

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF REVENUE



State of Rhode Island Cash Collections Report
October 2011 Summary

Fiscal Year-to-Date through October:

FY 2012 year-to-date total general revenue cash collections through October were \$1.053 billion, up \$39.3 million or 3.9 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	\$322,597,096	\$347,574,257	\$ 24,977,161	7.7 %
Sales and Use Taxes	288,952,712	299,955,548	11,002,836	3.8 %
Departmental Receipts	185,459,270	188,504,044	3,044,774	1.6 %
Lottery Transfer	89,230,678	95,051,028	5,820,350	6.5 %
All Other Revenues	126,990,012	121,458,131	(5,531,881)	-4.4 %
Total General Revenues	\$1,013,229,768	\$1,052,543,008	\$39,313,240	3.9 %

Month of October:

Total general revenue cash collections for October 2011 were \$233.9 million, up \$20.5 million or 9.6 percent, compared to October 2010. The breakdown by major revenue components is as follows:

Component	FY 2011	FY 2012	Difference	% Change
Personal Income Tax	\$ 75,100,753	\$ 78,057,689	\$ 2,956,936	3.9 %
Sales and Use Taxes	64,416,330	75,357,111	10,940,781	17.0 %
Departmental Receipts	20,415,873	20,787,724	371,851	1.8 %
Lottery Transfer	29,445,936	32,931,252	3,485,316	11.8 %
All Other Revenues	24,045,243	26,773,112	2,727,869	11.3 %
Total General Revenues	\$ 213,424,135	\$ 233,906,888	\$20,482,753	9.6 %

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF REVENUE



State of Rhode Island Cash Collections Report
October 2011 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

October	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$ 1.013 Billion	\$ 1.053 Billion	\$39.3 Million	3.9 %
Month	\$213.4 Million	\$233.9 Million	\$20.5 Million	9.6 %

Fiscal Year-to-Date through October:

Fiscal Year 2012 total general revenues collected through October 2011 have increased by 3.9 percent as compared to Fiscal Year 2011 total general revenues collected through October 2010. For the fiscal year-to-date period through October 2011, total general revenues were \$1,052.5 million as compared to \$1,013.2 million for the same period last year, an increase of \$39.3 million.

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

- In FY 2011, personal income taxes were \$4,825 higher due to the misposting of receipts attributable to public utilities gross earnings taxes. Business corporation taxes include cash receipts of \$7.2 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. This audit recovery is considered to be non-recurring revenue. Financial institution taxes include \$1.8 million for a prior year refund. Additionally, motor vehicle licenses and fees cash receipts were higher while sales and use taxes cash receipts were lower by \$1.3 million for the misposting of registry receipts.

Additionally, motor vehicle licenses and fees cash receipts were higher by \$662,192 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 \$485,406 more through October 2010 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 October 2010 include \$1.8 million for the proceeds from the sale of state property, specifically the Smithfield Salt Barn and a pharmaceutical manufacturer settlement. Finally, the lottery transfer includes \$1.6 million of cash receipts that were accrued to FY 2010.

- In FY 2012, sales and use tax receipts 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. The interest and penalty on the late payments will be transferred to departmental receipts in December 2011. In FY 2012, the hospital licensing fee generated \$9.9 million more through October 2011 than through October 2010. This increase was due to the fact that the hospital licensing fee rate was increased from 5.314 percent of hospital FY 2008 net patient revenues to 5.465 percent of hospital FY 2009 net patient revenues. 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 \$58,886 of 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. Finally, the October 2011 lottery transfer includes \$2.7 million of cash receipts that were accrued back to FY 2011.

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

Revenue Source	Cash Flow Differences	YTD FY 2011	YTD FY 2012
Personal Income Tax	Misposting of public utilities receipts	\$4,825	\$0
Business Corporations	One time receipts from taxpayers	\$7,159,758	\$0
Public Utilities	FY 2010 audit recovery	\$3,301,780	\$0
Public Utilities	Public utilities receipts misposting	\$(4,825)	\$0
Financial Institutions	Financial Institutions prior FY refund	\$(1,751,207)	\$0
MV License and Fees	DMV mispostings of registry rcpts.	\$1,312,139	\$0
MV License and Fees	Driving record abstracts misposting	\$662,192	\$0
Sales and Use Taxes	Registry receipts misposting add back	\$(1,312,139)	\$0
Sales and Use Taxes	One time audit payment	\$0	\$2,092,342
Sales and Use Taxes	Payment from tax delinquent	\$0	\$1,110,743
Departmental Receipts	Biennial and one-time collections	\$485,406	\$0
Departmental Receipts	FY 2010 "dish" payment	\$7,082,983	\$0
Departmental Receipts	Hospital licensing fee difference	\$0	\$9,889,688
Departmental Receipts	Attorney General settlement	\$0	\$508,053
Departmental Receipts	Imaging services surcharge receipts	\$0	\$923,651
Departmental Receipts	Driving record abstracts misposting	\$(662,192)	\$0
Departmental Receipts	DMV road test fee	\$0	\$58,886
Other Misc. Revenues	Medicaid program settlement	\$0	\$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	
Lottery Transfer	Cash accrued to prior fiscal year	\$1,646,003	\$2,731,761

Month of October:

Total general revenues collected in October 2011 have increased by 9.6 percent as compared to October 2010 total general revenue collections. October 2011 total general revenues were \$233.9 million as compared to October 2010 cash collections of \$213.4 million, an increase of \$20.5 million.

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

- In October 2010, personal income taxes include of \$4,825 for cash receipts that should have been posted to public utilities gross earnings. Financial institution taxes include \$1.8 million for a prior year refund. Furthermore, the cash flow difference in October 2010 includes an additional \$750,220 in motor vehicle licenses and fees for cash receipts that should have been posted to registry receipts within sales and use taxes. Additionally, motor vehicle licenses and fees cash receipts include \$320,912 as a result of the misposting of driving record abstracts receipts by the Division of Motor Vehicles. As a result, the licenses and fees category within departmental receipts is lower by the same amount. Finally, FY 2011 other miscellaneous revenues include a cash flow difference of \$839,235 from a settlement associated with a pharmaceutical manufacturer.
- In October 2011, \$3.2 million was received from an audit of prior year sales activity and the posting of a separate top 100 list of business tax delinquents. Furthermore, the October 2011 lottery transfer to the state includes \$2.7 million that was accrued back to FY 2011. FY 2012 departmental receipts also include \$12,400 of cash receipts from the establishment of the Division of Motor Vehicles road test fee. This fee was implemented on October 12, 2010.

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

Revenue Source	Cash Flow Differences	October FY 2011	October FY 2012
Personal Income Tax	Misposting of public utilities receipts	\$4,825	\$0
Public Utilites	Public utilities receipts misposting	\$(4,825)	\$0
Financial Institutions	Financial Insitutions refund offset	\$(1,751,207)	\$0
MV license and fees	DMV mispostings of registry rcpts.	\$750,220	\$0
MV license and fees	Driving record abstracts misposting	\$320,912	\$0
Sales and Use Taxes	Registry receipts misposting add back	\$(750,220)	\$0
Sales and Use Taxes	One time audit payment	\$0	\$2,092,342
Sales and Use Taxes	Prior year liability	\$0	\$1,110,743
Departmental Receipts	Driving record abstracts misposting	\$(320,912)	\$0
Departmental Receipts	DMV road test fee	\$0	\$12,400
Lottery Transfer	Cash received for prior year	\$0	\$2,731,761
Other Misc. Revenues	Pharmaceutical manufacturer sttlmnt	\$839,235	\$0

Taxes and Departmental Receipts

October	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$922.0 Million	\$955.2 Million	\$33.2 Million	3.6 %
Month	\$183.1 Million	\$200.9 Million	\$17.8 Million	9.7 %

Fiscal Year-to-Date through October:

The Rhode Island Department of Revenue reports that FY 2012 taxes and departmental receipts collected through the fourth month of the fiscal year have increased by 3.6 percent as compared to FY 2011 cash collections for the comparable period a year ago. For the fiscal year-to-date period ending October, total taxes and departmental receipts were \$955.2 million in FY 2012 as compared to \$922.0 million for the same period last fiscal year, an increase of \$33.2 million.

Month of October:

October 2011 taxes and departmental receipts increased by \$17.8 million, or 9.7 percent compared to cash collections in October 2010. October 2011 taxes and departmental receipts totaled \$200.9 million compared to \$183.1 million in October 2010.

Other General Revenue Sources

October	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$91.2 Million	\$97.3 Million	\$6.1 Million	6.7 %
Month	\$30.3 Million	\$33.0 Million	\$2.6 Million	8.7 %

Fiscal Year-to-Date through October:

FY 2012 other general revenue sources collected through October have increased by 6.7 percent as compared to cash collections through October 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 October, total other general revenue sources were \$97.3 million in FY 2012 as compared to \$91.2 million for the same period last year, an increase of \$6.1 million.

Month of October:

Other general revenue sources cash collections totaled \$33.0 million in October 2011 compared to \$30.3 million in October 2010, an increase of \$2.6 million. This increase translates into a growth rate of 8.7 percent.

Total Taxes

October	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$736.5 Million	\$766.7 Million	\$30.2 Million	4.1 %
Month	\$162.7 Million	\$180.1 Million	\$17.5 Million	10.7 %

Fiscal Year-to-Date through October:

Total tax revenues for the fiscal year-to-date period through October 2011 were \$766.7 million, or 4.1 percent more than the \$736.5 million in total tax cash collections through October 2010.

Month of October:

October 2011 total tax revenues of \$180.1 million increased by \$17.5 million or 10.7 percent compared to October 2010 cash collections of \$162.7 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 October totaled \$608,725 vs. \$1.5 million in FY 2011, a decrease of 58.8 percent. October 2011 total historic structure tax credit redemptions/reimbursements for all taxes totaled \$437,028 vs. the \$702,907 in October 2010, a decrease of 37.8 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	October 2010	October 2011
Personal Income	\$ 992,283	\$ 238,870	\$ 618,086	\$ 67,173
Business Corporations	484,362	369,855	84,821	369,855
Financial Institutions	0	0	0	0
Insurance/Non-HMOs	974	0	0	0
Insurance/HMOs	0	0	0	0
Total	\$1,477,619	\$ 608,725	\$ 702,907	\$ 437,028

Personal Income Taxes

October	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$322.6 Million	\$347.6 Million	\$25.0 Million	7.7 %
Month	\$ 75.1 Million	\$ 78.1 Million	\$3.0 Million	3.9 %

Fiscal Year-to-Date through October:

Actual personal income tax cash collections for FY 2012 through the fourth month of the fiscal year were up \$25.0 million, or 7.7 percent, compared to the same period last fiscal year. Total personal income tax cash collections for FY 2012 through October were \$347.6 million vs. FY 2011 cash collections of \$322.6 million through October.

The FY 2012 year-to-date personal income tax cash collections include historic structures tax credit reimbursements through October of \$238,870 vs. the \$922,283 through October of FY 2011. FY 2012 year-to-date HSTC reimbursements for personal income taxes are \$683,413 less than the same period in FY 2011, a decrease of 74.1 percent.

Month of October:

Personal income tax collections for October 2011 totaled \$78.1 million compared to October 2010 cash collections of \$75.1 million, a difference of \$3.0 million or 3.9 percent.

October 2011 cash collections include historic structures tax credit reimbursement of \$67,173 vs. the \$618,086 for October 2010. October 2011 HSTC reimbursements for personal income taxes are 89.1 percent less than October 2010, a decrease of \$550,913.

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 October:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$ 39,195,950	\$ 55,577,745	\$ 16,381,795	41.8 %
Final Payments*	20,138,328	17,190,409	(2,947,919)	-14.6 %
Refunds/Adjustments	(21,192,061)	(15,718,110)	5,473,951	-25.8 %
Withholding	284,450,053	290,524,212	6,074,159	2.1 %
* Final Payments include historic structures tax credit reimbursements of \$992,283 in fiscal year-to-date 2011 and \$238,870 in fiscal year-to-date 2012.				

Within the components of personal income tax, FY 2012 estimated payments are up \$16.4 million or 41.8 percent on a fiscal year-to-date basis through October vs. the same period last fiscal year. Final payments are down \$2.9 million or -14.6 percent through the fourth month of FY 2012 relative to FY 2011 through the fourth month. Fiscal year-to-date FY 2012 final payments cash collections include \$238,870 in reimbursed historic structures tax credits vs.

\$992,283 in fiscal year-to-date FY 2011. Refunds and adjustments are fewer by \$5.5 million in FY 2012 through October vs. FY 2011 through October. Finally, FY 2012 withholding tax cash collections through the fourth month of the fiscal year are more by \$6.1 million or 2.1 percent relative to FY 2011 withholding tax cash collections through the fourth month of the fiscal year.

Month of October:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$ 3,338,915	\$ 4,513,626	\$ 1,174,711	35.2 %
Final Payments*	5,136,580	7,412,224	2,275,644	44.3 %
Refunds/Adjustments	(5,016,528)	(5,433,091)	(416,564)	8.3 %
Withholding	71,636,960	71,568,067	(68,892)	-0.1 %
* Final Payments include historic structures tax credit reimbursements of \$618,086 in October 2010 and \$67,173 in October 2011.				

Within the components of personal income tax, estimated payments received in October 2011 are up \$1.2 million or 35.2 percent compared to October 2010. Final payments are up \$2.3 million or 44.3 percent in the fourth month of FY 2012 relative to the fourth month of FY 2011. October 2011 final payments cash collections include \$67,173 in reimbursed historic structures tax credits vs. \$618,086 in October 2010. Refunds and adjustments are greater by \$416,564 in October 2011 vs. October 2010. Finally, October 2011 withholding tax cash collections are \$68,892, or 0.1 percent, less than October 2010 withholding tax cash collections.

Sales and Use Taxes

October	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$289.0 Million	\$300.0 Million	\$ 11.0 Million	3.8 %
Month	\$ 64.4 Million	\$ 75.4 Million	\$ 10.9 Million	17.0 %

Fiscal Year-to-Date through October:

Actual sales and use tax cash collections for FY 2012 through October of the fiscal year were up \$11.0 million, or 3.8 percent, compared to the same period last fiscal year. Total sales and use tax cash collections for FY 2012 through October were \$300.0 million vs. FY 2011 cash collections of \$289.0 million through October.

Month of October:

Sales and use tax cash collections in October 2011 were \$10.9 million, or 17.0 percent, greater than October 2010 cash collections. Sales and use tax cash collections totaled \$75.4 million in October 2011 vs. cash collections of \$64.4 million in October 2010.

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 October:

Component	FY 2011	FY 2012	Difference	% Change
Net Taxation	\$256,286,615	\$268,200,059	\$11,913,445	4.6 %
Registry Receipts	27,891,880	27,958,606	66,726	0.2 %
Providence Place Mall	4,604,054	4,323,356	(280,697)	-6.1 %

Within the sales tax components, registry receipts were up 0.2 percent or \$66,726 through October 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 \$11.9 million or 4.6 percent during FY 2012's first four months versus the first four months of FY 2011. Providence Place Mall (PPM) sales tax receipts were 6.1 percent lower or -\$280,697 through October of FY 2012 versus the same period in FY 2011.

Month of October:

Component	FY 2011	FY 2012	Difference	% Change
Net Taxation	\$ 57,600,670	\$ 66,572,500	\$ 8,971,830	15.6 %
Registry Receipts	5,814,632	7,657,721	1,843,090	31.7 %
Providence Place Mall	1,161,035	1,114,317	(46,718)	-4.0 %

Within the sales tax components, registry receipts were up 31.7 percent or \$1.8 million in October 2011 when compared to October 2010. Net sales tax receipts remitted directly to the Division of Taxation posted an increase of \$9.0 million or 15.6 percent in October 2011 vs. October 2010. Providence Place Mall (PPM) sales tax receipts were 4.0 percent lower or -\$46,718 in October 2011 versus October 2010.

General Business Taxes

October	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$43.8 million	\$38.3 Million	\$ (5.5 Million)	-12.5 %
Month	\$ 3.2 million	\$ 6.8 Million	\$ 3.5 Million	110.2 %

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 October:

FY 2012 total general business taxes collected through October 2011 of the fiscal year-to-date were \$38.3 million or \$5.5 million less than the \$43.8 million collected for the same period in FY 2011. Year-to-date growth in FY 2012 is -12.5 percent.

Health care provider assessment taxes through October 2011 were \$14.2 million, an increase of 5.2 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 four months of FY 2012, bank deposit taxes totaled \$46,457 compared to receipts of \$4,241 for the first four months of FY 2011. The insurance companies gross premiums tax is down \$633,527 year-to-date. FY 2012 insurance companies gross premiums tax cash collections through October 2011 total \$2,076 compared to collections of \$635,603 in FY 2011 through October 2010. 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 \$2.6 million on a fiscal year-to-date cash basis in FY 2012 vs. FY 2011 through October. Financial institutions tax collections totaled \$939,902 through October 2011 vs. -\$1.6 million through October 2010. Public utilities gross earnings taxes were \$2.3 million through October 2011, a decrease of 44.7 percent from collections of \$4.2 million through October 2010. The FY 2011 collections include \$3.3 million in receipts from a FY 2010 audit recovery.

Month of October:

Total general business taxes collected in October 2011 were \$6.8 million or \$3.5 million more than the \$3.2 million collected in October 2010. This increase translates into a 110.2 percent growth in total general business taxes.

Health care provider assessment taxes for October 2011 were \$3.5 million, an increase of 1.4 percent over October 2010 cash collections. There were no bank deposit taxes received in either October of 2011 or October of 2010. The insurance companies gross premiums tax is \$930,765 less in October 2011 vs. October 2010. October 2011 insurance companies gross premiums tax cash collections totaled \$(328,159) compared to collections of \$602,606 in October 2010. The financial institutions tax is up \$1.8 million for October 2011 when compared to October 2010. Financial institutions tax collections were \$26,479 in October 2011 vs. \$(1,755,517) in October 2010. Public utilities gross earnings taxes were \$167,564 in October 2011, a decrease of \$127,172 from collections of \$294,736 in October 2010.

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 October:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$15,426,672	\$14,307,430	\$ (1,119,242)	-7.3 %
Final Payments*	19,155,203	12,247,352	(6,907,851)	-36.1 %
Refunds/Adjustments	(7,105,153)	(5,493,824)	1,611,329	-22.7 %
* Final Payments include historic structures tax credit reimbursements of \$484,362 in fiscal year-to-date 2011 and \$369,855 in fiscal year-to-date 2012.				

Within the business corporations tax components, estimated payments were down by \$1.1 million or 7.3 percent through October of FY 2012 when compared to same period last fiscal year. Final payments posted a decrease of \$6.9 million or 36.1 percent during FY 2012's first four months versus the first four months of FY 2011. It should be noted that FY 2011 final payments cash receipts for business include \$7.2 million that was accrued back to FY 2010. Refunds and adjustments were less by \$1.6 million through October of FY 2012 versus the same period in FY 2011, a decrease of 22.7 percent.

Month of October:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$ 1,473,986	\$ 2,806,658	\$ 1,332,672	90.4 %
Final Payments	2,064,034	4,507,969	2,443,936	118.4 %
Refunds/Adjustments	(2,806,027)	(3,615,101)	(809,074)	28.8 %
* Final Payments include historic structures tax credit reimbursements of \$84,821 in October 2010 and \$369,855 in October 2011				

Within the business corporations tax components, estimated payments were up \$1.3 million or 90.4 percent in October 2011 vs. October 2010. Final payments posted an increase of \$2.4 million or 118.4 percent in October 2011 when compared to October 2010. Refunds and adjustments were greater by \$809,074 in October 2011 versus October 2010, an increase of 28.8 percent.

Excise Taxes Other Than the Sales and Use Tax

October	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$69.1 Million	\$65.5 Million	\$ (3.6 Million)	-5.2 %
Month	\$17.1 Million	\$16.3 Million	\$ (837,408)	-4.9 %

Fiscal Year-to-Date through October:

Excise taxes other than sales and use taxes collected in the fiscal year-to-date October 2011 period totaled \$65.5 million or \$3.6 million less than the \$69.1 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 -5.2 percent.

Motor vehicle licenses and fees cash collections are \$2.0 million less in FY 2012 through October than in FY 2011 through October. This difference yields a fiscal year-to-date growth rate for motor vehicle licenses and fees cash collections of -12.2 percent. Motor carrier fuel use tax cash collections total \$289,358 in FY 2012 through October. This is an increase of 6.9 percent over FY 2011 cash collections through October of \$270,753. FY 2012 alcohol excise taxes through October 2011 are down 1.9 percent, or \$75,282, from the \$4.1 million collected in FY 2011 through October 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 four months of FY 2012 were down \$1.6 million, or 3.2 percent compared to the first four 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 3.2 percent through the fourth month of FY 2012 versus the first four months of FY 2011.

Month of October:

Excise taxes other than sales and use taxes collected in October 2011 period totaled \$16.3 million or \$837,408 less than the \$17.1 million collected in October 2010. This translates into a growth rate in excise taxes other than the sales and use tax -4.9 percent.

Motor vehicle licenses and fees cash collections are \$1.7 million, or 32.2 percent, less in October 2011 than in October 2010. Motor carrier fuel use tax cash collections total \$63,635 in October 2011. This is a decrease of 14.6 percent over October 2010 cash collections of \$74,507. Alcohol excise taxes in October 2011 are down 4.5 percent, or \$42,643, from the \$939,183 collected in October 2010.

Total cigarette tax receipts in October 2011 were up \$927,003, or 8.6 percent compared to October 2010. This translates into an increase in Rhode Island cigarette sales of 8.6 percent in October 2011 versus October 2010.

Other Taxes

September	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$12.1 Million	\$15.4 Million	\$3.3 Million	27.2 %
Month	\$ 2.8 Million	\$ 3.7 Million	\$ 865,506	30.5 %

Fiscal Year-to-Date through October:

Other taxes collected through October of FY 2012 totaled \$15.4 million versus \$12.1 million in other taxes collected during the same period last fiscal year, an increase of \$3.3 million, or 27.2 percent. Inheritance tax collections totaled \$12.7 million through October of FY 2012, an increase of 37.4 percent from the \$9.2 million collected through the fourth month of FY 2011. Racing and athletics tax collections through October of FY 2012 were down 5.8 percent, or \$25,321, relative to the same period in FY 2011. Realty transfer taxes were down by 4.9 percent through October of FY 2012 versus through October of FY 2011, a decrease of \$122,787.

Month of October:

Other taxes collected in October 2011 totaled \$3.7 million versus \$2.8 million in other taxes collected in October 2010, an increase of \$865,506, or 30.5 percent. Inheritance tax collections totaled \$3.0 million in October 2011, an increase of 40.1 percent from the \$2.1 million collected in October 2010. Racing and athletics tax collections in October 2011 were down 1.7 percent, or \$1,546, relative to October 2010. Realty transfer taxes were up by 1.1 percent in October 2011 versus the \$596,525 collected in October 2010.

Total Departmental Receipts

October	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$185.5 Million	\$188.5 Million	\$3.0 Million	1.6 %
Month	\$ 20.4 Million	\$ 20.8 Million	\$ 371,851	1.8 %

Fiscal Year-to-Date through October:

FY 2012 year-to-date departmental receipts total \$188.5 million, an increase of \$3.0 million from the amount that was collected last fiscal year at this time. Actual departmental cash receipts for FY 2012 were up 1.6 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 5.8 percent or \$9.2 million more than FY 2011 through October 2010. The FY 2011 Hospital Licensing Fee which was received in July of FY 2012 has totaled \$130.8 million or \$9.9 million more than was received in FY 2011 for the FY 2010 hospital licensing fee. Fines and penalties

were down 10.2 percent through the fourth month of FY 2012 versus the fourth month of FY 2011, or \$1.0 million less than fiscal year-to-date cash collections through October 2010. In the sales and services category of departmental receipts, FY 2012 year-to-date growth is -70.6 percent from FY 2011 cash collections of \$10.0 million through October 2010. The \$7.1 million decrease in sales and services departmental receipts is 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 \$1.9 million, or 24.8 percent, through October of FY 2012 versus the comparable period of FY 2011. Of this total difference, \$908,385 is attributable to increased indirect cost recoveries from restricted receipt accounts managed by the General Treasurer’s office.

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 October include the estate filing fee; up \$32,100, the letter of good standing fee; also up \$30,375, and the license fee for securities brokers and advisors; up \$83,050. New fees implemented this fiscal year include background checks completed by the Department of Children, Youth and Families which has collected \$6,320 through October, and a non-sufficient funds check fee implemented at the Division of Motor Vehicles which has collected \$4,555 through the first quarter. A new grant of \$125,000 from the Urban Institute for work support strategies also increased departmental receipts in FY 2012.

Month of October:

Departmental receipts total \$20.8 million, an increase of \$371,851 from the amount that was collected in October 2010. Actual departmental receipts for October 2011 were up 1.8 percent when compared to October 2010. October 2011 growth in the licenses and fees category of departmental receipts is -5.0 percent or \$488,645 less than cash receipts in October 2010. Fines and penalties were down 11.4 percent, or \$819,228, in October 2011 versus October 2010. In the sales and services category of departmental receipts, October 2011 cash collections were \$220,795 or 27.0 percent more than October 2010 cash collections of \$816,331. Finally, miscellaneous departmental receipts were up \$1.5 million, or 56.5 percent in October 2011 vs. October 2010.

The fees affected by the enacted FY 2012 budget include the estate filing fee for which collections increased by \$9,150 in October 2011, the letter of good standing fee for which collections increased by \$7,425 in October 2011 versus October 2010, and the license fee for securities brokers and advisors which was up \$42,005 from October 2010 cash receipts of \$137,660. Similarly the new fees implemented by the enacted FY 2012 budget had revenues of \$2,440 in background checks completed by the Department of Children, Youth and Families and \$2,475 for the returned check fee implemented at the Division of Motor Vehicles for the month of October 2011.

Motor Fuel Tax, Per Penny Yield

October	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$1,472,473	\$1,478,261	\$ 5,788	0.4 %
Month	\$ 370,711	\$ 355,578	\$(15,133)	-4.1 %

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 October:

The per penny yield of the state's motor fuel tax is \$5,788 more in FY 2012 through October than in FY 2011 through October. This represents an increase of 0.4 percent between the two fiscal year-to-date periods.

Month of October:

The per penny yield of the state's motor fuel tax totaled \$355,578 in October 2011, a decrease of \$15,133, or 4.1 percent from October 2010 monthly cash collections of \$370,711.

Other Miscellaneous Revenues

October	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$2.0 Million	\$2.3 Million	\$ 251,671	12.5 %
Month	\$ 887,668	\$ 44,992	\$ (842,676)	-94.9 %

Fiscal Year-to-Date through October:

Other miscellaneous revenues were up 12.5 percent in FY 2012 through October when compared to the same period one year ago. FY 2012 year-to-date collections total \$2.3 million compared to \$2.0 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. 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 October:

October 2011 cash collections for other miscellaneous revenues were down \$842,676 compared to October 2010 cash collections of \$887,668. In October 2010, \$839,235 was deposited as a result of a settlement associated with a pharmaceutical manufacturer.

Lottery Transfer

October	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$89.2 Million	\$95.1 Million	\$ 5.8 Million	6.5 %
Month	\$29.4 Million	\$32.9 Million	\$ 3.5 Million	11.8 %

Fiscal Year-to-Date through October:

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 was up 6.5 percent in FY 2012 through October when compared to FY 2011 through October. FY 2012 year-to-date collections totaled \$95.1 million or \$5.8 million more than cash collections through the fourth month of FY 2011.

Month of October:

October 2011 cash collections for the lottery transfer were up \$3.5 million compared to October 2010 cash collections of \$29.4 million. The lottery transfer was up 11.8 percent in October of FY 2012 when compared to the same period one year ago. The lottery transfer to the state in October 2011 included \$2.7 million of cash receipts that had been accrued back to FY 2011.

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 October:

Component	FY 2011	FY 2012	Difference	% Change
Traditional Games	\$ 9,086,790	\$ 8,662,247	\$ (424,543)	-4.7 %
Keno	4,124,954	4,358,900	233,946	5.7 %
Twin River VLTs	65,353,547	71,627,839	6,274,292	9.6 %
Newport Grand VLTs	8,545,476	8,180,234	(365,242)	-4.3 %

Within the lottery transfer components, traditional games were down by \$424,543 or 4.7 percent through the fourth month of FY 2012 when compared to same period last fiscal year. Keno cash collections posted an increase of \$233,946 or 5.7 percent during FY 2012's period through October versus the comparable period of FY 2011. The transfer from Twin River's video lottery terminals (VLTs) totaled \$71.6 million through October of FY 2012 an increase of \$6.3 million, or 9.6 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 \$8.2 million versus the \$8.5 million collected through October of FY 2011. This translates into a decrease of \$365,242, or -4.3 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 October:

Component	FY 2011	FY 2012	Difference	% Change
Traditional Games	\$ 3,051,521	\$ 2,849,604	\$ (201,917)	-6.6 %
Keno	1,417,513	1,421,662	4,149	0.3 %
Twin River VLTs	20,569,824	23,405,944	2,836,120	13.8 %
Newport Grand VLTs	2,607,094	2,693,110	86,016	3.3 %

Within the lottery transfer components, traditional games were down by \$201,917 or -6.6 percent in October of FY 2012 when compared to same month last fiscal year. Keno cash collections posted an increase of \$4,149 or 0.3 percent in October 2011 versus October 2010. The transfer from Twin River's video lottery terminals (VLTs) totaled \$23.4 million in October of FY 2012, an increase of \$2.8 million, or 13.8 percent, for the comparable month a year ago. The FY 2012 October monthly transfer from Newport Grand's VLTs totaled \$2.7 million versus the \$2.6 million collected in October of FY 2011. This translates into an increase of \$86,016, or 3.3 percent.

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

November 15, 2011

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Fiscal Year To Date

	FY 2011 YTD October	FY 2012 YTD October	Nominal Difference	Change
<u>Personal Income Tax</u>	322,597,096	347,574,257	24,977,161	7.7%
<u>General Business Taxes</u>				
Business Corporations	27,128,363	20,815,161	(6,313,202)	-23.3%
Public Utilities Gross Earnings	4,169,638	2,307,518	(1,862,120)	-44.7%
Financial Institutions	(1,642,637)	939,902	2,582,539	-157.2%
Insurance Companies	635,603	2,076	(633,527)	-99.7%
Bank Deposits	4,241	46,457	42,216	995.4%
Health Care Provider Assessment	13,455,618	14,150,951	695,333	5.2%
<u>Excise Taxes</u>				
Sales and Use	288,952,712	299,955,548	11,002,836	3.8%
Motor Vehicle	16,156,422	14,178,239	(1,978,183)	-12.2%
Motor Carrier Fuel Use	270,753	289,358	18,605	6.9%
Cigarettes	48,599,090	47,037,498	(1,561,592)	-3.2%
Alcohol	4,068,204	3,992,922	(75,282)	-1.9%
Controlled Substances	-	-	-	-
<u>Other Taxes</u>				
Inheritance and Gift	9,218,778	12,668,547	3,449,769	37.4%
Racing and Athletics	434,769	409,448	(25,321)	-5.8%
Realty Transfer	2,482,699	2,359,912	(122,787)	-4.9%
Total Taxes	\$ 736,531,349	\$ 766,727,794	\$ 30,196,445	4.1%
<u>Departmental Receipts</u>				
Licenses and Fees	157,545,877	166,747,364	9,201,487	5.8%
Fines and Penalties	10,112,168	9,079,297	(1,032,871)	-10.2%
Sales and Services	10,002,200	2,941,861	(7,060,339)	-70.6%
Miscellaneous	7,799,025	9,735,522	1,936,497	24.8%
Total Departmental Receipts	\$ 185,459,270	\$ 188,504,044	\$ 3,044,774	1.6%
Taxes and Departmentals	\$ 921,990,619	\$ 955,231,838	\$ 33,241,219	3.6%
<u>Other General Revenue Sources</u>				
Other Miscellaneous Revenues	2,008,471	2,260,142	251,671	12.5%
Lottery Transfer	89,230,678	95,051,028	5,820,350	6.5%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 91,239,149	\$ 97,311,170	\$ 6,072,021	6.7%
Total General Revenues	\$ 1,013,229,768	\$ 1,052,543,008	\$ 39,313,240	3.9%

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Month of October

	FY 2011 October	FY 2012 October	Nominal Difference	% Change
<u>Personal Income Tax</u>	75,100,753	78,057,689	2,956,936	3.9%
<u>General Business Taxes</u>				
Business Corporations	654,846	3,423,969	2,769,123	422.9%
Public Utilities Gross Earnings	294,736	167,564	(127,172)	-43.1%
Financial Institutions	(1,755,517)	26,479	1,781,996	-101.5%
Insurance Companies	602,606	(328,159)	(930,765)	-154.5%
Bank Deposits	-	-	-	-
Health Care Provider Assessment	3,417,362	3,466,627	49,265	1.4%
<u>Excise Taxes</u>				
Sales and Use	64,416,330	75,357,111	10,940,781	17.0%
Motor Vehicle	5,306,567	3,595,671	(1,710,896)	-32.2%
Motor Carrier Fuel Use	74,507	63,635	(10,872)	-14.6%
Cigarettes	10,788,669	11,715,672	927,003	8.6%
Alcohol	939,183	896,540	(42,643)	-4.5%
Controlled Substances	-	-	-	-
<u>Other Taxes</u>				
Inheritance and Gift	2,145,208	3,005,480	860,272	40.1%
Racing and Athletics	92,883	91,337	(1,546)	-1.7%
Realty Transfer	596,525	603,305	6,780	1.1%
Total Taxes	\$ 162,674,658	\$ 180,142,920	\$ 17,468,262	10.7%
<u>Departmental Receipts</u>				
Licenses and Fees	9,804,465	9,315,820	(488,645)	-5.0%
Fines and Penalties	7,210,957	6,391,729	(819,228)	-11.4%
Sales and Services	816,331	1,037,126	220,795	27.0%
Miscellaneous	2,584,120	4,043,049	1,458,929	56.5%
Total Departmental Receipts	\$ 20,415,873	\$ 20,787,724	\$ 371,851	1.8%
Taxes and Departmentals	\$ 183,090,531	\$ 200,930,644	\$ 17,840,113	9.7%
<u>Other General Revenue Sources</u>				
Other Miscellaneous Revenues	887,668	44,992	(842,676)	-94.9%
Lottery Transfer	29,445,936	32,931,252	3,485,316	11.8%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 30,333,604	\$ 32,976,244	\$ 2,642,640	8.7%
Total General Revenues	\$ 213,424,135	\$ 233,906,888	\$ 20,482,753	9.6%