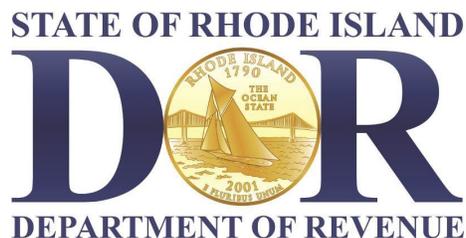


*STATE OF RHODE ISLAND*  
GOVERNOR DANIEL J. MCKEE



Office of Revenue Analysis

State of Rhode Island Revenue Assessment Report  
FY 2026 Monthly and Year-to-Date as of August 2025

The monthly revenue assessment report compares adjusted revenues, on a monthly and fiscal year-to-date basis, to the Office of Revenue Analysis' (ORA) monthly and fiscal year-to-date (YTD) estimates of expected revenues based on the current fiscal year revenue estimates. It should be noted that the fiscal year revenue estimates will vary over the course of the fiscal year as the Revenue Estimating Conference (REC) convenes and modifies the fiscal year revenue estimates as enacted by the General Assembly.

This monthly revenue assessment report compares adjusted revenues to expected revenues based on the revenue estimates enacted in the FY 2026 budget, which was signed into law on June 17, 2025.

The State of Rhode Island is migrating to a new Enterprise Resource Planning (ERP) system in 2025. As of July 1, 2025, financial reporting is under this new ERP system. This transition has caused delays in ORA's ability to access revenue data and created discrepancies in that data. ORA has chosen to use data from the Division of Taxation for reporting related to the state's three major tax types: personal income tax, business corporation tax, and sales and use tax. Other data in this report is sourced from the ERP system.

**Results for FY 2026 Revenues through August**

ORA finds that FY 2026 adjusted total general revenues through August were above the enacted FY 2026 expected total general revenue estimates through August by \$3.2 million, a variance of 0.4%.

Some notable variances to expected revenues are as follows:

- Personal income tax revenue was \$2.3 million less than expected, a variance of -0.8%. This is mostly due to larger amount of refund payments being issued than expected.

- Business corporation tax was below the estimate by \$7.1 million due to an increase in the amount of refund payments being issued compared to prior fiscal years. Offsetting this is financial institution tax and insurance company gross premiums tax, which exceeded the estimates by \$1.0 million each.
- Departmental receipts exceeded estimates by \$5.5 million through August. This is partially due to greater-than-expected interest earnings on the state's general fund.

### Results for Month of August

ORA finds that August 2025 adjusted total general revenues were above the enacted monthly total general revenue estimates for August by \$0.7 million, a variance of 0.2%.

Some notable variances to expected revenues are as follows:

- Personal income tax revenue was \$7.7 million less than expected, a variance of -5.4%. This is largely due to withholding payments falling behind the estimate by \$6.1 million (withholding payments only trail the estimate by 0.2% on a year-to-date basis).
- Sales and use tax and cigarette tax revenue exceeded estimates in August by \$1.5 million and \$1.3 million, respectively. Sales and use tax grew at 1.5% in August 2025 on a cash basis compared to August 2024. This is an improvement from the 1.2% decline seen in July 2025.
- Estate tax exceeded the estimate by \$7.8 million or 136.4% due to a large payment(s) of \$5.1 million.
- The August 2025 lottery transfer (the first of the year) trailed the estimate by \$1.7 million, mostly due to weaker-than-expected performance by video lottery terminals.

### How to Read this Report

Following this summary is a table showing the variance for year-to-date by revenue stream. The next page displays a chart showing the year-to-date variance. An appendix to this report contains two sections. One section discusses the expected share of revenue for this month and the next contains the total enacted revenue estimates for this fiscal year.



Thomas A. Verdi  
Director  
Department of Revenue  
October 15, 2025

**FY 2026 STATE OF RHODE ISLAND REVENUE ASSESSMENT REPORT**  
**Year-to-Date Estimate to Actual**

	YTD August Adjusted Revenues FY 2026			YTD August Estimate of Enacted FY 2026 Revenues †		Difference	Variance
<b>Personal Income Tax</b>	\$	273,741,837	a, b, c	\$	276,025,382	\$ (2,283,545)	-0.8%
<b>General Business Taxes</b>							
Business Corporation †		9,666,004	a, b, c		16,815,185	(7,149,181)	-42.5%
Public Utilities Gross Earnings		(107,254)	a		(460,281)	353,026	-76.7%
Financial Institutions †		1,238,484	a		216,237	1,022,247	472.7%
Insurance Company Gross Premiums †		1,660,498	c		616,165	1,044,333	169.5%
Bank Deposits		(137,755)	a		(65,362)	(72,393)	110.8%
Health Care Provider Assessment		7,530,816			8,065,680	(534,864)	-6.6%
<b>Excise Taxes</b>							
Sales and Use †		307,632,035			307,043,402	588,633	0.2%
Cigarettes, OTP, and ENDS †		18,995,302			20,458,287	(1,462,984)	-7.2%
Alcohol		3,724,921			4,052,735	(327,814)	-8.1%
Controlled Substances		-			-	-	n/a
<b>Other Taxes</b>							
Estate and Transfer		19,260,388	d		13,190,144	6,070,244	46.0%
Racing and Athletics		122,440			115,714	6,726	5.8%
Realty Transfer		6,192,708			4,087,815	2,104,893	51.5%
<b>Total Taxes</b>	\$	<b>649,520,423</b>		\$	<b>650,161,102</b>	\$ (640,679)	<b>-0.1%</b>
<b>Departmental Receipts †</b>	\$	36,491,096	a, c	\$	30,949,383	\$ 5,541,713	17.9%
<b>Taxes and Departmentals</b>	\$	<b>686,011,520</b>		\$	<b>681,110,485</b>	\$ 4,901,034	<b>0.7%</b>
<b>Other General Revenue Sources</b>							
Other Miscellaneous Revenues		316,976			316,976	-	0.0%
Lottery Transfer		35,190,523			36,862,456	(1,671,933)	-4.5%
Unclaimed Property		-			-	-	n/a
<b>Total Other Sources</b>	\$	<b>35,507,499</b>		\$	<b>37,179,432</b>	\$ (1,671,933)	<b>-4.5%</b>
<b>Total General Revenues</b>	\$	<b>721,519,018</b>		\$	<b>718,289,917</b>	\$ 3,229,101	<b>0.4%</b>

PIT Component	YTD August Adjusted Revenues			YTD August Enacted Estimates		Difference	Variance
Estimated payments	\$	12,948,440	a	\$	12,311,382	\$ 637,058	5.2%
Final payments †		17,683,730	a, b, c		17,976,220	(292,490)	-1.6%
Withholding		268,104,417			268,626,153	(521,737)	-0.2%
Refunds and Adjustments		(24,994,749)	a		(22,888,373)	(2,106,376)	9.2%
<b>Total</b>	\$	<b>273,741,837</b>		\$	<b>276,025,382</b>	\$ (2,283,545)	<b>-0.8%</b>

† FY 2026 expected revenues are based on the estimates enacted in the FY 2026 budget. The estimates for personal income tax final payments, business corporation tax, financial institutions tax, insurance company gross premiums tax, sales and use tax, cigarettes and ENDS taxes, and departmental receipts were calculated using modified revenue flows to align expected revenues with the actual realization of revenues.

+ Set equal to actual amounts received.

Detailed notes on the following page

**FY 2026 STATE OF RHODE ISLAND REVENUE ASSESSMENT REPORT**  
**Year-to-Date Estimate to Actual**

- <sup>a</sup> Included in the revenue items below are the amounts for net transfers between that account and all other accounts. No adjustments were made for these transfers.
  - personal income tax - \$(324,000)
  - business corporation tax - \$(546,000)
  - public utilities gross earnings tax - \$(180,000)
  - financial institutions tax - \$1,250,000
  - bank deposits tax - \$(200,000)
  - departmental receipts - \$272,278
- <sup>b</sup> Adds to personal income tax final payments \$3,078,087 in net revenues from pass-through entities made on behalf of shareholders received in YTD FY 2026 and recorded as business corporation tax payments. The offsetting amount was subtracted from business corporation tax.
- <sup>c</sup> Subtracts August Rebuild Rhode Island reimbursements accrued back to FY 2025 as follows:
  - personal income tax final payments - \$906,101
  - business corporation - \$263,466
  - insurance premiums gross earnings tax - \$4,749,238
- <sup>d</sup> Includes large estate and transfer tax payment(s) of \$5.1 million received in August 2025.
- <sup>e</sup> Subtracts \$138,198,667 of FY 2025 hospital licensing fee payment(s) received in July 2025 and accrued back to FY 2025.

**FY 2026 STATE OF RHODE ISLAND REVENUE ASSESSMENT REPORT**  
**Monthly Estimate to Actual**

	August 2025 Adjusted Revenues FY 2026			August 2025 Estimate of FY 2026 Enacted Revenues †		Difference	Variance	
<b>Personal Income Tax</b>	\$	133,416,457	a, b	\$	141,104,284	\$ (7,687,827)	-5.4%	
<b>General Business Taxes</b>								
Business Corporation †		(394,342)	a, b		4,178,034	(4,572,376)	-109.4%	
Public Utilities Gross Earnings		(165,261)	a		(240,586)	75,325	-31.3%	
Financial Institutions †		1,227,246	a		247,044	980,202	396.8%	
Insurance Company Gross Premiums †		1,649,026			448,758	1,200,269	267.5%	
Bank Deposits		(310,141)	a		(23,939)	(286,202)	1,195.6%	
Health Care Provider Assessment		3,818,711			4,035,962	(217,251)	-5.4%	
<b>Excise Taxes</b>								
Sales and Use †		155,187,896			153,642,574	1,545,321	1.0%	
Cigarettes, OTP, and ENDS †		11,156,709			9,864,292	1,292,417	13.1%	
Alcohol		1,801,191			1,871,147	(69,956)	-3.7%	
Controlled Substances		-			-	-	n/a	
<b>Other Taxes</b>								
Estate and Transfer		13,502,863	c		5,711,694	7,791,169	136.4%	
Racing and Athletics		58,098			69,092	(10,993)	-15.9%	
Realty Transfer		1,565,266			1,552,607	12,659	0.8%	
<b>Total Taxes</b>	\$	<b>322,513,720</b>		\$	<b>322,460,963</b>	\$ <b>52,757</b>	<b>0.0%</b>	
<b>Departmental Receipts †</b>	\$	22,192,833		\$	19,913,615	\$ 2,279,218	11.4%	
<b>Taxes and Departmentals</b>	\$	<b>344,706,553</b>		\$	<b>342,374,578</b>	\$ <b>2,331,975</b>	<b>0.7%</b>	
<b>Other General Revenue Sources</b>								
Other Miscellaneous Revenues		269,178			269,178	+	-	0.0%
Lottery Transfer		35,190,523			36,862,456	(1,671,933)	-4.5%	
Unclaimed Property		-			-	+	-	n/a
<b>Total Other Sources</b>	\$	<b>35,459,701</b>		\$	<b>37,131,634</b>	\$ <b>(1,671,933)</b>	<b>-4.5%</b>	
<b>Total General Revenues</b>	\$	<b>380,166,254</b>		\$	<b>379,506,212</b>	\$ <b>660,042</b>	<b>0.2%</b>	

PIT Component	August 2025 Adj. Revenues			August 2025 Enacted Estimates		Difference	Variance
	Estimated payments	\$	6,479,253	a	\$	6,359,250	\$ 120,002
Final payments †		8,914,764	a, b		9,416,722	(501,957)	-5.3%
Withholding		130,247,174			136,326,782	(6,079,608)	-4.5%
Refunds and Adjustments		(12,224,733)	a		(10,998,470)	(1,226,264)	11.1%
<b>Total</b>	\$	<b>133,416,457</b>		\$	<b>141,104,284</b>	\$ <b>(7,687,827)</b>	<b>-5.4%</b>

† FY 2026 expected revenues are based on the estimates enacted in the FY 2026 budget. The estimates for personal income tax final payments, business corporation tax, insurance company gross premiums tax, sales and use tax, cigarettes and ENDS taxes, and departmental receipts were calculated using modified revenue flows to align expected revenues with the actual realization of revenues.

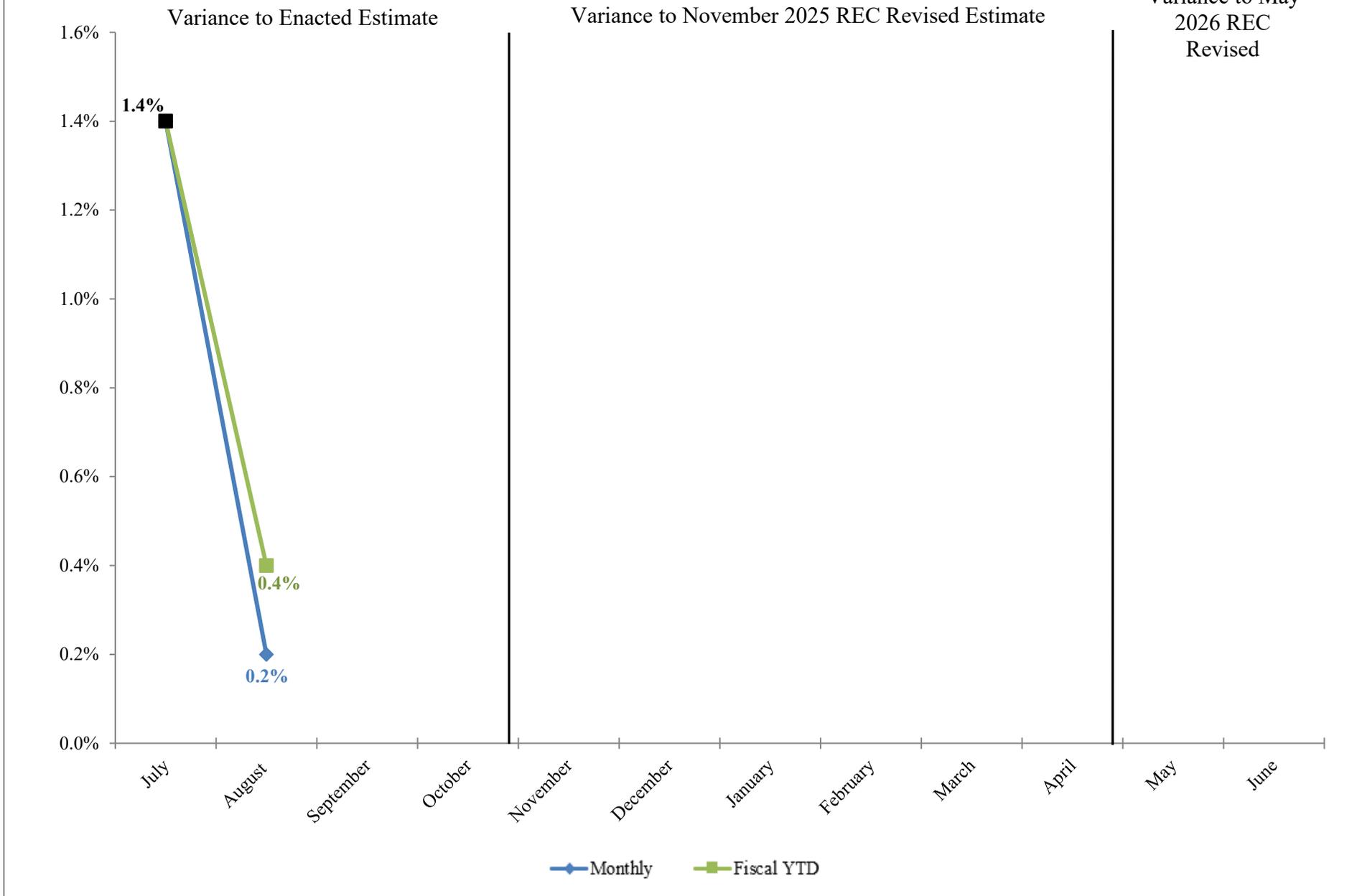
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Detailed notes on the following page

**FY 2026 STATE OF RHODE ISLAND REVENUE ASSESSMENT REPORT**  
**Monthly Estimate to Actual**

- <sup>a</sup> Included in the revenue items below are the amounts for net transfers between that account and all other accounts. No adjustments were made for these transfers.
- personal income tax - \$(324,000)
  - business corporation tax - \$(546,000)
  - public utilities gross earnings tax - \$(180,000)
  - financial institutions tax - \$1,250,000
  - bank deposits tax - \$(200,000)
- <sup>b</sup> Adds to personal income tax final payments \$1,389,842 in net revenues from pass-through entities made on behalf of shareholders received in August 2025 and recorded as business corporation tax payments. The offsetting amount was subtracted from business corporation tax.
- <sup>c</sup> Includes large estate and transfer tax payment(s) of \$5.1 million received in August 2025.

# FY 2026 Variance of Adjusted Revenues to Estimate



## Appendix

### *How to Interpret this Report*

The purpose of the Revenue Assessment Report is to give readers a sense of how the state's general revenues compare to those that might be expected if the official revenue estimates were being met in a predictable way. Caution should be exercised when interpreting this report as actual revenues may vary significantly from historical patterns. In addition, it is important for the reader to understand that enacted and adopted revenue estimates are made on an accrual basis, not a cash basis. Revenue accruals are not determined until at least one month after the fiscal year-end in June. Thus, even if the assessment of actual fiscal year-to-date revenues trails the fiscal year-to-date revenue estimates, it is possible for the fiscal year-end accrual to make up any shortfall.

The complete methodology for determining the monthly revenue flows and law changes that impact general revenues can be found on DOR's website at <https://dor.ri.gov/revenue-analysis/fy26-state-revenue-data>.

### *Expected Monthly Breakdown of Revenue*

Table A provides the average percentages used to determine expected monthly and fiscal year-to-date revenues. Details on how these monthly and fiscal year-to-date average percentages were calculated are included in the methodology document as noted above.

Revenue Item	<u>Percent Received</u>		Revenue Item	<u>Percent Received</u>	
	Aug.	YTD		Aug.	YTD
Personal Income Taxes			Sales and Use Taxes	8.9%	17.8%
Estimated Payments	2.6%	5.0%	Cigarettes Taxes	8.3%	17.3%
Final Payments	1.7%	3.2%	Alcohol Excise Taxes	8.5%	18.5%
Withholding Payments	7.9%	15.5%	Estate and Transfer	7.6%	17.6%
Refunds/Adjustments	2.1%	4.3%	Racing and Athletics	9.9%	16.5%
Business Corporation Taxes	1.2%	4.8%	Realty Transfer	8.9%	23.5%
Utilities Gross Earnings Taxes	-0.2%	-0.4%	Departmental Receipts	5.8%	9.1%
Financial Institutions Taxes	1.2%	1.0%	Lottery Transfer	8.4%	8.4%
Insurance Co. Gross Premiums	0.2%	0.3%	Other Misc. Revenues	n/a	n/a
Bank Deposits	-0.5%	-1.3%	Unclaimed Property	0.0%	0.0%
Health Care Provider Assessment	8.6%	17.2%			

The percent received for monthly and year-to-date departmental receipts is calculated excluding hospital licensing fee revenues, which are large and generally made only once in the fiscal year.

The lottery transfer does not begin in a given fiscal year until August, and fiscal year-to-date percentages reflect gaming activity from July through the prior month, while monthly percentages reflect the prior month's gaming activity. The unclaimed property transfer occurs in the adjustment period after the end of each fiscal year.

Other nuances in monthly revenue flows related to recent law changes are described in the methodology and law change document at <https://dor.ri.gov/revenue-analysis/fy26-state-revenue-data>.

### ***FY 2026 Enacted Revenue Estimates***

The FY 2026 estimates by revenue item as enacted in the FY 2026 budget are as follows:

<b>Table B. FY 2026 Enacted Revenue Estimates by Major Revenue Item</b>			
<b>Revenue Item</b>	<b>Enacted FY 2026 Estimate</b>	<b>Revenue Item</b>	<b>Enacted FY 2026 Estimate</b>
Personal Income Taxes		Sales and Use Taxes	\$1,726,581,707
Estimated Payments	\$247,200,000	Cigarettes Taxes	119,100,000
Final Payments	558,582,929	Alcohol Excise Taxes	21,900,000
Withholding Payments	1,733,500,000	Estate and Transfer	83,600,000
Refunds/Adjustments	(531,100,000)	Racing and Athletics	700,000
Business Corporation Taxes	350,360,028	Realty Transfer	25,764,646
Public Utilities Gross Earnings	112,500,000	Departmental Receipts	574,268,879
Financial Institutions Taxes	21,200,000	Lottery	441,000,000
Insurance Co. Gross Premiums	180,217,698	Other Misc. Revenues	27,337,022
Bank Deposits	5,200,000	Unclaimed Property	28,800,000
Health Care Provider Assessment	47,170,185		
		<b>Total General Revenues *</b>	<b>\$5,766,583,094</b>
* The total general revenues estimate includes a personal income tax net accrual of \$(7,300,000).			