

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF REVENUE



State of Rhode Island Cash Collections Report
May 2012 Summary

Fiscal Year-to-Date through May:

FY 2012 year-to-date total general revenue cash collections through May were \$2.808 billion, up \$102.8 million or 3.8 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	\$910,905,659	\$955,140,984	\$ 44,235,325	4.9 %
Sales and Use Taxes	746,826,798	775,304,209	28,477,411	3.8 %
Departmental Receipts	294,071,148	304,495,893	10,424,745	3.5 %
Lottery Transfer	295,003,332	316,019,759	21,016,427	7.1 %
All Other Revenues	457,870,267	456,551,515	(1,318,752)	-0.3 %
Total General Revenues	\$2,704,677,204	\$2,807,512,360	\$102,835,156	3.8 %

Month of May:

Total general revenue cash collections for May 2012 were \$216.6 million, up \$24.1 million or 12.5 percent, compared to May 2011. The breakdown by major revenue components is as follows:

Component	FY 2011	FY 2012	Difference	% Change
Personal Income Tax	\$ 52,746,407	\$ 74,997,427	\$ 22,251,020	42.2 %
Sales and Use Taxes	67,067,172	68,357,304	1,290,132	1.9 %
Departmental Receipts	14,643,703	15,556,420	912,717	6.2 %
Lottery Transfer	32,872,402	32,620,054	(252,348)	-0.8 %
All Other Revenues	25,147,460	25,061,844	(85,616)	-0.3 %
Total General Revenues	\$ 192,477,144	\$ 216,593,049	\$ 24,115,905	12.5 %

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF REVENUE



State of Rhode Island Cash Collections Report
 May 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

May	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$ 2.705 Billion	\$ 2.808 Billion	\$102.8 Million	3.8 %
Month	\$192.5 Million	\$216.6 Million	\$ 24.1 Million	12.5 %

Fiscal Year-to-Date through May:

Fiscal Year 2012 total general revenues collected through May 2012 have increased by 3.8 percent as compared to Fiscal Year 2011 total general revenues collected through May 2011. For the fiscal year-to-date period through May 2012, total general revenues were \$2.808 billion as compared to \$2.705 billion for the same period last year, an increase of \$102.8 million.

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

FY 2011

- Business corporation taxes include cash receipts of \$25.1 million that were classified as FY 2010 cash receipts. Furthermore, FY 2011 business corporation tax cash collections include \$325,000 in receipts that should have been posted to financial institution taxes, these receipts were corrected for in January 2012 and March 2012.
- 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.

- Motor vehicle licenses and fees cash receipts were higher by \$322,560 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.
- Inheritance and gift tax collections are greater while cigarette and other tobacco products taxes are less by \$474,810 for the misposting of cigarette stamp receipts in May 2011.
- The licenses and fees component of departmental receipts was \$961,077 less for physician licenses due to 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. Other miscellaneous revenues through May 2011 include \$2.8 million for the proceeds from the sale of state property, specifically the Smithfield Salt Barn, a pharmaceutical manufacturer settlement, and a settlement associated with the State's Medicaid program.
- The lottery transfer includes \$1.6 million of cash receipts that were accrued to FY 2010.

FY 2012

- Personal income tax collections include \$12.6 million and \$2.2 million in withholding tax payments from the sale in Rhode Island of the winning tickets for \$336.4 million and \$60.0 million Powerball jackpots.
- Sales and use tax cash collections include \$1.3 million from an audit of prior year sales activity and \$424,642 in revenue from the posting of a separate top 100 list of business tax delinquents. FY 2012, sales and use taxes also 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. FY 2012 sales and use tax cash collections also include a refund of \$2.1 million paid in February 2012 for prior year sales and use tax activity, specifically November 1, 2005 through August 31, 2010.
- Public utilities gross earnings tax collections include \$628,000 in receipts derived from an audit completed in FY 2012.
- FY 2012 financial institutions tax cash collections incorporate a transfer of \$725,000 from business corporations taxes for a FY 2011 posting error corrected for in January and March 2012.
- Inheritance taxes include \$4.8 million and \$5.1 million in infrequently occurring cash receipts posted in November 2011 and April 2012.
- The hospital licensing fee generated \$10.8 million more through May 2012 than May 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. The FY 2012 licenses and fees component of departmental receipts were \$177,680 more for teacher certification fees due to the implementation of a restructured fee schedule. This fee schedule was implemented in January 2012, with receipts being remitted to the State for the first time in February 2012. The fines and penalties component of departmental receipts also include \$778,203 and \$649,530 in interest payments from an audit of prior year sales

activity and the posting of a separate top 100 list of business tax delinquents. Additionally, \$33,672 was received in penalties as a result of a separate top 100 list of business tax delinquents. 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. Additionally, departmental miscellaneous revenues are less by \$86,877 for a transfer of receipts from the Rhode Island Department of Education's indirect cost recovery account to a restricted receipt account. This transfer occurred to correct for an improper assessment in indirect cost recovery receipts received in FY 2011 and FY 2010. Finally, departmental miscellaneous revenues are less by \$114,676 as the result of a duplicate transfer entry from general revenue to a restricted receipt account. This transaction will be reversed in June 2012.

- FY 2012 other miscellaneous revenues include the receipt of a \$2.0 million settlement from UBS and a \$3.3 million settlement from Wachovia. These payments are the result of court ordered settlements 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 \$566,679 and \$946,056 from settlements associated with the State's Medicaid program and a pharmaceutical manufacturer.
- 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 May:

Revenue Source	Cash Flow Differences	YTD FY 2011	YTD FY 2012
Personal Income Tax	Powerball withholding tax payments	\$0	\$14,796,878
Business Corporations	One time receipts from taxpayers	\$25,059,178	\$0
Business Corporations	Misposting of prior year receipts	\$325,000	\$(725,000)
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	\$(325,000)	\$725,000
Sales and Use Taxes	One time audit payment	\$0	\$1,314,319
Sales and Use Taxes	Payment from tax delinquent	\$0	\$424,642
Sales and Use Taxes	Refund paid for prior year activity	\$0	\$(2,083,626)
MV License and Fees	Driving record abstracts misposting	\$322,560	\$0
Cigarette Excise Taxes	Misposting of cigarette stamp receipts	\$(474,810)	\$0

Revenue Source	Cash Flow Differences	YTD FY 2011	YTD FY 2012
Inheritance and Gift	Misposting of cigarette stamp receipts	\$474,810	\$0
Inheritance and Gift	Infrequently occurring tax payments	\$0	\$9,870,519
Departmental Receipts	Physician biennial fee	\$(961,077)	\$0
Departmental Receipts	Teacher certification restructuring	\$0	\$177,680
Departmental Receipts	FY 2010 "dish" payment	\$7,082,983	\$0
Departmental Receipts	Hospital licensing fee difference	\$0	\$10,834,844
Departmental Receipts	Attorney General settlement	\$0	\$508,053
Departmental Receipts	Imaging services surcharge receipts	\$0	\$923,651
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
Departmental Receipts	RIDE indirect cost recovery transfer	\$0	\$(86,877)
Departmental Receipts	Duplicate transfer entry	\$0	\$(114,676)
Departmental Receipts	Driving record abstracts misposting	\$(322,560)	\$0
Other Misc. Revenues	Medicaid program settlement	\$1,022,439	\$566,679
Other Misc. Revenues	UBS settlement payment	\$0	\$1,951,166
Other Misc. Revenues	Wachovia settlement payment	\$0	\$3,271,648
Other Misc. Revenues	Pharmaceutical manufacturer sttlmnt	\$839,235	\$946,056
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 May:

Total general revenues collected in May 2012 have increased by 12.5 percent as compared to May 2011 total general revenue collections. May 2012 total general revenues increased by \$24.1 million from May 2011 cash collections of \$192.5 million.

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

- In May 2011, Inheritance and gift tax collections are greater while cigarette and other tobacco products taxes are less by \$474,810 for the misposting of cigarette stamp receipts. Additionally, motor vehicle licenses and fees cash receipts were higher while the departmental receipts license and fees category were lower by \$322,560 for the misposting of driving record abstracts. Finally, the licenses and fees component of

departmental receipts was \$1.2 million less for physician licenses due to the biennial periodicity of collections.

- In May 2012, departmental miscellaneous revenues are less by \$113,486 for a transfer of receipts from the Rhode Island Department of Education's indirect cost recovery account to a restricted receipt account. This transfer occurred to correct for an improper assessment in indirect cost recovery receipts in FY 2012 through FY 2010. Additionally, departmental miscellaneous revenues are less by \$114,676 as the result of a duplicate transfer entry to a restricted receipt account. This transaction will be reversed in June 2012. The licenses and fees component of departmental receipts were \$149,550 more for teacher certification fees due to the implementation of a restructured fee schedule. Finally, other miscellaneous revenues also include a cash flow difference of \$946,056 from a settlement with a pharmaceutical manufacturer

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

Revenue Source	Cash Flow Differences	May FY 2011	May FY 2012
MV License and Fees	Driving record abstracts misposting	\$322,560	\$0
Cigarette Excise Taxes	Misposting of cigarette stamp receipts	\$(474,810)	\$0
Inheritance and Gift	Misposting of cigarette stamp receipts	\$474,810	\$0
Departmental Receipts	Driving record abstracts misposting	\$(322,560)	\$0
Departmental Receipts	Physician biennial fee	\$(1,170,231)	\$0
Departmental Receipts	RIDE indirect cost recovery transfer	\$0	\$(113,486)
Departmental Receipts	Duplicate transfer entry	\$0	\$(114,676)
Departmental Receipts	Teacher certification restructuring	\$0	\$149,550
Other Misc. Revenues	Pharmaceutical manufacturer sttlmnt	\$0	\$946,056

Taxes and Departmental Receipts

May	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$ 2.399 Billion	\$ 2.484 Billion	\$ 84.9 Million	3.5 %
Month	\$159.0 Million	\$182.9 Million	\$ 23.9 Million	15.0 %

Fiscal Year-to-Date through May:

The Rhode Island Department of Revenue reports that FY 2012 taxes and departmental receipts collected through eleven 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 May, total taxes and departmental receipts were \$2.484 billion in FY 2012 as compared to \$2.399 billion for the same period last fiscal year, an increase of \$84.9 million.

Month of May:

May 2012 taxes and departmental receipts increased by \$23.9 million, or 15.0 percent compared to cash collections in May 2011. May 2012 taxes and departmental receipts totaled \$182.9 million compared to \$159.0 million in May 2011.

Other General Revenue Sources

May	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$305.3 Million	\$323.3 Million	\$ 18.0 Million	5.9 %
Month	\$ 33.5 Million	\$ 33.7 Million	\$ 258,810	0.8 %

Fiscal Year-to-Date through May:

Other general revenue sources collected through May of FY 2012 have increased by 5.9 percent as compared to cash collections through May 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 in May, total other general revenue sources were \$323.3 million in FY 2012 as compared to \$305.3 million for the same period last year, an increase of \$18.0 million.

Month of May:

Other general revenue sources cash collections totaled \$33.7 million in May 2012 compared to \$33.5 million in May 2011, an increase of \$258,810. This increase translates into a growth rate of 0.8 percent.

Total Taxes

May	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$ 2.105 Billion	\$ 2.180 Billion	\$ 74.4 Million	3.5 %
Month	\$144.4 Million	\$167.3 Million	\$ 22.9 Million	15.9 %

Fiscal Year-to-Date through May:

Total tax revenues for the fiscal year-to-date period through May 2012 were \$2.180 billion, or 3.5 percent more than the \$2.105 billion in total tax cash collections through May 2011.

Month of May:

May 2012 total tax revenues of \$167.3 million increased by \$22.9 million or 15.9 percent compared to May 2011 cash collections of \$144.4 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 May totaled \$6.4 million vs. \$13.8 million in FY 2011, a decrease of 53.6 percent. May 2012 total historic structure tax credit redemptions/reimbursements for all taxes totaled \$104,682 vs. the \$543,851 in May 2011, a decrease of \$439,169.

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	May 2011	May 2012
Personal Income	\$ 6,325,323	\$ 1,210,000	\$ 239,679	\$ 104,682
Business Corporations	818,010	913,855	0	0
Financial Institutions	0	0	0	0
Insurance/Non-HMOs	1,029,825	323,151	304,172	0
Insurance/HMOs	5,619,604	3,958,906	0	0
Total	\$13,792,762	\$ 6,405,912	\$ 543,851	\$ 104,682

Personal Income Taxes

May	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$910.9 Million	\$955.1 Million	\$ 44.2 Million	4.9 %
Month	\$ 52.7 Million	\$ 75.0 Million	\$ 22.3 Million	42.2 %

Fiscal Year-to-Date through May:

Actual personal income tax cash collections for FY 2012 through eleven months of the fiscal year were up \$44.2 million, or 4.9 percent, compared to the same period last fiscal year. Total personal income tax cash collections for FY 2012 through May were \$955.1 million vs. FY 2011 cash collections of \$910.9 million through May.

The FY 2012 year-to-date personal income tax cash collections include historic structures tax credit reimbursements through May of \$1.2 million vs. \$6.3 million through May of FY 2011. FY 2012 year-to-date HSTC reimbursements for personal income taxes are \$5.1 million less than the same period in FY 2011, a decrease of 80.9 percent.

Month of May:

Personal income tax collections for May 2012 totaled \$75.0 million compared to May 2011 cash collections of \$52.7 million, an increase of \$22.3 million or 42.2 percent.

May 2012 cash collections include historic structures tax credit reimbursement of \$104,682 vs. \$239,679 for May 2011. May 2012 HSTC reimbursements for personal income taxes are 56.3 percent less than May 2011, a decrease of \$134,997.

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 May:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$133,304,569	\$154,200,479	\$ 20,895,910	15.7 %
Final Payments*	183,392,502	168,645,417	(14,747,086)	-8.0 %
Refunds/Adjustments	(254,067,682)	(258,944,880)	(4,877,199)	1.9 %
Withholding	848,276,270	891,239,970	42,963,699	5.1 %
* Final Payments include historic structures tax credit reimbursements of \$6.3 million in fiscal year-to-date 2011 and \$1.2 million in fiscal year-to-date 2012.				

Within the components of personal income tax, FY 2012 estimated payments are up \$20.9 million or 15.7 percent on a fiscal year-to-date basis through May vs. the same period last fiscal year. Final payments are down \$14.7 million or 8.0 percent through the eleventh month of FY 2012 relative to FY 2011 through the eleventh month. Fiscal year-to-date FY 2012 final payments cash collections include \$1.2 million in reimbursed historic structures tax credits vs. \$6.3 million in fiscal year-to-date FY 2011. Refunds and adjustments are greater by \$4.9 million in FY 2012 through May vs. FY 2011 through May. For the January through May period, 408,996 income tax refunds were paid in FY 2012 for tax year 2011 at an average of \$540.28. For the same period in FY 2011 for tax year 2010, the comparable figures are 375,657 and \$542.24. Finally, FY 2012 withholding tax cash collections through the eleventh month of the fiscal year are more by \$43.0 million or 5.1 percent relative to FY 2011 withholding tax cash collections through the tenth month of the fiscal year. FY 2012 through May withholding tax

payments include \$14.8 million from the sale in Rhode Island of the winning tickets for the \$336.4 million and \$60.0 million Powerball jackpots.

Month of May:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$ 2,133,162	\$ 2,496,363	\$ 363,201	17.0 %
Final Payments*	4,653,367	5,116,654	463,287	10.0 %
Refunds/Adjustments	(29,079,274)	(13,654,084)	15,425,190	-53.0 %
Withholding	75,039,152	81,038,495	5,999,342	8.0 %
* Final Payments include historic structures tax credit reimbursements of \$239,679 in May 2011 and \$104,682 in May 2012.				

Within the components of personal income tax, estimated payments received in May 2012 are up \$363,201 or 17.0 percent compared to May 2011. Final payments are up \$463,287 or 10.0 percent in May of FY 2012 relative to May of FY 2011. May 2012 final payments cash collections include \$104,682 in reimbursed historic structures tax credits vs. \$239,679 in May 2011. Refunds and adjustments are fewer by \$15.4 million in May 2012 vs. May 2011. In May 2012, 18,751 income tax refunds were paid for tax year 2011 at an average of \$687.13. For the same period in FY 2011, the comparable figures for tax year 2010 are 27,501 and \$1,042.70. Finally, May 2012 withholding tax cash collections are \$6.0 million, or 8.0 percent, more than May 2011 withholding tax cash collections.

Sales and Use Taxes

May	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$746.8 Million	\$775.3 Million	\$ 28.5 Million	3.8 %
Month	\$ 67.1 Million	\$ 68.4 Million	\$ 1.3 Million	1.9 %

Fiscal Year-to-Date through May:

Actual sales and use tax cash collections for FY 2012 through May of the fiscal year were up \$28.5 million, or 3.8 percent, compared to the same period last fiscal year. Total sales and use tax cash collections for FY 2012 through May were \$775.3 million vs. FY 2011 cash collections of \$746.8 million through May.

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 May:

Sales and use tax cash collections in May 2012 were \$1.3 million, or 1.9 percent, greater than May 2011 cash collections. Sales and use tax cash collections totaled \$68.4 million in May 2012 vs. cash collections of \$67.1 million in May 2011.

In May 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 May:

Component	FY 2011	FY 2012	Difference	% Change
Net Taxation	\$657,432,581	\$683,511,612	\$26,079,031	4.0 %
Registry Receipts	76,096,214	78,988,051	2,891,837	3.8 %
Providence Place Mall	13,059,093	13,225,856	166,763	1.3 %

Within the sales tax components, registry receipts were up 3.8 percent or \$2.9 million through May 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 \$26.1 million or 4.0 percent during FY 2012's first eleven months versus the first eleven months of FY 2011. Providence Place Mall (PPM) sales tax receipts were 1.3 percent higher or \$166,763 through May of FY 2012 versus the same period in FY 2011.

Month of May:

Component	FY 2011	FY 2012	Difference	% Change
Net Taxation	\$ 58,847,157	\$ 59,965,524	\$ 1,109,367	1.9 %
Registry Receipts	7,236,682	7,176,029	(60,653)	-0.8 %
Providence Place Mall	988,027	1,028,041	40,014	4.0 %

Within the sales tax components, registry receipts were down 0.8 percent or \$60,653 in May 2012 when compared to May 2011. Net sales tax receipts remitted directly to the Division of Taxation posted an increase of \$1.1 million or 1.9 percent in May 2012 vs. May 2011. Providence Place Mall (PPM) sales tax receipts were 4.0 percent higher or \$40,014 in May 2012 versus May 2011.

General Business Taxes

May	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$238.6 Million	\$225.4 Million	\$(13.2 Million)	-5.5 %
Month	\$ 6.1 Million	\$ 4.6 Million	\$ (1.5 Million)	-24.4 %

In general, businesses with Rhode Island tax liabilities make estimated payments of their tax year liabilities in March and June of the fiscal year, with 40.0 percent of the estimated total tax liability due in March and 60.0 percent of the estimated total tax liability due in June. There is one exception to this payment pattern, namely the health care provider assessment, payments of which are made on a monthly basis. Business corporations, or corporate income, tax payments are also received more consistently over the course of the fiscal year due to the 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 May:

FY 2012 total general business taxes collected through May of the fiscal year were \$225.4 million or \$13.2 million less than the \$238.6 million collected for the same period in FY 2011. Year-to-date growth in FY 2012 is -5.5 percent.

The health care provider assessment through May 2012 was \$38.4 million, an increase of 3.4 percent over the same period in FY 2011. Through eleven months of FY 2012, bank deposit taxes totaled \$927,203 or 5.5 percent higher than the \$879,271 in bank deposits taxes received in the first eleven months of FY 2011. The insurance companies gross premiums tax is down \$4.7 million or -10.0 percent on a fiscal year-to-date basis. FY 2012 insurance companies gross premiums tax cash collections through May 2012 total \$42.4 million compared to collections of \$47.1 million in FY 2011 through May 2011. Year-to-date FY 2012 insurance companies gross premiums taxes include \$4.3 million in reimbursed Historic Structures Tax Credits a decrease of 35.6 percent from year-to-date FY 2011 reimbursed HSTCs of \$6.6 million. The financial institutions tax is up \$3.0 million on a fiscal year-to-date cash basis in FY 2012 vs. FY 2011 through May. Financial institutions tax collections totaled \$2.3 million through May 2012 vs. -\$739,060 through May 2011. Public utilities gross earnings taxes are \$45.3 million through May 2012, a decrease of 9.9 percent from collections of \$50.3 million through May 2011.

Month of May:

Total general business taxes collected in May 2012 were \$4.6 million or \$1.5 million less than the \$6.1 million collected in May 2011. This translates into a decrease of 24.4 percent in total general business taxes.

The health care provider assessment for May 2012 was \$3.8 million, an increase of 10.4 percent over May 2011 cash collections. Bank deposit taxes totaled \$23,724 in May 2012 compared to

no bank deposit taxes collected in May 2011. The insurance companies gross premiums tax is \$1.7 million less in May 2012 vs. the \$1.8 million in May 2011 cash collections. May 2012 insurance companies gross premiums tax cash collections totaled \$21,523. There were no historic structures tax credit certificates redeemed against insurance companies gross premiums taxes in May 2012 versus \$304,172 in redeemed HSTC certificates in May 2011. Financial institutions taxes received in May 2012 totaled \$94,714 compared no financial institutions taxes collected in May 2011. Public utilities gross earnings tax receipts were \$239,426 in May 2012, a decrease of \$1.4 million from collections of \$1.6 million in May 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 May:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$ 46,661,652	\$55,314,509	\$ 8,652,857	18.5 %
Final Payments*	86,750,011	63,832,575	(22,917,435)	-26.4 %
Refunds/Adjustments	(28,813,835)	(22,240,283)	6,573,552	-22.8 %
* Final Payments include historic structures tax credit reimbursements of \$818,010 in fiscal year-to-date 2011 and \$913,855 in fiscal year-to-date 2012.				

Within the business corporations tax components, estimated payments were up by \$8.7 million or 18.5 percent through May of FY 2012 when compared to same period last fiscal year. Final payments posted a decrease of \$23.0 million or 26.4 percent during FY 2012's first eleven months versus the first eleven months of FY 2011. It should be noted that FY 2011 cash receipts for business corporations taxes include \$25.1 million in final payments that were accrued back to FY 2010. Refunds and adjustments were fewer by \$6.6 million through May of FY 2012 versus the same period in FY 2011, a decrease of 22.8 percent.

Month of May:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$ 1,044,636	\$ 836,940	\$ (207,696)	-19.9 %
Final Payments	1,125,195	939,104	(186,091)	-16.5 %
Refunds/Adjustments	(2,887,216)	(1,313,245)	1,573,970	-54.5 %
* Final Payments include no historic structures tax credit reimbursements in May 2012 and no historic structures tax credit reimbursements in May 2011.				

Within the business corporations tax components, estimated payments were down \$207,696 in May 2012 vs. May 2011 a decrease of 19.9 percent. Final payments posted a decrease of \$186,091 or -16.5 percent in May 2012 when compared to May 2011. Refunds and adjustments were fewer by \$1.6 million or -54.5 percent in May 2012 versus May 2011.

Excise Taxes Other Than the Sales and Use Tax

May	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$177.3 Million	\$176.5 Million	\$ (790,188)	-0.4 %
Month	\$ 15.6 Million	\$ 16.9 Million	\$ 1.4 Million	8.7 %

Fiscal Year-to-Date through May:

Excise taxes other than sales and use taxes collected in the fiscal year-to-date May 2012 period totaled \$176.5 million or \$790,188 less than the \$177.3 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 -0.4 percent.

Motor vehicle operator license and registration fees cash collections are \$251,863 less in FY 2012 through May than in FY 2011 through May. This difference yields a fiscal year-to-date growth rate for motor vehicle operator licenses and registration fees cash collections of -0.6 percent. Motor carrier fuel use tax cash collections total \$764,984 in FY 2012 through May. This is a decrease of 13.0 percent over FY 2011 cash collections through May of \$878,808. FY 2012 alcohol excise taxes through May 2012 are up 1.8 percent, or \$188,937, from the \$10.6 million collected in FY 2011 through May 2011.

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 eleven months of FY 2012 were down \$613,438, or 0.5 percent compared to the first eleven 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 0.8 percent through May of FY 2012 versus through May of FY 2011.

Month of May:

Excise taxes other than sales and use taxes collected in May 2012 period totaled \$16.9 million or \$1.4 million more than the \$15.6 million collected in May 2011. This translates into a growth rate in excise taxes other than the sales and use tax 8.7 percent.

Motor vehicle operator license and registration fees cash collections totaled \$5.1 million, or \$109,230, more in May 2012 than in May 2011. Motor carrier fuel use tax cash collections total

\$87,962 in May 2012. This is a decrease of \$18,552 over May 2011 cash collections of \$106,514. Alcohol excise taxes in May 2012 are up 2.8 percent, or \$28,791, from the \$1.0 million collected in May 2011.

Total cigarette tax receipts in May 2012 were up \$1.2 million, or 13.1 percent compared to May 2011. This translates into an increase in Rhode Island cigarette sales of 12.3 percent in May 2012 versus May 2011.

Other Taxes

May	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$31.7 Million	\$47.4 Million	\$ 15.7 Million	49.5 %
Month	\$ 2.9 Million	\$ 2.4 Million	\$ (459,913)	-16.0 %

Fiscal Year-to-Date through May:

Other taxes collected through May of FY 2012 totaled \$47.4 million versus \$31.7 million in other taxes collected during the same period last fiscal year, an increase of \$15.7 million, or 49.5 percent. Inheritance tax collections totaled \$40.5 million through May of FY 2012, an increase of \$15.9 million from the \$24.6 million collected through the first eleven months of FY 2011. In FY 2012, inheritance taxes include \$9.9 million in infrequently occurring cash receipts posted in November 2011 and April 2012. Racing and athletics tax collections through May of FY 2012 were up 0.7 percent, or \$8,682, relative to the same period in FY 2011. Realty transfer taxes were down by 3.9 percent through May of FY 2012 versus through May of FY 2011, a decrease of \$232,777.

Month of May:

Other taxes collected in May 2012 totaled \$2.4 million versus \$2.9 million in other taxes collected in May 2011, a decrease of \$459,913. Inheritance tax collections totaled \$1.7 million in May 2012, a decrease of \$584,089 from May 2011 cash collections. Racing and athletics tax cash collections in May 2012 were up \$14,777 relative to May 2011. Realty transfer taxes were up by \$109,399 in May 2012 versus the \$499,643 collected in May 2011.

Total Departmental Receipts

May	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$294.1 Million	\$304.5 Million	\$ 10.4 Million	3.5 %
Month	\$ 14.6 Million	\$ 15.6 Million	\$ 912,717	6.2 %

Fiscal Year-to-Date through May:

FY 2012 year-to-date departmental receipts cash collections total \$304.5 million, an increase of \$10.4 million from the amount that was collected last fiscal year at this time. Actual

departmental cash receipts for FY 2012 were up 3.5 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 5.3 percent or \$12.4 million more than FY 2011 through May 2011. The FY 2011 Hospital Licensing Fee which was due and payable in July of FY 2012 has totaled \$135.2 million or \$10.8 million more than was received in FY 2011 for the FY 2010 hospital licensing fee. Fines and penalties are up 4.6 percent through the first eleven months of FY 2012 versus the first eleven months of FY 2011, or \$1.2 million more than fiscal year-to-date cash collections through May 2011. In the sales and services category of departmental receipts, FY 2012 year-to-date growth is -50.2 percent from FY 2011 cash collections of \$15.7 million through May 2011. The \$7.9 million decrease in sales and services departmental receipts incorporates 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 \$4.7 million, or 25.7 percent, through May of FY 2012 versus the comparable period of FY 2011. Of this total difference, \$3.8 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 May include the estate filing fee; up \$94,450, the letter of good standing fee; up \$105,300, and the license fee for securities brokers and advisors; up \$1.6 million. New fees implemented this fiscal year include background checks completed by the Department of Children, Youth and Families which has collected \$70,291 through May and a non-sufficient funds check fee implemented at the Division of Motor Vehicles which has collected \$20,085 through the first eleven months. A new grant of \$125,000 from the Urban Institute for work support strategies also increased departmental receipts in FY 2012.

Month of Month:

Departmental receipts total \$15.6 million, an increase of \$912,717 from the amount that was collected in May 2011. Actual departmental receipts for May 2012 were up 6.2 percent when compared to May 2011. May 2012 growth in the licenses and fees category of departmental receipts is 11.0 percent or \$1.1 million more than cash receipts in May 2011. Fines and penalties were up 12.5 percent, or \$182,485, in May 2012 versus May 2011. In the sales and services category of departmental receipts, May 2012 cash collections were \$85,908 less or -9.5 percent than May 2011 cash collections of \$907,929. Finally, miscellaneous departmental receipts totaled \$2.2 million or \$257,088 less in May 2012 vs. May 2011.

The fees affected by the enacted FY 2012 budget include the estate filing fee for which collections increased by \$11,725 in May 2012, the letter of good standing fee for which collections increased by \$11,075 in May 2012 versus May 2011, and the license fee for securities brokers and advisors which was down \$129,415 from May 2011 cash receipts of \$162,790. Similarly the new fees implemented by the enacted FY 2012 budget had revenues of \$6,740 in background checks completed by the Department of Children, Youth and Families and \$1,400 for the returned check fee implemented at the Division of Motor Vehicles for the month of May 2012.

Motor Fuel Tax, Per Penny Yield

May	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$3,854,725	\$3,840,893	\$(13,832)	-0.4 %
Month	\$ 344,405	\$ 335,223	\$(9,182)	-2.7 %

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 May:

The per penny yield of the state's motor fuel tax is \$13,832 less in FY 2012 through May than in FY 2011 through May, a decrease of 0.4 percent.

Month of May:

The per penny yield of the state's motor fuel tax totaled \$335,223 in May 2012, a decrease of \$9,182, or 2.7 percent from May 2011 monthly cash collections of \$344,405.

Other Miscellaneous Revenues

May	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$10.3 Million	\$ 7.2 Million	\$(3.0 Million)	-29.6 %
Month	\$ 610,228	\$ 1.1 Million	\$ 511,158	83.8 %

Fiscal Year-to-Date through May:

Other miscellaneous revenues were down 29.6 percent in FY 2012 through May when compared to the same period one year ago. FY 2012 year-to-date collections total \$7.2 million compared to \$10.3 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 and \$5.5 million was received for the payment of prior year child support enforcement debts.

In FY 2012, a total of \$5.3 million has been deposited as a result of the transfer in August 2011 of a \$2.0 million settlement with UBS and the transfer in March 2012 of a \$3.3 million settlement with Wachovia both associated with the bidding of a guaranteed investment contract related to the investment of proceeds from the state's securitization of its Master Settlement

Agreement payments. In September 2011 and March 2012 a total of \$566,679 was received in settlements associated with the State's Medicaid program. Finally, \$946,056 was received in a one time settlement from a pharmaceutical manufacturer in May 2012.

Month of May:

May 2012 cash collections for other miscellaneous revenues were up \$511,158 compared to May 2011 cash collections of \$610,228. May 2012 receipts include \$946,056 in a one time settlement from a pharmaceutical manufacturer.

Lottery Transfer

May	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$295.0 Million	\$316.0 Million	\$21.0 Million	7.1 %
Month	\$ 32.9 Million	\$ 32.6 Million	\$ (252,348)	-0.8 %

Fiscal Year-to-Date through May:

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 7.1 percent in FY 2012 through May when compared to FY 2011 through May. FY 2012 year-to-date collections totaled \$316.0 million or \$21.0 million more than cash collections through the eleventh month of FY 2011.

Month of May:

May 2012 cash collections for the lottery transfer are down \$252,348 compared to May 2011 cash collections of \$32.6 million. The lottery transfer is down 0.8 percent in May 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 May:

Component	FY 2011	FY 2012	Difference	% Change
Traditional Games	\$ 31,091,178	\$ 32,864,206	\$ 1,773,028	5.7 %
Keno	14,386,516	15,030,057	643,541	4.5 %
Twin River VLTs	222,115,561	240,953,183	18,837,622	8.5 %
Newport Grand VLTs	25,917,697	26,296,182	378,485	1.5 %

Within the lottery transfer components, traditional games were more by \$1.8 million or 5.7 percent through the eleventh month of FY 2012 when compared to same period last fiscal year. Keno cash collections posted an increase of \$643,541 or 4.5 percent during FY 2012's period through May versus the comparable period of FY 2011. The transfer from Twin River's video lottery terminals (VLTs) totaled \$241.0 million through May of FY 2012 an increase of \$18.8 million, or 8.5 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 \$26.3 million versus the \$25.9 million collected through May of FY 2011. This translates into an increase of \$378,485, or 1.5 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 May:

Component	FY 2011	FY 2012	Difference	% Change
Traditional Games	\$ 3,328,461	\$ 3,291,167	\$ (37,294)	-1.1 %
Keno	1,621,084	1,471,764	(149,320)	-9.2 %
Twin River VLTs	25,342,972	25,312,365	(30,607)	-0.1 %
Newport Grand VLTs	2,719,196	2,702,956	(16,240)	-0.6 %

Within the lottery transfer components, traditional games were down by \$37,294 or 1.1 percent in May of FY 2012 when compared to same month last fiscal year. Keno cash collections posted a decrease of \$149,320 or 9.2 percent in May 2012 versus May 2011. The transfer from Twin River's video lottery terminals (VLTs) totaled \$25.3 million in May of FY 2012, a decrease of \$30,607, or 0.1 percent, for the comparable month a year ago. The FY 2012 May monthly transfer from Newport Grand's VLTs totaled \$2.7 million. This translates into a decrease of 0.6 percent, or \$16,240, when compared to collections in May 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

June 13, 2012

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Fiscal Year To Date

	FY 2011 YTD May	FY 2012 YTD May	Nominal Difference	Change
<u>Personal Income Tax</u>	910,905,659	955,140,984	44,235,325	4.9%
<u>General Business Taxes</u>				
Business Corporations	104,004,181	96,179,551	(7,824,630)	-7.5%
Public Utilities Gross Earnings	50,265,041	45,309,553	(4,955,488)	-9.9%
Financial Institutions	(739,060)	2,274,650	3,013,710	-407.8%
Insurance Companies	47,066,123	42,370,356	(4,695,767)	-10.0%
Bank Deposits	879,271	927,203	47,932	5.5%
Health Care Provider Assessment	37,114,091	38,370,883	1,256,792	3.4%
<u>Excise Taxes</u>				
Sales and Use	746,826,798	775,304,209	28,477,411	3.8%
Motor Vehicle	44,123,052	43,871,189	(251,863)	-0.6%
Motor Carrier Fuel Use	878,808	764,984	(113,824)	-13.0%
Cigarettes	121,705,724	121,092,286	(613,438)	-0.5%
Alcohol	10,598,272	10,787,209	188,937	1.8%
Controlled Substances	-	-	-	-
<u>Other Taxes</u>				
Inheritance and Gift	24,579,783	40,482,047	15,902,264	64.7%
Racing and Athletics	1,190,710	1,199,392	8,682	0.7%
Realty Transfer	5,915,682	5,682,905	(232,777)	-3.9%
Total Taxes	\$ 2,105,314,135	\$ 2,179,757,401	\$ 74,443,266	3.5%
<u>Departmental Receipts</u>				
Licenses and Fees	233,836,797	246,205,538	12,368,741	5.3%
Fines and Penalties	26,163,383	27,376,937	1,213,554	4.6%
Sales and Services	15,691,206	7,813,206	(7,878,000)	-50.2%
Miscellaneous	18,379,762	23,100,212	4,720,450	25.7%
Total Departmental Receipts	\$ 294,071,148	\$ 304,495,893	\$ 10,424,745	3.5%
Taxes and Departmentals	\$ 2,399,385,283	\$ 2,484,253,294	\$ 84,868,011	3.5%
<u>Other General Revenue Sources</u>				
Gas Tax Transfer	-	-	-	-
Other Miscellaneous Revenues	10,288,589	7,239,307	(3,049,282)	-29.6%
Lottery Transfer	295,003,332	316,019,759	21,016,427	7.1%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 305,291,921	\$ 323,259,066	\$ 17,967,145	5.9%
Total General Revenues	\$ 2,704,677,204	\$ 2,807,512,360	\$ 102,835,156	3.8%

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Month of April

	FY 2011 May	FY 2012 May	Nominal Difference	% Change
<u>Personal Income Tax</u>	52,746,407	74,997,427	22,251,020	42.2%
<u>General Business Taxes</u>				
Business Corporations	(696,730)	464,741	1,161,471	-
Public Utilities Gross Earnings	1,637,128	239,426	(1,397,702)	-85.4%
Financial Institutions	-	94,714	94,714	-
Insurance Companies	1,751,033	21,523	(1,729,510)	-98.8%
Bank Deposits	-	23,724	23,724	-
Health Care Provider Assessment	3,418,495	3,774,629	356,134	10.4%
<u>Excise Taxes</u>				
Sales and Use	67,067,172	68,357,304	1,290,132	1.9%
Motor Vehicle	4,981,122	5,090,352	109,230	2.2%
Motor Carrier Fuel Use	106,514	87,962	(18,552)	-17.4%
Cigarettes	9,448,144	10,682,983	1,234,839	13.1%
Alcohol	1,014,527	1,043,318	28,791	2.8%
Controlled Substances	-	-	-	-
<u>Other Taxes</u>				
Inheritance and Gift	2,242,647	1,658,558	(584,089)	-26.0%
Racing and Athletics	134,709	149,486	14,777	11.0%
Realty Transfer	499,643	609,042	109,399	21.9%
Total Taxes	\$ 144,350,811	\$ 167,295,189	\$ 22,944,378	15.9%
<u>Departmental Receipts</u>				
Licenses and Fees	9,788,103	10,861,251	1,073,148	11.0%
Fines and Penalties	1,457,732	1,640,217	182,485	12.5%
Sales and Services	907,929	822,021	(85,908)	-9.5%
Miscellaneous	2,489,939	2,232,931	(257,008)	-10.3%
Total Departmental Receipts	\$ 14,643,703	\$ 15,556,420	\$ 912,717	6.2%
Taxes and Departmentals	\$ 158,994,514	\$ 182,851,609	\$ 23,857,095	15.0%
<u>Other General Revenue Sources</u>				
Gas Tax Transfer	-	-	-	-
Other Miscellaneous Revenues	610,228	1,121,386	511,158	83.8%
Lottery Transfer	32,872,402	32,620,054	(252,348)	-0.8%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 33,482,630	\$ 33,741,440	\$ 258,810	0.8%
Total General Revenues	\$ 192,477,144	\$ 216,593,049	\$ 24,115,905	12.5%