July of the fiscal year.

Excise Taxes Other Than the Sales and Use Tax

Annual Growth Rates	<u>Enacted Growth Estimate</u> -2.9 %	<u>Actual YTD Growth</u> 30.0 %	<u>Base YTD Growth</u> 5.3 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$195.2 Million	<u>Actual YTD Cash</u> \$18.1 Million	

Excise taxes other than sales and use taxes collected in the fiscal year-to-date July 2010 period totaled \$18.1 million or \$4.2 million more than the \$13.9 million collected for the same period in FY 2010. The actual year-to-date growth rate in excise taxes other than the sales and use tax is 30.0 percent which exceeds the enacted growth estimate for FY 2011 of -2.9 percent.

In FY 2010, June 2009 interstate trucking payments were made in July 2009 causing an understatement of \$1.6 million. In FY 2011, the interstate trucking payments which are normally posted late in July of the following fiscal year were actually posted in June of FY 2010. An adjustment of \$1.8 million to FY 2011 is needed to account for the early payment in June 2010 of the interstate trucking payments yielding a base year-to-date growth rate of 5.3 percent.

Rhode Island cigarette tax receipts are comprised of excise taxes collected on the sale of cigarettes, 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 on cigarettes. Total cigarette tax receipts for the first month of FY 2011 were up 6.2 percent compared to FY 2010.

Finally, the change in cigarette sales is determined. First, cigarette floor stock tax and smokeless tobacco products tax collections are netted out of the data yielding only cigarette tax collections. The result is an increase in Rhode Island cigarette sales of 6.8 percent for the first month of FY 2011 versus the first month of FY 2010. It is too early in the fiscal year to be able to make any definitive statements as to the cause of this increase.

Other Taxes

Annual Growth Rates	<u>Enacted Growth Estimate</u> -1.6%	<u>Actual YTD Growth</u> 36.5 %	<u>Base YTD Growth</u> 42.5 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$35.8 Million	<u>Actual YTD Cash</u> \$2.3 Million	

Total other taxes collected through July of FY 2011 totaled \$2.3 million versus \$1.7 million in other taxes collected during the same period last fiscal year, an increase of \$605,208, or 36.5 percent. The FY 2011 other taxes enacted growth estimate is -1.6 percent over final enacted FY 2010 total other taxes. Adjusting for the taxes collected from the conduct of live greyhound races at Twin River in July 2009, yields a base year-to-date growth in other taxes of 42.5 percent.

Inheritance tax collections totaled \$1.5 million through July of FY 2011, an increase of 63.0 percent from the \$933,306 collected through the first month of FY 2010. Given the fact that inheritance tax collections are volatile, it is not possible to make any valid comments about this revenue source. On average, over the past ten fiscal years, 8.4 percent of inheritance tax collections are received in July of the fiscal year.

Racing and athletics tax collections through July of FY 2011 were down -46.5 percent relative to the same period in FY 2010. Once the revenues received from the conduct of live greyhound races at Twin River in July are accounted for, the base year-to-date growth in Racing and Athletics Taxes is -10.8 percent. The preliminary growth estimate for racing and athletics tax collections is -13.3 percent. On average, over the past five fiscal years, 8.7 percent of racing and athletics tax collections were collected in the first month of the fiscal year.

Realty transfer taxes were up by 18.0 percent through July of FY 2011 versus July of FY 2010. This increase in realty transfer taxes collected is substantial in comparison to the enacted realty transfer tax growth enacted estimate of 0.0 percent over final enacted FY 2010 collections especially because, on average, over the past five fiscal years, 10.7 percent of realty transfer taxes were collected in the first month of the fiscal year.

Total Departmental Receipts

Annual Growth Rates	<u>Enacted Growth Estimate</u> 3.9 %	<u>Actual YTD Growth</u> -1.3 %	<u>Base YTD Growth</u> 2.6 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$345.2 Million	<u>Actual YTD Cash</u> \$136.1 Million	

FY 2011 year-to-date departmental receipts total \$136.1 million, a decrease of \$1.8 million from the amount that was collected last fiscal year at this time. Actual departmental receipts for FY 2010 were down 1.3 percent when compared to receipts collected during the same period a year ago. The enacted FY 2011 growth estimate is 3.9 percent over final enacted FY 2010 departmental receipt collections. It is important to note that, in the licenses and fees category of departmental receipts, the Hospital Licensing Fee for FY 2009 and FY 2010 was not due until July following the close of the fiscal year, because the cash payments were received in FY 2010 and FY 2011 respectively both were accrued back to their proper fiscal year.

FY 2011 year-to-date growth in the licenses and fees category of departmental receipts is -1.9 percent or \$2.5 million less than FY 2010 through July 2010. The Hospital Licensing Fee for FY 2010 was received in July of FY 2011 and totaled \$119.5 million or \$2.1 million less than was received in July of FY 2010 for FY 2009. Year-to-date intermediate Medicaid hospital rate settlement payments were \$48,826 lower through July 2010 over the same period in FY 2010. These payments are received irregularly throughout the fiscal year. Finally, Beach Parking Fees cash collections were \$260,055 less in July 2010 than in July 2011. The reason for this decrease is that the State of Rhode Island entered into a five year contract with a third party to collect beach parking fees. The percentage share of revenue for the State of Rhode Island is 80.0

percent of total receipts with a guaranteed minimum of \$1.9 million per year. The payments will come in installments of 20.0 percent on July 1st, 30.0 percent on August 1st and the day after Labor Day and 20.0 percent on June 1st of the fiscal year. In FY 2010, July beach parking receipts were 26.2 percent of the annual total.

Fines and penalties were up 18.4 percent through the first month of FY 2011 versus the first month of FY 2010, or \$19,428 more than year-to-date cash collections through July 2009.

In the sales and services category of departmental receipts, FY 2011 year-to-date growth is 9.3 percent over FY 2010 cash collections of \$6.9 million through July 2009. The \$646,607 increase in sales and services departmental receipts is attributable to the higher disproportionate share (“dish”) payment made by the Eleanor Slater Hospital in FY 2011 of \$7.1 million vs. \$6.1 million in FY 2010. This difference is offset in part by the fact that non-Medicaid board and support payments received by the Slater and Zambrano hospitals have been reclassified as restricted receipts in FY 2011. In FY 2010, \$163,508 of non-Medicaid payments for board and support of patients at Zambrano and Slater hospitals were received in July.

Finally, miscellaneous departmental revenues were up \$52,855, or 6.5 percent, through the first month of FY 2011 versus the first month of FY 2010. Much of this revenue is due to income on insurance examination fees which are up \$140,392 in FY 2011 vs. FY 2010 through July.

Adjusting FY 2011 total departmental receipts for the Hospital Licensing Fee and FY 2010 total departmental receipts for the Hospital Licensing Fee and the reclassification of non-Medicaid board and support payments for patients at Zambrano and Slater Hospital’s yields a base year-to-date growth rate of 2.6 percent.

Gas Tax Transfer

Annual Growth Rates	<u>Enacted Growth Estimate</u> n/a	<u>Actual YTD Growth</u> n/a	<u>Base YTD Growth</u> n/a
Annual Dollar Values	<u>Enacted Revenue Estimate</u> n/a	<u>Actual YTD Cash</u> n/a	

In the 2009 session, the General Assembly’s passed a budget article that no longer transfers \$0.01 of the state’s \$0.33 per gallon motor fuel tax to the general fund. One cent of the state’s \$0.33 per gallon motor fuel tax yielded \$348,287 in July 2010 vs. \$339,473 in July 2009, an increase of 2.6 percent in FY 2011 over FY 2010.

Other Miscellaneous Revenues

Annual Growth Rates	<u>Enacted Growth Estimate</u> -84.7%	<u>Actual YTD Growth</u> 6,188.4 %	<u>Base YTD Growth</u> -95.4 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$5.3 Million	<u>Actual YTD Cash</u> \$986,820	

Other Miscellaneous Revenues were up 6,188.4 percent in FY 2011 when compared to the same period one year ago. FY 2011 year-to-date collections total \$986,280 compared to \$15,684 collected at this time last fiscal year. The enacted FY 2011 growth estimate for other miscellaneous revenues is -84.7 percent from final enacted FY 2010 collections. In FY 2011, an adjustment of \$985,560 is made to account for the sale of the Smithfield Salt Barn that was posted in July of FY 2011 but accrues back to FY 2010. This adjustment yields a base year-to-date growth rate of -94.5 percent.

Lottery Transfer

Annual Growth Rates	<u>Enacted Growth Estimate</u> -0.4 %	<u>Actual YTD Growth</u> n/a	<u>Base YTD Growth</u> n/a
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$346.9 Million	<u>Actual YTD Cash</u> n/a	

The Lottery Transfer to the general fund does not commence until August of each fiscal year when July lottery receipts are transferred. By convention, the Lottery transfers June lottery receipts to the general fund during the relevant fiscal year rather than waiting until July to do so.

Unclaimed Property Transfer

Annual Growth Rates	<u>Final Growth Estimate</u> 7.1 %	<u>Actual YTD Growth</u> n/a %	<u>Base YTD Growth</u> n/a %
Annual Dollar Values	<u>Final Revenue Estimate</u> \$6.0 Million	<u>Actual YTD Cash</u> n/a	

The Unclaimed Property Transfer to the general fund occurs in June of every fiscal year.

Rosemary Booth Gallogly, Acting Director
Department of Revenue

August 19, 2010

STATE OF RHODE ISLAND MONTHLY REVENUE BRIEF
Year To Date Cash Collections

	FY 2010 YTD July	FY 2011 YTD July	Change	Enacted Estimate
<u>Personal Income Tax</u>	58,005,785	68,027,458	17.3%	2.1%
<u>General Business Taxes</u>				
Business Corporations	3,202,797	3,517,835	9.8%	3.5%
Public Utilities Gross Earnings	444,865	3,658,225	722.3%	1.0%
Financial Institutions	21,200	(192,710)	-1009.0%	-65.5%
Insurance Companies	2,968,171	147,269	-95.0%	3.3%
Bank Deposits	186,476	-	-	0.0%
Health Care Provider Assessment	3,512,491	3,160,820	-10.0%	-0.5%
<u>Excise Taxes</u>				
Sales and Use	72,653,280	75,697,329	4.2%	-0.1%
Motor Vehicle	710,752	3,969,395	458.5%	-1.0%
Motor Fuel	(65,848)	72,564	-	0.0%
Cigarettes	12,088,120	12,840,861	6.2%	-4.0%
Alcohol	1,215,332	1,244,794	2.4%	1.7%
Controlled Substances	-	-	-	-
<u>Other Taxes</u>				
Inheritance and Gift	933,306	1,520,944	63.0%	-1.4%
Racing and Athletics	174,801	93,444	-46.5%	-13.3%
Realty Transfer	550,523	649,450	18.0%	0.0%
Total Taxes	\$ 156,602,051	\$ 174,407,678	11.4%	0.8%
<u>Departmental Receipts</u>				
Licenses and Fees	130,032,646	127,505,114	-1.9%	
Fines and Penalties	105,630	125,058	18.4%	
Sales and Services	6,940,721	7,587,328	9.3%	
Miscellaneous	807,763	860,618	6.5%	
Total Departmental Receipts	\$ 137,886,760	\$ 136,078,118	-1.3%	3.9%
Taxes and Departmentals	\$ 294,488,811	\$ 310,485,796	5.4%	1.2%
<u>Other General Revenue Sources</u>				
Gas Tax Transfer	311,226	-	-	-
Other Miscellaneous Revenues	15,684	986,280	6188.4%	-84.7%
Lottery Transfer	-	-	-	-0.4%
Unclaimed Property	-	-	-	7.1%
Total Other Sources	\$ 326,910	\$ 986,280	201.7%	-7.9%
Total General Revenues	\$ 294,815,721	\$ 311,472,076	5.6%	0.0%