STATE OF RHODE ISLAND

GOVERNOR DANIEL J. MCKEE

STATE OF RHODE ISLAND

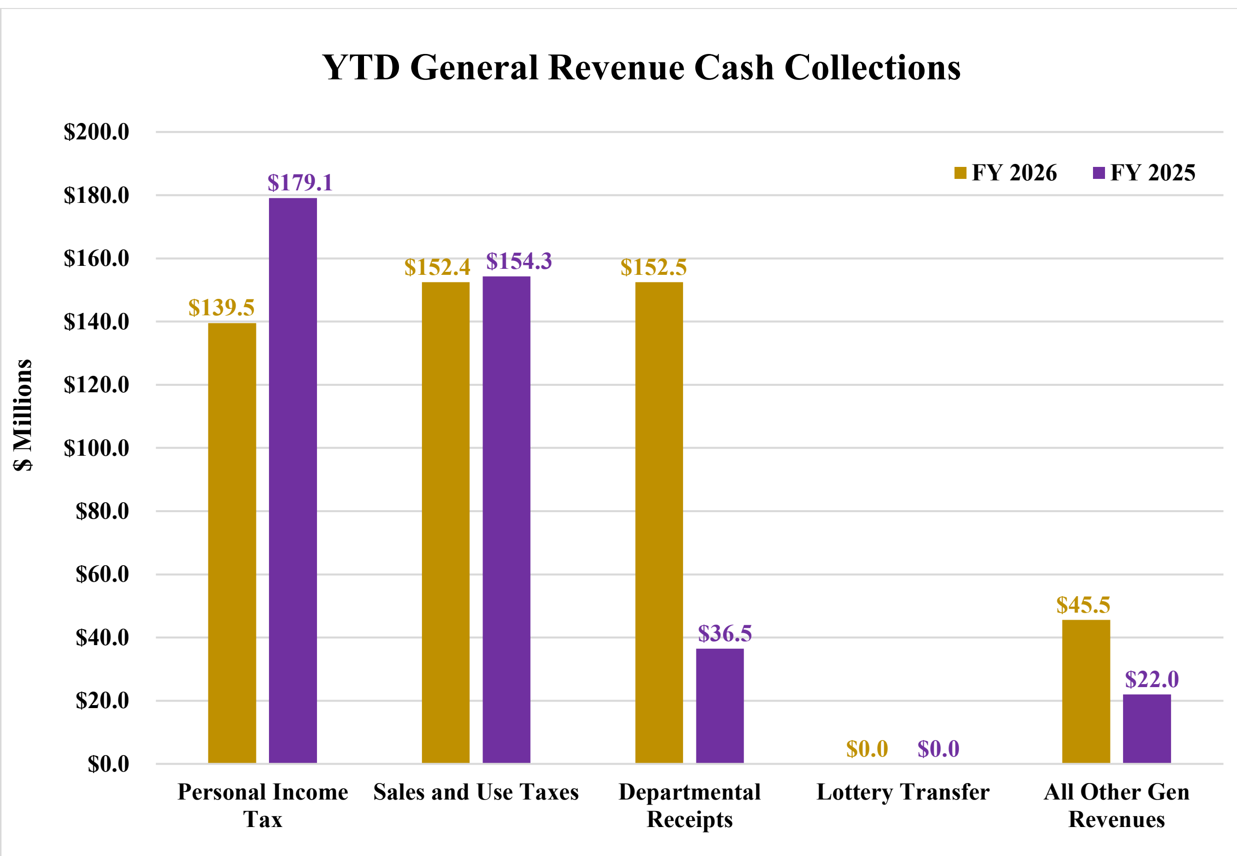
DEPARTMENT OF REVENUE

Office of Revenue Analysis

FY 2026 Cash Collections Report as of July 2025 Summary

Fiscal Year-to-Date through July:

FY 2026 total general revenue cash collections through July were $490.0 million, up $98.1 million or 25.0%, over the $391.9 million collected in the same period in FY 2025. The breakdown by major general revenue components is as follows:



- Personal income tax cash collections declined by 22.1%, with estimated and final payments down by $5.7 million and $29.7 million, respectively. This variance is largely explained by the due date shift for tax year 2023 that inflated July 2024 collections. In total, $37.3 million was paid in July 2024 that would have normally been paid in April 2024 or June 2024.

- Sales and use tax collections shrank by 1.2% year-to-date.
- The increase in departmental receipts is largely due to the increase in the hospital licensing fee from payment(s) received in July 2025 of $138.2 million and accrued back to FY 2025 compared to $27.9 million received in July 2024 and accrued back to FY 2024.
- July 2024 includes the payment of $28,157,583 in rebates to public utility companies as part of a program to temporarily eliminate the gross receipts tax on electricity and natural gas for usage during the months of December 2023 through March 2024.
- The lottery transfer commences in August of a given fiscal year.

Month of July:

Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

Motor Fuel Tax:

- The per-penny yield of the state's gas tax was down 0.7% in July. The gas tax, unlike the other revenue items discussed in this report, is not a general revenue.

How to Read this Report

The tables on the following pages present a year-to-date and monthly look at cash collections compared to last year. The rest of the report looks at each major revenue category and presents component data as available, along with any commentary about nuances in cash flows. An appendix at the end of the report presents data about specific events that have caused differences in cash flows between fiscal years.

FY 2026 STATE OF RHODE ISLAND CASH COLLECTIONS

	FY 2026 YTD July	FY 2025 YTD July	Nominal Difference	% Change
Personal Income Tax	$ 139,543,236	$ 179,132,177	$ (39,588,942)	-22.1%
General Business Taxes				
Business Corporation	12,012,057	22,718,480	(10,706,424)	-47.1%
Public Utilities Gross Earnings	58,007	(28,485,317)	28,543,324	-100.2%
Financial Institutions	11,238	363,863	(352,625)	-96.9%
Insurance Companies	4,760,710	2,624,001	2,136,708	81.4%
Bank Deposits	172,386	92,248	80,138	86.9%
Health Care Provider Assessment	3,712,105	3,853,735	(141,630)	-3.7%
Excise Taxes				
Sales and Use Δ	152,444,139	154,293,844	(1,849,705)	-1.2%
Motor Vehicle License and Reg Fees	4,563,412	-	4,563,412	-
Cigarettes, OTP, and ENDS	7,838,593	11,115,192	(3,276,599)	-29.5%
Alcohol	1,923,730	2,109,139	(185,409)	-8.8%
Controlled Substances	-	-	-	-
Other Taxes				
Estate and Transfer	5,757,524	4,904,753	852,772	17.4%
Racing and Athletics	64,342	65,954	(1,613)	-2.4%
Realty Transfer	4,627,443	2,579,235	2,048,207	79.4%
Total Taxes	**$ 337,488,920**	**$ 355,367,304**	**$ (17,878,383)**	**-5.0%**
Departmental Receipts				
Licenses and Fees	$ 146,413,098	$ 38,533,635	$ 107,879,464	280.0%
Fines and Penalties	1,078,131	1,344,692	(266,562)	-19.8%
Sales and Services	655,649	893,533	(237,884)	-26.6%
Miscellaneous	4,350,052	(4,265,891)	8,615,943	-202.0%
Total Departmental Receipts	**$ 152,496,930**	**$ 36,505,969**	**$ 115,990,961**	**317.7%**
Taxes and Departmentals	**$ 489,985,851**	**$ 391,873,273**	**$ 98,112,578**	**25.0%**
Other General Revenue Sources				
Other Miscellaneous Revenues	$ 47,798	$ 65,146	$ (17,348)	-26.6%
Lottery Transfer Δ	-	-	-	-
Unclaimed Property	-	-	-	-
Total Other Sources	**$ 47,798**	**$ 65,146**	**$ (17,348)**	**-26.6%**
Total General Revenues	**$ 490,033,648**	**$ 391,938,418**	**$ 98,095,230**	**25.0%**

Δ Sales and use tax primarily reflects June activity and the lottery transfer commences in August of a given fiscal year.

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Personal Income Tax Cash Collections by Component

Fiscal Year-to-Date through July:

Component	FY 2026	FY 2025	Difference	% Change
Estimated Payments	$6,469,187	$12,132,241	$(5,663,054)	-46.7%
Final Payments	7,986,821	37,720,167	(29,733,346)	-78.8%
Refunds/Adjustments	(12,770,016)	(10,806,791)	(1,963,224)	18.2%
Withholding Tax Payments	137,857,243	140,086,560	(2,229,317)	-1.6%

Notes about Fiscal Year-to-Date through July:

- Final payments in FY 2026 YTD do not include $1,688,245 in pass-through entity payments that were deposited as business corporation tax. FY 2025 YTD does not include $8,413,007 in pass-through entity payments that were deposited as business corporation tax.
- Final payments include HSTC reimbursements of $2,716 in FY 2026 YTD and $174,145 in FY 2025 YTD.
- Final payments also include Rebuild RI reimbursements of $906,101 in FY 2026 YTD. The comparable figure for FY 2025 YTD is $815,405 but was deposited in August 2024 instead of July.
- The Division of Taxation extended the FY 2024 April and June filing and payment due dates for personal income tax until July 15, 2024. This extension impacts estimated and final payments, as well as refunds and adjustments. Thus, the FY 2024 YTD collections include $6,640,504 in estimated payments and $30,686,566 in final payments that were received in July 2024 due to this extension. A net $43.4 million was accrued to FY 2024 related to the delay, including the $6.0 million in pass-through entity payments.

Year-to-Date Refund Activity:

Refund Activity	FY 2026	FY 2025
Number of Refunds	10,472	12,292
Average Refund	$1,138	$880
Number of Issuance Dates*	3	4
* Due to system updates, not all weeks include refund issuances.		

Month of July:

Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

Background Information about this Category:

The majority of personal income tax is received through withholding of taxes on employee paychecks. Taxpayers with income that is not subject to withholding are required to make four estimated payments throughout the course of the year, on the 15th of April, June, September, and January. Any taxpayers would still owe taxes when filing their final return must submit a final payment by April 15th. Taxpayers who have overpaid, or are able to claim various tax credits, receive a refund after they file. Taxpayers who file for an extension must file their tax return by October 15th but are still required to make their final payment by April 15th. Refunds are primarily issued in February through June.

Rhode Island also has a voluntary pass-through entity tax. The collections from this tax show up in corporate income tax but will be moved to personal income tax by the Controller at the end of the fiscal year. Pass-through entities are businesses where income is passed directly to the owners or investors of the business. These members pay tax on this income under the personal income tax. Optionally, the entities themselves can pay the tax at the entity level. In this case, the members receive a tax credit to offset their personal income tax liability for that income (because the tax was already collected at the entity level and subjecting that same income to personal income tax would amount to double taxation). The largest month for these payments is December, followed by March (when final pass-through entity tax returns are due) along with the other typical estimated payment months.

Sales and Use Tax Cash Collections by Component

Rhode Island's tax system can present data for three components of the state's sales and use tax: sales tax on meals and beverages (typically from restaurants and other prepared food), sales tax on car sales paid at the Division of Motor Vehicles, and the sales tax portion of the state hotel tax. Hotel tax data lags by two months, and therefore is not presented here. The other two components are shown, along with a third bucket that includes all other sales and use tax collections.

Fiscal Year-to-Date through July:

Component	FY 2026	FY 2025	Difference	% Change
Meal and Beverage (M&B)	$29,338,442	$27,149,263	$2,189,179	8.1%
Motor Vehicle	12,089,753	12,976,015	(886,262)	-6.8%
Other Sales and Use Receipts	111,015,944	114,168,566	(3,152,622)	-2.8%

Month of July:
Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

Background Information about this Category:
Sales tax is a levy imposed on the retail sale, rental, or lease of many goods and services at a rate of 7%. Individuals and businesses owe use tax if they do not pay sales tax at the time of purchase. Sales and use tax returns are due on the twentieth day of the month after the transaction. This means that sales tax data generally represents consumption for the prior month. The one exception is sales tax paid at the Division of Motor Vehicles, which is more contemporaneous with the actual sale.

Excise Taxes Other than the Sales and Use Tax

What it includes: **cigarette excise tax, other tobacco products tax (OTP), electronic nicotine-delivery systems tax (ENDS), alcohol excise tax, controlled substances tax.**

July	FY 2026	FY 2025	Difference	% Change
Fiscal YTD	$14,325,735	$13,224,331	$1,101,405	8.3%
Month	$14,325,735	$13,224,331	$1,101,405	8.3%

Fiscal Year-to-Date through July:

Cigarette and OTP	FY 2026	FY 2025	Difference	% Change
Cigarettes	$6,749,692	$10,474,090	$(3,724,398)	-35.6%
OTP	751,068	639,787	111,282	17.4%
ENDS/ENDS Floor Stock	330,547	0	330,547	n/a
Cigarette Floor Stock	7,286	1,315	5,971	454.1%

Month of July:
Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

Background Information about this Category:
Rhode Island cigarettes tax receipts are comprised of excise taxes collected on the sale of cigarettes (wholesale cigarette stamps), sales of smokeless tobacco (which also includes cigars and pipe tobacco), and a one-time cigarette floor stock tax. The cigarette floor stock tax is imposed only when there is an increase in the excise tax rate on cigarettes but may include late payments for prior rate increases. The state's cigarette tax rate is $4.50 a pack. Additionally, there was a new tax on e-cigarettes (ENDS), effective January 1, 2025. A floor stock for ENDS was imposed, with returns due in January 2025. The first due date for regular ENDS tax collections was in February 2025.

Business Corporation Tax Cash Collections by Component

Fiscal Year-to-Date through July:

Component	FY 2026	FY 2025	Difference	% Change
Estimated Payments	$9,983,621	$15,276,353	$(5,292,731)	-34.6%
Final Payments	5,444,546	9,681,948	(4,237,402)	-43.8%
Refunds/Adjustments	(3,416,111)	(2,463,184)	(952,927)	38.7%

Notes about Fiscal Year-to-Date through July:

- Business corporation tax includes Rebuild RI reimbursements of $263,466 in FY 2026 YTD.
- The Division of Taxation extended the April and June filing and payment due dates for certain business taxes until July 15, 2024. This extension impacts taxpayers who are single-member LLCs filing a RI-1065 or corporations filing the RI-1120C tax forms. Thus, the FY 2024 YTD collections include $1,524,893 in estimated payments and $690,680 in final payments that were received in July 2024 due to this extension. FY 2024 YTD collections also include $5,394,350 in pass-through entity estimated payments and $572,166 in pass-through entity final pass-through entity payments that were received in July 2024 due to the extension. These figures are included in the pass-through entity payment amounts in the table below.

Year-to-Date Pass-through Entity Payments:

The following amounts are the pass-through entity payments received from pass-through entities to cover the personal income taxes of shareholders. These figures are included in the estimated and final payments amounts in the table above. These amounts will be transferred to personal income tax after the end of the fiscal year.

Component	FY 2026	FY 2025
Estimated Payments	$1,043,382	$6,353,926
Final Payments	644,863	2,059,081

Month of July:
Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

Background Information about this Category:
Businesses with Rhode Island tax liabilities make estimated payments equal to 25% of their expected tax year liabilities by the 15th day of the fourth, sixth, ninth, and twelfth months of their tax year. For calendar tax year corporations, this equates to April, June, September, and December.

General Business Taxes Other than Business Corporation Tax

***What it includes:* public utilities gross earnings tax, financial institutions tax, insurance tax on personal property and casualty insurance, insurance tax on health insurance, bank deposits tax, and health care provider assessment on nursing homes.**

July	FY 2026	FY 2025	Difference	% Change
Fiscal YTD	$8,714,445	$(21,551,471)	$30,265,915	-140.4%
Month	$8,714,445	$(21,551,471)	$30,265,915	-140.4%

Fiscal Year-to-Date through July:

Insurance Component	FY 2026	FY 2025	Difference	% Change
Personal Property/Casualty	$2,500,220	$561,881	$1,938,339	345.0%
Health Insurance (HMO)	2,260,490	2,062,120	198,369	9.6%

Notes about Fiscal Year-to-Date through July:

- Insurance gross premiums tax in FY 2026 include July 2025 Rebuild RI reimbursements of $4,749,238 for credits paid out in January 2025 - June 2025. The comparable figure for FY 2025 YTD is $7,548,050 but was deposited in August 2024 instead of July.
- FY 2025 includes the payment of $28,157,583 in rebates to public utility companies as part of a program to temporarily eliminate the gross receipts tax on electricity and natural gas for usage during the months of December 2023 through March 2024. These rebates were adjusted back into FY 2024.
- The Division of Taxation extended the April and June filing and payment due dates for certain business taxes until July 15, 2024. This extension impacts taxpayers filing the public utilities gross earnings tax, financial institutions tax, insurance tax, and bank deposits tax. Thus, the YTD collections include $(60,582) in public utilities gross earnings tax, $399,968 in financial institutions tax, $2,471,020 in insurance gross premiums tax, and $135,677 in bank deposits tax that were received in July 2024 due to this extension.

Month of May:
Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

Background Information about this Category:
Businesses with Rhode Island tax liabilities make estimated payments equal to 25% of their expected tax year liabilities by the 15th day of the fourth, sixth, ninth, and twelfth months of their tax year. For calendar tax year corporations, this equates to April, June, September, and December. There is one exception to this payment pattern, namely the health care provider assessment, payments of which are made monthly. As a result, health care provider assessments flow more evenly into the general fund over the course of a fiscal year. Financial institutions taxpayers are allowed to elect single-sales factor apportionment when allocating their income to Rhode Island, effective January 1, 2025.

Other Taxes

What it includes: **estate and transfer, racing and athletics, and realty transfer.**

July	**FY 2026**	**FY 2025**	**Difference**	**% Change**
Fiscal YTD	$10,449,308	$7,549,942	$2,899,366	38.4%
Month	$10,449,308	$7,549,942	$2,899,366	38.4%

Background Information about this Category:
The realty transfer tax includes transfers to the Housing Resources Commission (HRC) and the Housing Production Fund (HPF) completed on a one-month lag from when the tax is collected. In addition to the HRC and HPF transfers, collections from controlling interest tax payments include a transfer to municipalities, also on a one-month lag.

Departmental Receipts

What it includes: **licenses and fees and fines and penalties assessed for state agencies, charges for sales and services provided by state agencies, and miscellaneous agency collections.**

July	FY 2026	FY 2025	Difference	% Change
Fiscal YTD	$152,496,930	$36,505,969	$115,990,961	317.7%
Month	$152,496,930	$36,505,969	$115,990,961	317.7%

The fiscal year-to-date and monthly tables below are based on data provided by the Controller and break down departmental receipts cash collections by component. Each table includes the three accounts with the largest nominal increases or decreases greater than $100,000 in the given departmental receipts category. If there are less than three accounts that meet this qualification, only the accounts with nominal increases or decreases greater than $100,000 are listed.

Fiscal Year-to-Date through July:

Licenses and Fees	Nominal Increase / Decrease
Hospital licensing fee	$110,278,489
Recreation activities fund – Parks and Recreation	243,776
E911 and first response surcharge	238,578
Insurance claims adjuster license fees	$(1,123,900)
Beach parking fees	(730,987)
Insurance producer license fees	(617,520)

Fines and Penalties	Nominal Increase / Decrease
None	n/a
Utility fines	$(179,657)

Sales and Services	Nominal Increase / Decrease
None	n/a
Rhode Island Veterans Home Board and Support	$(242,066)

Miscellaneous Departmental Receipts	Nominal Increase / Decrease
Miscellaneous refunds – Treasury Department	$6,925,873
Income on investments	2,679,959
Income tax refund checks written off	307,438
Cost recovery – Department of Health	$(455,885)
Insurance examination fees	(401,582)
Cost recovery – Department of the Attorney General	(350,065)

Notes about Fiscal Year-to-Date through July:

- July 2025 includes a payment of $138,198,667 toward the FY 2025 hospital licensing fee, which was due on June 30, 2025, but deposited in July 2025. The comparable figure for July 2024 was $27,920,178.
- July 2024 includes a large Treasury refund check of $6,812,260, which had been written off during FY 2024 (resulting in positive revenue to the State) but was reissued in July 2024 (resulting in negative revenue to the State).

Month of July:

Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

Other General Revenue Sources Other than Lottery Transfer

What it includes: **other miscellaneous revenues and unclaimed property revenues.**

July	FY 2026	FY 2025	Difference	% Change
Fiscal YTD	$47,798	$65,146	$(17,348)	-26.6%
Month	$47,798	$65,146	$(17,348)	-26.6%

Background Information about this Category:
Transfers from the Rhode Island Highway Maintenance Account (RIHMA) are transferred each month and are included in other miscellaneous revenue (previously the transfers were completed on a quarterly basis). The unclaimed property transfer occurs in the adjustment period after the end of each fiscal year.

Lottery Transfer Cash Collections by Component

The lottery transfer to the general fund does not commence until August of each fiscal year when July lottery receipts are transferred.

Background Information about this Category:

- The lottery transfer, which is comprised of lottery and gaming activity from the prior month, begins in August of each fiscal year. The June transfer includes lottery and gaming activity from May and June of the given fiscal year. A final lottery transfer payment from the prior fiscal year is received in October of a given fiscal year and accrued back to that prior year.
- Neither Twin River Casino Hotel nor Tiverton Casino Hotel video lottery terminal (VLT) cash collections reflect unclaimed prizes, distressed communities' relief program receipts, or the State's payment to either Tiverton Casino Hotel's or Twin River Casino Hotel's marketing program.
- Traditional games include the transfer of net income from such items as scratch tickets, Daily Numbers, Powerball, etc. Keno includes the transfer of net income from monitor games (Keno and Bingo). Traditional games adjust for the $1.5 million sports betting financial protection transfer from Bally's in FY 2025, which is separately itemized in this report.
- VLTs include the transfer of net terminal income from video lottery terminals (slot machines).
- On-site and remote sports betting include the transfer of gross profits from sports wagering done at the two Rhode Island casinos and online.
- Traditional table and poker games include the transfer of operating income from these on-site games.
- iGaming allows eligible players located in the State to play online slot and table games.

Motor Fuel Tax, Per Penny Yield

July	FY 2026	FY 2025	Difference	% Change
Fiscal YTD	$367,711	$370,142	$(2,431)	-0.7%
Month	$367,711	$370,142	$(2,431)	-0.7%

Background Information about this Category:
On July 1, 2025, the motor fuel tax increased from $0.37 to $0.40 per gallon. 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.

Appendix: Cash Flow Differences

It should be noted that differences may exist between the figures reported by the Division of Taxation and those reported by the Controller due to timing differences in the posting of receipts.

Fiscal Year-To-Date through July:

The following table displays the differences in cash flows for FY 2026 through July and FY 2025 through July:

Revenue Source	Cash Flow Differences	FY 2026	FY 2025
Personal Income Tax	Extended filing and payment due date tax collections received in July 2024	$0	$37,327,070
Personal Income Tax	FY 2025 incorrect payment(s) later transferred to the correct account	$0	$210,000
Business Corp Tax	Extended filing and payment due date tax collections received in July 2024	$0	$8,182,089
Business Corp Tax	FY 2025 incorrect payment(s) later transferred to the correct account	$0	$(210,000)
Public Service Tax	Extended filing and payment due date tax collections received in July 2024	$0	$(60,582)
Financial Inst Tax	Extended filing and payment due date tax collections received in July 2024	$0	$399,968
Insurance Tax	Extended filing and payment due date tax collections received in July 2024	$0	$408,900
Bank Deposits Tax	Extended filing and payment due date tax collections received in July 2024	$0	$135,677
Sales and Use Tax	FY 2025 incorrect payment(s) later transferred to the correct account	$0	$(108,439)
Cigarettes/OTP/ENDS	FY 2025 incorrect payment(s) later transferred to the correct account	$0	$139,200
Departmental Receipts	Large, unusual Treasury refund(s) accrued back to FY 2024	$0	$(6,812,260)
Departmental Receipts	Hospital licensing fee	$138,198,667	$27,920,178
Departmental Receipts	FY 2026 adj for prior period payment(s) transferred to/from other accounts	$272,278	$0

Month of July:
Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.