

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF REVENUE



State of Rhode Island Cash Collections Report
January 2012 Summary

Fiscal Year-to-Date through January:

FY 2012 year-to-date total general revenue cash collections through January were \$1.798 billion, up \$65.1 million or 5.4 percent, from the same period last fiscal year. The breakdown by major revenue components is as follows:

Component	FY 2011	FY 2012	Difference	% Change
Personal Income Tax	\$619,032,352	\$654,319,351	\$ 35,286,999	5.7 %
Sales and Use Taxes	496,334,257	514,925,119	18,590,862	3.7 %
Departmental Receipts	232,659,532	242,350,371	9,690,839	4.2 %
Lottery Transfer	172,432,519	184,547,321	12,114,802	7.0 %
All Other Revenues	212,390,720	201,805,896	(10,584,824)	-5.0 %
Total General Revenues	\$1,732,849,380	\$1,797,948,058	\$65,098,678	3.8 %

Month of January:

Total general revenue cash collections for January 2012 were \$280.8 million, up \$13.7 million or 5.1 percent, compared to January 2011. The breakdown by major revenue components is as follows:

Component	FY 2011	FY 2012	Difference	% Change
Personal Income Tax	\$ 112,000,379	\$ 119,459,423	\$ 7,459,044	6.7 %
Sales and Use Taxes	76,194,619	79,436,820	3,242,201	4.3 %
Departmental Receipts	21,361,780	25,921,198	4,559,418	21.3 %
Lottery Transfer	27,518,848	30,300,851	2,782,003	10.1 %
All Other Revenues	30,054,400	25,724,663	(4,329,737)	-14.4 %
Total General Revenues	\$ 267,130,026	\$ 280,842,955	\$ 13,712,929	5.1 %

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF REVENUE



State of Rhode Island Cash Collections Report
January 2012 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 RI General Law § 35-16-1). *Users of the 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.*

Total General Revenues

January	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$ 1.733 Billion	\$ 1.798 Billion	\$65.1 Million	3.8 %
Month	\$267.1 Million	\$280.8 Million	\$13.7 Million	5.1 %

Fiscal Year-to-Date through January:

Fiscal Year 2012 total general revenues collected through January 2012 have increased by 3.8 percent as compared to Fiscal Year 2011 total general revenues collected through January 2011. For the fiscal year-to-date period through January 2012, total general revenues were \$1.798 billion as compared to \$1.733 billion for the same period last year, an increase of \$65.1 million.

The following cash flow differences between FY 2011 and FY 2012 should be noted:

- In FY 2011, business corporation taxes include cash receipts of \$25.1 million that were classified as FY 2010 cash receipts. Public utilities gross earnings tax collections include \$3.3 million in receipts derived from an audit completed in FY 2010. Financial institution taxes include \$1.8 million for a prior year refund. Additionally, motor vehicle licenses and fees cash receipts were higher by \$965,328 as a result of the misposting of driving record abstracts receipts by the Division of Motor Vehicles. These receipts belong within the licenses and fees category of departmental receipts. The licenses and fees component of departmental receipts was \$495,517 more for teacher certification fees and physician licenses due to fee restructuring or the biennial periodicity of collections.

Furthermore, \$7.1 million in departmental sales and services revenues were received in July 2010 due to the late posting of Eleanor Slater Hospital's disproportionate share ("dish") receipts. These receipts were supposed to be posted in June of the prior fiscal year. Further, other miscellaneous revenues through January 2011 include \$2.9 million for the proceeds from the sale of state property, specifically the Smithfield Salt Barn, a pharmaceutical manufacturer settlement and a Medicaid program settlement. Finally, the lottery transfer includes \$1.6 million of cash receipts that were accrued to FY 2010.

- In FY 2012, cash collections include \$2.1 million from an audit of prior year sales activity and \$1.1 million in revenue from the posting of a separate top 100 list of business tax delinquents. Of the \$2.1 million received from the audit, \$1.3 million is unpaid sales and use tax and \$778,203 is interest on the late payments. Similarly, of the \$1.1 million generated by the top 100 business delinquents list, \$424,642 is unpaid sales tax, \$649,530 is interest charges and \$33,672 is a penalty on the late payment. In FY 2012, sales and use taxes include an unknown amount of additional revenue from the sales and use tax base expansion signed into law by Governor Chafee on June 30, 2011. The sales and use tax base expansion took effect on October 1, 2011 and receipts were remitted to the Division of Taxation for the first time in November 2011. Public utilities gross earnings tax collections include \$628,000 in receipts derived from an audit completed in FY 2012. Additionally, FY 2012 incorporates a transfer of \$425,000 from business corporations taxes to financial institution taxes for a prior year posting error corrected for in January 2012. In FY 2012, inheritance taxes include \$4.8 million in cash receipts from a one time large payment. In FY 2012, the hospital licensing fee generated \$10.5 million more through January 2012 than through January 2011. Additionally, \$923,651 more in departmental licenses and fees were received in August and October 2011 from imaging service surcharge fees. This increase is due to an audit recovery for the payment of bills for prior fiscal years. FY 2012 departmental receipts also include \$52,711 more in cash receipts from the establishment of the Division of Motor Vehicles road test fee. This fee was implemented on October 12, 2010. The FY 2012 cash flow difference also includes, \$508,053 in departmental miscellaneous revenues deposited in July 2011 as a result of a settlement agreement between the Office of the Attorney General and a major pharmaceutical manufacturer and the receipt of a \$2.0 million settlement from UBS. This payment is the result of a court ordered settlement associated with the investment of the escrow fund for the 2002 refunding of the State's debt when the State received the bond proceeds from the Tobacco Settlement Financing Corporation (TSFC). FY 2012 other miscellaneous revenues also include a cash flow difference of \$138,387 from a settlement associated with the State's Medicaid program. The FY 2012 lottery transfer nets out the State's share of the cost of the Twin River and Newport Grand marketing programs from July to October. As a result, the FY 2012 lottery transfer cash receipts are less by the amount of the marketing expenses of \$1.3 million. Finally, the October 2011 lottery transfer includes \$2.7 million of cash receipts that were accrued to FY 2011.

The table below displays fiscal year-to-date the differences in cash flows for FY 2011 and FY 2012 through January:

Revenue Source	Cash Flow Differences	YTD FY 2011	YTD FY 2012
Business Corporations	One time receipts from taxpayers	\$25,059,178	\$0
Business Corporations	Misposting of prior year receipts	\$0	\$(425,00)
Public Utilities	Audit recovery	\$3,301,779	\$628,000
Financial Institutions	Financial institutions prior FY refund	\$(1,751,207)	\$0
Financial Institutions	Misposting of prior year receipts	\$0	\$425,000
MV License and Fees	Driving record abstracts misposting	\$965,328	\$0
Sales and Use Taxes	One time audit payment	\$0	\$1,314,319
Sales and Use Taxes	Payment from tax delinquent	\$0	\$424,642
Inheritance and Gift	Large payment	\$0	\$4,750,597
Departmental Receipts	Biennial and fee restructuring	\$495,517	\$0
Departmental Receipts	FY 2010 "dish" payment	\$7,082,983	\$0
Departmental Receipts	Hospital licensing fee difference	\$0	\$10,537,148
Departmental Receipts	Attorney General settlement	\$0	\$508,053
Departmental Receipts	Imaging services surcharge receipts	\$0	\$923,651
Departmental Receipts	Driving record abstracts misposting	\$(965,328)	\$0
Departmental Receipts	DMV road test fee	\$0	\$52,711
Departmental Receipts	Interest from one time audit payment	\$0	\$778,203
Departmental Receipts	Interest from tax delinquent payment	\$0	\$649,530
Departmental Receipts	Penalty from tax delinquent payment	\$0	\$33,672
Other Misc. Revenues	Medicaid program settlement	\$1,022,439	\$138,387
Other Misc. Revenues	UBS settlement payment	\$0	\$1,951,166
Other Misc. Revenues	Pharmaceutical manufacturer sttlmnt	\$839,235	\$0
Other Misc. Revenues	Smithfield Salt Barn sale	\$985,560	\$0
Lottery Transfer	Joint marketing program	\$0	\$(1,312,267)
Lottery Transfer	Cash accrued to prior fiscal year	\$1,646,003	\$2,731,761

Month of January:

Total general revenues collected in January 2012 have increased by 5.1 percent as compared to January 2011 total general revenue collections. January 2012 total general revenues increased by \$13.7 million from January 2011 cash collections of \$267.1 million.

The following cash flow differences between January 2011 and January 2012 should be noted:

- In January 2011, business corporation taxes include cash receipts of \$10.7 million that were classified as FY 2010 cash receipts. Additionally, motor vehicle licenses and fees cash receipts were lower while sales and use taxes cash receipts were higher by \$2.2 million for the misposting of registry receipts. In addition, motor vehicle licenses and fees and sales and use taxes cash receipts were lower by \$54,556 and \$67,468 respectively because the payments to the City of Warwick for the rental vehicle surcharge and sales tax assessments on customer facilities charges which are usually made in December of a fiscal year were made in January. Finally, the January 2011 lottery transfer corrected for the State's share of the joint marketing program with Twin River being paid out of traditional games when it should have been paid out of VLTs in December 2010. As a result, traditional games are higher by \$220,892 and Twin River's VLT transfer is lower by the same amount in January 2011.
- In January 2012, sales and use taxes include an unknown amount of additional revenue from the sales and use tax base expansion signed into law by Governor Chafee on June 30, 2011. Public utilities gross earnings tax collections include \$628,000 in receipts derived from field audits completed in FY 2012. January 2012 incorporates a transfer of \$425,000 from business corporations taxes to financial institution taxes for a prior year posting error corrected for in January 2012. Finally, insurance companies gross premiums taxes are lower by \$100,000 and financial institutions taxes are higher by the same amount for the correction of a misposting of receipts in December 2011.

The table below displays the monthly differences in cash flows for FY 2011 and FY 2012 for January:

Revenue Source	Cash Flow Differences	January FY 2011	January FY 2012
Business Corporations	One time receipts from taxpayers	\$10,739,652	\$0
Business Corporations	Misposting of prior year receipts	\$0	\$(425,00)
MV license and fees	DMV mispostings of registry rcpts.	\$2,166,506	\$0
MV License and Fees	City of Warwick late payment	\$(67,468)	\$0
Sales and Use Taxes	City of Warwick late payment	\$(54,556)	\$0
Sales and Use Taxes	Registry receipts misposting	\$(2,166,506)	\$0
Insurance Companies	Misposting of December receipts	\$0	\$(100,00)
Financial Institutions	Misposting of prior year receipts	\$0	\$425,000
Financial Institutions	Misposting of December receipts	\$0	\$100,00
Lottery Transfer	Twin River marketing in games	\$220,892	\$0
Lottery Transfer	VLTs non marketing payment	\$(220,892)	\$0

Taxes and Departmental Receipts

January	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$1.557 Billion	\$1.611 Billion	\$ 54.0 Million	3.5 %
Month	\$239.6 Million	\$250.5 Million	\$ 10.9 Million	4.6 %

Fiscal Year-to-Date through January:

The Rhode Island Department of Revenue reports that FY 2012 taxes and departmental receipts collected through the first seven months of the fiscal year have increased by 3.5 percent as compared to FY 2011 cash collections for the comparable period a year ago. For the fiscal year-to-date period ending January, total taxes and departmental receipts were \$1.611 billion in FY 2012 as compared to \$1.557 billion for the same period last fiscal year, an increase of \$54.0 million.

Month of January:

January 2012 taxes and departmental receipts increased by \$10.9 million, or 4.6 percent compared to cash collections in January 2011. January 2012 taxes and departmental receipts totaled \$250.5 million compared to \$239.6 million in January 2011.

Other General Revenue Sources

January	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$175.8 Million	\$186.9 Million	\$11.1 Million	6.3 %
Month	\$ 27.5 Million	\$ 30.3 Million	\$ 2.8 Million	10.0 %

Fiscal Year-to-Date through January:

FY 2012 other general revenue sources collected through January of FY 2012 have increased by 6.3 percent as compared to cash collections through January of FY 2011. Other general revenue sources include 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. For the fiscal year-to-date period ending January, total other general revenue sources were \$186.9 million in FY 2012 as compared to \$175.8 million for the same period last year, an increase of \$11.1 million.

Month of January:

Other general revenue sources cash collections totaled \$30.3 million in January 2012 compared to \$27.5 million in January 2011, an increase of \$2.8 million. This increase translates into a growth rate of 10.0 percent.

Total Taxes

January	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$1.324 Billion	\$1.369 Billion	\$44.3 Million	3.3 %
Month	\$218.2 Million	\$224.6 Million	\$ 6.4 Million	2.9 %

Fiscal Year-to-Date through January:

Total tax revenues for the fiscal year-to-date period through January 2012 were \$1.369 billion, or 3.3 percent more than the \$1.324 billion in total tax cash collections through January 2011.

Month of January:

January 2012 total tax revenues of \$224.6 million increased by \$6.4 million or 2.9 percent compared to January 2011 cash collections of \$218.2 million.

Historic Structure Tax Credit Reimbursements:

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 2012, total historic structure tax credit redemptions/reimbursements for all taxes through January totaled \$1.4 million vs. \$6.5 million in FY 2011, a decrease of 79.2 percent. January 2012 total historic structure tax credit redemptions/reimbursements for all taxes totaled \$13,029 vs. the \$1.3 million in January 2011, a decrease of 99.0 percent.

The breakdown of the reimbursement of redeemed historic structures tax credits (HSTCs) by tax type is shown below:

Historic Structure Tax Credits	Year-to-Date		Monthly	
	FY 2011	FY 2012	January 2011	January 2012
Personal Income	\$5,726,996	\$ 988,230	\$1,231,260	\$ 10,683
Business Corporations	818,010	369,855	20,000	0
Financial Institutions	0	0	0	0
Insurance/Non-HMOs	974	2,346	0	2,346
Insurance/HMOs	0	0	0	0
Total	\$6,545,980	\$1,360,431	\$1,251,260	\$ 13,029

Personal Income Taxes

January	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$619.0 Million	\$654.3 Million	\$35.3 Million	5.7 %
Month	\$112.0 Million	\$119.5 Million	\$ 7.5 Million	6.7 %

Fiscal Year-to-Date through January:

Actual personal income tax cash collections for FY 2012 through the first seven months of the fiscal year were up \$35.3 million, or 5.7 percent, compared to the same period last fiscal year. Total personal income tax cash collections for FY 2012 through January were \$654.3 million vs. FY 2011 cash collections of \$619.0 million through January.

The FY 2012 year-to-date personal income tax cash collections include historic structures tax credit reimbursements through January of \$988,230 vs. \$5.7 million through January of FY 2011. FY 2012 year-to-date HSTC reimbursements for personal income taxes are \$4.7 million less than the same period in FY 2011, a decrease of 82.7 percent.

Month of January:

Personal income tax collections for January 2012 totaled \$119.5 million compared to January 2011 cash collections of \$112.0 million, a difference of \$7.5 million or 6.7 percent.

January 2012 cash collections include historic structures tax credit reimbursement of \$10,683 vs. \$1.2 million for January 2011. January 2012 HSTC reimbursements for personal income taxes are 99.1 percent less than January 2011, a decrease of \$1.2 million.

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 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.

Fiscal Year-to-Date through January:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$102,266,048	\$123,158,361	\$ 20,892,314	20.4 %
Final Payments*	33,449,492	29,676,238	(3,773,254)	-11.3 %
Refunds/Adjustments	(54,875,608)	(48,632,287)	6,243,321	-11.4 %
Withholding	538,192,420	550,117,039	11,924,619	2.2 %
* Final Payments include historic structures tax credit reimbursements of \$5.7 million in fiscal year-to-date 2011 and \$988,230 in fiscal year-to-date 2012.				

Within the components of personal income tax, FY 2012 estimated payments are up \$20.9 million or 20.4 percent on a fiscal year-to-date basis through January vs. the same period last fiscal year. Final payments are down \$3.8 million or -11.3 percent through the seventh month of FY 2012 relative to FY 2011 through the seventh month. Fiscal year-to-date FY 2012 final payments cash collections include \$988,230 in reimbursed historic structures tax credits vs. \$5.7 million in fiscal year-to-date FY 2011. Refunds and adjustments are fewer by \$6.2 million in FY 2012 through January vs. FY 2011 through January. Finally, FY 2012 withholding tax cash collections through the seventh month of the fiscal year are more by \$11.9 million or 2.2 percent relative to FY 2011 withholding tax cash collections through the seventh month of the fiscal year.

Month of January:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$ 36,974,351	\$ 44,924,034	\$ 7,949,683	21.5 %
Final Payments*	3,666,733	4,897,883	1,231,150	33.6 %
Refunds/Adjustments	(10,635,333)	(17,846,649)	(7,211,316)	67.8 %
Withholding	81,994,628	87,484,155	5,489,527	6.7 %
* Final Payments include historic structures tax credit reimbursements of \$1.2 million in January 2011 and \$10,683 in January 2012.				

Within the components of personal income tax, estimated payments received in January 2012 are up \$7.9 million or 21.5 percent compared to January 2011. Final payments are up \$1.2 million or 33.6 percent in the first seven months of FY 2012 relative to the first seven months of FY 2011. January 2012 final payments cash collections include \$10,683 in reimbursed historic structures tax credits vs. \$1.2 in January 2011. Refunds and adjustments are greater by \$7.2 million in January 2012 vs. January 2011. Finally, January 2012 withholding tax cash

collections are \$5.5 million, or 6.7 percent, more than January 2011 withholding tax cash collections.

Sales and Use Taxes

January	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$496.3 Million	\$514.9 Million	\$ 18.6 Million	3.7 %
Month	\$ 76.2 Million	\$ 79.4 Million	\$ 3.2 Million	4.3 %

Fiscal Year-to-Date through January:

Actual sales and use tax cash collections for FY 2012 through January of the fiscal year were up \$18.6 million, or 3.7 percent, compared to the same period last fiscal year. Total sales and use tax cash collections for FY 2012 through January were \$514.9 million vs. FY 2011 cash collections of \$496.3 million through January.

In FY 2012, sales and use taxes include an unknown amount of additional revenue from the sales and use tax base expansion signed into law by Governor Chafee on June 30, 2011. The sales and use tax base expansion took effect on October 1, 2011 and receipts were remitted to the Division of Taxation for the first time in November 2011.

Month of January:

Sales and use tax cash collections in January 2012 were \$3.2 million, or 4.3 percent, greater than January 2011 cash collections. Sales and use tax cash collections totaled \$79.4 million in January 2012 vs. cash collections of \$76.2 million in January 2011.

In January 2012, sales and use taxes include an unknown amount of additional revenue from the sales and use tax base expansion signed into law by Governor Chafee on June 30, 2011.

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 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.

Fiscal Year-to-Date through January:

Component	FY 2011	FY 2012	Difference	% Change
Net Taxation	\$439,199,688	\$457,810,691	\$18,611,003	4.2 %
Registry Receipts	47,931,201	48,687,080	755,879	1.6 %
Providence Place Mall	9,025,833	8,862,461	(163,372)	-1.8 %

Within the sales tax components, registry receipts were up 1.6 percent or \$755,879 through January of FY 2012 when compared to same period last fiscal year. Net sales tax receipts remitted directly to the Division of Taxation posted an increase of \$18.6 million or 4.2 percent during FY 2012's first seven months versus the first seven months of FY 2011. Providence Place Mall (PPM) sales tax receipts were 1.8 percent lower or -\$163,372 through January of FY 2012 versus the same period in FY 2011.

Month of January:

Component	FY 2011	FY 2012	Difference	% Change
Net Taxation	\$ 66,074,426	\$ 70,414,810	\$ 4,340,384	6.6 %
Registry Receipts	8,063,269	6,853,609	(1,209,659)	-15.0 %
Providence Place Mall	2,215,690	2,218,668	2,978	0.1 %

Within the sales tax components, registry receipts were down 15.0 percent or -\$1.2 million in January 2012 when compared to January 2011. Net sales tax receipts remitted directly to the Division of Taxation posted an increase of \$4.3 million or percent in January 2012 vs. January 2011. Providence Place Mall (PPM) sales tax receipts were 0.1 percent higher or \$2,978 in January 2012 versus January 2011.

General Business Taxes

January	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$77.7 Million	\$60.0 Million	\$(17.7 Million)	-22.7 %
Month	\$ 15.5 Million	\$ 6.9 Million	\$ (8.6 Million)	-55.2 %

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 and the varying fiscal years of corporations. 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.

Fiscal Year-to-Date through January:

FY 2012 total general business taxes collected through January 2012 of the fiscal year-to-date were \$60.0 million or \$17.7 million less than the \$77.7 million collected for the same period in FY 2011. Year-to-date growth in FY 2012 is -22.7 percent.

Health care provider assessment taxes through January 2012 were \$24.3 million, an increase of 2.3 percent over the same period in FY 2011. Bank deposit taxes tend to post irregularly until March, when the first 40.0 percent of estimated total tax liability is due. Through the first seven months of FY 2012, bank deposit taxes totaled \$205,546 compared to receipts of \$164,481 for the first seven months of FY 2011. The insurance companies gross premiums tax is down \$1.0 million year-to-date. FY 2012 insurance companies gross premiums tax cash collections through January 2012 total \$438,655 compared to collections of \$1.4 million in FY 2011 through January 2011. 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. The financial institutions tax is up \$3.1 million on a fiscal year-to-date cash basis in FY 2012 vs. FY 2011 through January. Financial institutions tax collections totaled \$1.8 million through January 2012 vs. -\$1.3 million through January 2011. Public utilities gross earnings taxes were \$3.1 million through January 2012, a decrease of 30.2 percent from collections of \$4.4 million through January 2011.

Month of January:

Total general business taxes collected in January 2012 were \$6.9 million or \$8.6 million less than the \$15.5 million collected in January 2011. This translates into a decrease of 55.2 percent in total general business taxes.

Health care provider assessment taxes for January 2012 were \$3.4 million, a decrease of 6.4 percent over January 2011 cash collections. There were no bank deposit taxes received in January 2012 compared to cash collections of \$160,640 of bank deposit taxes in January 2011. The insurance companies gross premiums tax is \$7,057 less in January 2012 vs. January 2011. January 2012 insurance companies gross premiums tax cash collections totaled \$138,406 compared to collections of \$145,463 in January 2011. Financial institutions taxes received in January 2012 totaled \$526,900 compared to cash collections of \$60,942 in January 2011. Public utilities gross earnings taxes were \$662,592 in January 2012, an increase of \$663,555 from collections of -\$963 in January 2011.

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 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.

Fiscal Year-to-Date through January:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$24,800,813	\$30,702,184	\$ 5,901,371	23.8 %
Final Payments*	42,360,674	18,308,694	(24,051,979)	-56.8 %
Refunds/Adjustments	(17,232,141)	(18,572,968)	(1,340,827)	7.8 %
* Final Payments include historic structures tax credit reimbursements of \$818,010 in fiscal year-to-date 2011 and \$369,855 in fiscal year-to-date 2012.				

Within the business corporations tax components, estimated payments were up by \$5.9 million or 23.8 percent through January of FY 2012 when compared to same period last fiscal year. Final payments posted a decrease of \$24.1 million or 56.8 percent during FY 2012's first seven months versus the first seven months of FY 2011. It should be noted that FY 2011 final payments cash receipts for business include \$25.1 million that was accrued back to FY 2010. Refunds and adjustments were greater by \$1.3 million through January of FY 2012 versus the same period in FY 2011, an increase of 7.8 percent.

Month of January:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$ 1,283,891	\$ 2,060,936	\$ 777,045	60.5 %
Final Payments	11,830,824	1,492,467	(10,338,357)	-87.4 %
Refunds/Adjustments	(1,568,815)	(1,313,208)	255,607	-16.3 %
* Final Payments include historic structures tax credit reimbursements of \$20,000 in January 2011 and no historic structures tax credit reimbursements in January 2012.				

Within the business corporations tax components, estimated payments were up \$777,045 in January 2012 vs. January 2011. Final payments posted a decrease of \$10.3 million or 87.4 percent in January 2012 when compared to January 2011. It should be noted that January 2012 final payments cash receipts for business include \$10.7 million that was accrued back to FY 2010. Refunds and adjustments were fewer by \$255,607 in January 2012 versus January 2011, a decrease of 16.3 percent.

Excise Taxes Other Than the Sales and Use Tax

January	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$113.4 Million	\$109.2 Million	\$ (4.2 Million)	-3.7 %
Month	\$ 13.0 Million	\$15.3 Million	\$ 2.3 Million	17.9 %

Fiscal Year-to-Date through January:

Excise taxes other than sales and use taxes collected in the fiscal year-to-date January 2012 period totaled \$109.2 million or \$4.2 million less than the \$113.4 million collected for the same period in FY 2011. The actual year-to-date growth rate in excise taxes other than the sales and use tax is -3.7 percent.

Motor vehicle operator license and registration fees cash collections are \$685,711 less in FY 2012 through January than in FY 2011 through January. This difference yields a fiscal year-to-date growth rate for motor vehicle operator licenses and registration fees cash collections of -3.0 percent. Motor carrier fuel use tax cash collections total \$521,998 in FY 2012 through January. This is a decrease of 5.4 percent over FY 2011 cash collections through January of \$552,014. FY 2012 alcohol excise taxes through January 2012 are up 1.4 percent, or \$98,862, from the \$7.1 million collected in FY 2011 through January 2010.

Rhode Island cigarettes 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 through the first seven months of FY 2012 were down \$3.6 million, or 4.4 percent compared to the first seven months of FY 2011.

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 a decrease in Rhode Island cigarette sales of 4.5 percent through January of FY 2012 versus through January of FY 2011.

Month of January:

Excise taxes other than sales and use taxes collected in January 2012 period totaled \$15.3 million or \$2.3 million more than the \$13.0 million collected in January 2011. This translates into a growth rate in excise taxes other than the sales and use tax 17.9 percent.

Motor vehicle operator license and registration fees cash collections totaled \$3.6 million, or \$2.0 million, more in January 2012 than in January 2011. Motor carrier fuel use tax cash collections total \$102,515 in January 2012. This is a decrease of \$40,190 over January 2011 cash collections of \$142,705. Alcohol excise taxes in January 2012 are up 3.5 percent, or \$34,823, from the \$997,155 collected in January 2011.

Total cigarette tax receipts in January 2012 were up \$311,325, or 3.0 percent compared to January 2011. This translates into an increase in Rhode Island cigarette sales of 2.6 percent in January 2012 versus January 2011.

Other Taxes

January	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$17.9 Million	\$30.3 Million	\$12.4 Million	68.8 %
Month	\$ 1.6 Million	\$ 3.5 Million	\$ 1.9 Million	120.4 %

Fiscal Year-to-Date through January:

Other taxes collected through January of FY 2012 totaled \$30.3 million versus \$17.9 million in other taxes collected during the same period last fiscal year, an increase of \$12.4 million, or 68.8 percent. Inheritance tax collections totaled \$25.7 million through January of FY 2012, an increase of \$12.6 million from the \$13.1 million collected through the first seven months of FY 2011. In FY 2012, inheritance taxes include \$4.8 million in cash receipts from a November 2011 large one time payment. Racing and athletics tax collections through January of FY 2012 were down 2.7 percent, or \$19,971, relative to the same period in FY 2011. Realty transfer taxes were down by 5.1 percent through January of FY 2012 versus through January of FY 2011, a decrease of \$211,366.

Month of January:

Other taxes collected in January 2012 totaled \$3.5 million versus \$1.6 million in other taxes collected in January 2011, an increase of \$1.9 million. Inheritance tax collections totaled \$2.9 million in January 2012, an increase of \$2.0 million collected in January 2011. Racing and athletics tax collections in January 2012 were up 5.7 percent, or \$5,232, relative to January 2011. Realty transfer taxes were down by \$134,502 in January 2012 versus the \$660,481 collected in January 2011.

Total Departmental Receipts

January	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$232.7 Million	\$242.4 Million	\$9.7 Million	4.2 %
Month	\$ 21.4 Million	\$ 25.9 Million	\$4.6 Million	21.3 %

Fiscal Year-to-Date through January:

FY 2012 year-to-date departmental receipts total \$242.4 million, an increase of \$9.7 million from the amount that was collected last fiscal year at this time. Actual departmental cash receipts for FY 2012 were up 4.2 percent when compared to cash receipts collected during the same period a year ago. FY 2012 year-to-date growth in the licenses and fees category of departmental receipts is 6.7 percent or \$12.8 million more than FY 2011 through January 2011. The FY 2011 Hospital Licensing Fee which was to be received in July of FY 2012 has totaled \$133.0 million or \$10.5 million more than was received in FY 2011 for the FY 2010 hospital licensing fee. Fines and penalties are up 1.2 percent through the first seven months of FY 2012 versus the first seven months of FY 2011, or \$196,922 more than fiscal year-to-date cash collections through January

2011. In the sales and services category of departmental receipts, FY 2012 year-to-date growth is -59.5 percent from FY 2011 cash collections of \$12.1 million through January 2011. The \$7.2 million decrease in sales and services departmental receipts is partially attributable to the delayed posting of the \$7.1 million disproportionate share (“dish”) payment made by the Eleanor Slater Hospital in FY 2011. Finally, miscellaneous departmental revenues were up \$3.9 million, or 33.3 percent, through January of FY 2012 versus the comparable period of FY 2011. Of this total difference, \$2.5 million is attributable to a reclassification of the drinking water protection fund in FY 2012 from the licenses and fees category to miscellaneous departmental revenue.

In the enacted FY 2012 budget signed into law by Governor Chafee on June 30, 2011 several departmental receipt fees were either increased or newly established. The increased fees through January include the estate filing fee; up \$57,400, the letter of good standing fee; up \$71,375, and the license fee for securities brokers and advisors; up \$1.8 million. New fees implemented this fiscal year include background checks completed by the Department of Children, Youth and Families which has collected \$33,361 through January and a non-sufficient funds check fee implemented at the Division of Motor Vehicles which has collected \$11,135 through the first seven months. A new grant of \$125,000 from the Urban Institute for work support strategies also increased departmental receipts in FY 2012.

Month of January:

Departmental receipts total \$25.9 million, an increase of \$4.6 million from the amount that was collected in January 2011. Actual departmental receipts for January 2012 were up 21.3 percent when compared to January 2011. January 2012 growth in the licenses and fees category of departmental receipts is 11.8 percent or \$1.7 million more than cash receipts in January 2011. Fines and penalties were up 32.7 percent, or \$1.4 million, in January 2012 versus January 2011. In the sales and services category of departmental receipts, January 2012 cash collections were \$847,137 or 26.4 percent more than January 2011 cash collections of \$669,988. Finally, miscellaneous departmental receipts were up \$1.3 million, or 1.3 percent in January 2012 vs. January 2011.

The fees affected by the enacted FY 2012 budget include the estate filing fee for which collections increased by \$8,325 in January 2012, the letter of good standing fee for which collections increased by \$16,775 in January 2012 versus January 2011, and the license fee for securities brokers and advisors which was up \$1.7 million from January 2011 cash receipts of \$5.9 million. Similarly the new fees implemented by the enacted FY 2012 budget had revenues of \$17,955 in background checks completed by the Department of Children, Youth and Families and \$2,725 for the returned check fee implemented at the Division of Motor Vehicles for the month of January 2012.

Motor Fuel Tax, Per Penny Yield

January	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$2,527,972	\$2,529,931	\$ 1,965	0.1 %
Month	\$ 331,473	\$ 352,721	\$21,248	6.4 %

The State's motor fuel tax consists of a \$0.32 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. 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 January:

The per penny yield of the state's motor fuel tax is \$1,965 more in FY 2012 through January than in FY 2011 through January. This represents an increase of 0.1 percent between the two fiscal year-to-date periods.

Month of January:

The per penny yield of the state's motor fuel tax totaled \$352,721 in January 2012, an increase of \$21,248, or 6.4 percent from January 2011 monthly cash collections of \$331,473

Other Miscellaneous Revenues

January	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$3.4 Million	\$2.3 Million	\$(1.1 Million)	-31.3 %
Month	\$ 20,639	\$ 2,107	\$ (18,532)	-89.8 %

Fiscal Year-to-Date through January:

Other miscellaneous revenues were down 31.3 percent in FY 2012 through January when compared to the same period one year ago. FY 2012 year-to-date collections total \$2.3 million compared to \$3.4 million collected at this time last fiscal year. In FY 2011, \$985,560 was deposited as a result of the sale of the Smithfield Salt Barn that was posted in July 2010 as well as \$839,235 which was received from a pharmaceutical manufacturer settlement in October 2010. Additionally, in FY 2011 \$1.0 million was deposited as a result of a settlement with the State's Medicaid program. In FY 2012, \$2.0 million was deposited as a result of a transfer from the Tobacco Settlement Financing Corporation in August 2011 and \$138,387 was received in a settlement associated with the State's Medicaid program in September 2011.

Month of January:

January 2012 cash collections for other miscellaneous revenues were down \$18,532 compared to January 2011 cash collections of \$20,639.

Lottery Transfer

January	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$172.4 Million	\$184.5 Million	\$12.1 Million	7.0 %
Month	\$ 27.5 Million	\$ 30.3 Million	\$ 2.8 Million	10.1 %

Fiscal Year-to-Date through January:

The lottery transfer to the general fund does not commence until August of each fiscal year when July lottery receipts are transferred. The lottery transfer is up 7.0 percent in FY 2012 through January when compared to FY 2011 through January. FY 2012 year-to-date collections totaled \$184.5 million or \$12.1 million more than cash collections through the seventh month of FY 2011.

Month of January:

January 2012 cash collections for the lottery transfer are up \$2.8 million compared to January 2011 cash collections of \$27.5 million. The lottery transfer is up 10.1 percent in January of FY 2012 when compared to the same period one year ago.

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 revenues.

Fiscal Year-to-Date through January:

Component	FY 2011	FY 2012	Difference	% Change
Traditional Games	\$ 18,654,326	\$ 18,261,771	\$ (392,555)	-2.1%
Keno	8,267,173	8,868,588	601,415	7.3 %
Twin River VLTs	127,661,928	140,133,920	12,471,991	9.8 %
Newport Grand VLTs	15,793,446	15,701,679	(91,768)	-0.6 %

Within the lottery transfer components, traditional games were less by \$392,555 or -2.1 percent through the seventh month of FY 2012 when compared to same period last fiscal year. Keno cash collections posted an increase of \$601,415 or 7.3 percent during FY 2012's period through January versus the comparable period of FY 2011. The transfer from Twin River's video lottery terminals (VLTs) totaled \$140.1 million through January of FY 2012 an increase of \$12.5 million, or 9.8 percent, from FY 2011 cash collections for the comparable period a year ago. The FY 2012 year-to-date transfer from Newport Grand's VLTs totaled \$15.7 million versus the \$15.8 million collected through January of FY 2011. This translates into a decrease of \$91,768, or -0.6 percent. It should be noted that both Twin River and Newport Grand VLT cash

collections do not reflect unclaimed prizes, distressed receipts and the state's payment to either Newport Grand's or Twin River's marketing program.

Month of January:

Component	FY 2011	FY 2012	Difference	% Change
Traditional Games	\$ 4,149,105	\$ 3,718,516	\$ (430,589)	-10.4 %
Keno	1,457,469	1,511,966	54,497	3.7 %
Twin River VLTs	19,943,293	22,893,167	2,949,874	14.8 %
Newport Grand VLTs	2,125,769	2,368,894	243,124	11.4 %

Within the lottery transfer components, traditional games were less by \$430,589 or 10.4 percent in January of FY 2012 when compared to same month last fiscal year. Keno cash collections posted an increase of \$54,497 or 3.7 percent in January 2012 versus January 2011. The transfer from Twin River's video lottery terminals (VLTs) totaled \$22.9 million in January of FY 2012, an increase of \$2.9 million, or 14.8 percent, for the comparable month a year ago. The FY 2012 January monthly transfer from Newport Grand's VLTs totaled \$2.4 million. This translates into an increase of 11.4 percent, or \$234,124, when compared to the \$2.1 million collected in January of FY 2011.

Unclaimed Property Transfer

The unclaimed property transfer to the general fund occurs in June of every fiscal year.



Rosemary Booth Gallogly, Director
Rhode Island Department of Revenue

February 10, 2012

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Fiscal Year To Date

	FY 2011 YTD January	FY 2012 YTD January	Nominal Difference	Change
<u>Personal Income Tax</u>	619,032,352	654,319,351	35,286,999	5.7%
<u>General Business Taxes</u>				
Business Corporations	49,292,803	30,224,893	(19,067,910)	-38.7%
Public Utilities Gross Earnings	4,382,154	3,060,575	(1,321,579)	-30.2%
Financial Institutions	(1,340,495)	1,802,802	3,143,297	-234.5%
Insurance Companies	1,447,163	438,655	(1,008,508)	-69.7%
Bank Deposits	164,481	205,546	41,065	25.0%
Health Care Provider Assessment	23,751,530	24,290,447	538,917	2.3%
<u>Excise Taxes</u>				
Sales and Use	496,334,257	514,925,119	18,590,862	3.7%
Motor Vehicle	23,177,295	22,491,584	(685,711)	-3.0%
Motor Carrier Fuel Use	552,014	521,998	(30,016)	-5.4%
Cigarettes	82,553,340	78,957,031	(3,596,309)	-4.4%
Alcohol	7,108,232	7,207,094	98,862	1.4%
Controlled Substances	-	-	-	-
<u>Other Taxes</u>				
Inheritance and Gift	13,106,423	25,691,007	12,584,584	96.0%
Racing and Athletics	730,667	710,696	(19,971)	-2.7%
Realty Transfer	4,107,746	3,896,380	(211,366)	-5.1%
Total Taxes	\$ 1,324,399,962	\$ 1,368,743,178	\$ 44,343,216	3.3%
<u>Departmental Receipts</u>				
Licenses and Fees	191,941,057	204,706,925	12,765,868	6.7%
Fines and Penalties	16,882,325	17,079,247	196,922	1.2%
Sales and Services	12,069,757	4,882,564	(7,187,193)	-59.5%
Miscellaneous	11,766,393	15,681,635	3,915,242	33.3%
Total Departmental Receipts	\$ 232,659,532	\$ 242,350,371	\$ 9,690,839	4.2%
Taxes and Departmentals	\$ 1,557,059,494	\$ 1,611,093,549	\$ 54,034,055	3.5%
<u>Other General Revenue Sources</u>				
Other Miscellaneous Revenues	3,357,367	2,307,188	(1,050,179)	-31.3%
Lottery Transfer	172,432,519	184,547,321	12,114,802	7.0%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 175,789,886	\$ 186,854,509	\$ 11,064,623	6.3%
Total General Revenues	\$ 1,732,849,380	\$ 1,797,948,058	\$ 65,098,678	3.8%

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Month of January

	FY 2011 January	FY 2012 January	Nominal Difference	% Change
<u>Personal Income Tax</u>	112,000,379	119,459,423	7,459,044	6.7%
<u>General Business Taxes</u>				
Business Corporations	11,530,588	2,246,385	(9,284,203)	-80.5%
Public Utilities Gross Earnings	(963)	662,592	663,555	-
Financial Institutions	60,942	526,900	465,958	764.6%
Insurance Companies	145,463	138,406	(7,057)	-4.9%
Bank Deposits	160,640	-	(160,640)	-
Health Care Provider Assessment	3,588,651	3,358,345	(230,306)	-6.4%
<u>Excise Taxes</u>				
Sales and Use	76,194,619	79,436,820	3,242,201	4.3%
Motor Vehicle	1,542,830	3,559,717	2,016,887	130.7%
Motor Carrier Fuel Use	142,705	102,515	(40,190)	-28.2%
Cigarettes	10,272,501	10,583,826	311,325	3.0%
Alcohol	997,155	1,031,978	34,823	3.5%
Controlled Substances	-	-	-	-
<u>Other Taxes</u>				
Inheritance and Gift	841,399	2,889,312	2,047,913	243.4%
Racing and Athletics	91,369	96,601	5,232	5.7%
Realty Transfer	660,481	525,979	(134,502)	-20.4%
Total Taxes	\$ 218,228,759	\$ 224,618,799	\$ 6,390,040	2.9%
<u>Departmental Receipts</u>				
Licenses and Fees	14,755,262	16,489,661	1,734,399	11.8%
Fines and Penalties	4,153,557	5,510,792	1,357,235	32.7%
Sales and Services	669,988	847,137	177,149	26.4%
Miscellaneous	1,782,973	3,073,608	1,290,635	72.4%
Total Departmental Receipts	\$ 21,361,780	\$ 25,921,198	\$ 4,559,418	21.3%
Taxes and Departmentals	\$ 239,590,539	\$ 250,539,997	\$ 10,949,458	4.6%
<u>Other General Revenue Sources</u>				
Other Miscellaneous Revenues	20,639	2,107	(18,532)	-89.8%
Lottery Transfer	27,518,848	30,300,851	2,782,003	10.1%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 27,539,487	\$ 30,302,958	\$ 2,763,471	10.0%
Total General Revenues	\$ 267,130,026	\$ 280,842,955	\$ 13,712,929	5.1%