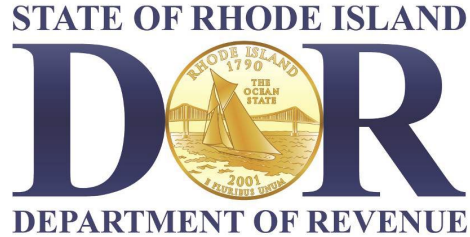


STATE OF RHODE ISLAND
GOVERNOR DANIEL J. MCKEE



Office of Revenue Analysis

State of Rhode Island Revenue Assessment Report
FY 2026 Monthly and Year-to-Date as of October 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 is the last to compare 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 November revenue assessment report will use revenue estimates adopted at the November 2025 REC on November 10, 2025.*

Results for FY 2026 Revenues through October

ORA finds that FY 2026 adjusted general revenues through October were above the enacted FY 2026 expected estimates through October by \$45.3 million, a variance of 2.7%.

Some notable variances to expected revenues are as follows:

- Personal income tax revenue was \$25.5 million more than expected, a variance of 4.1%. This is mostly due to larger estimated and withholding payments being received than expected.
- Sales and use tax revenue exceeded the estimate by \$4.9 million, or 0.8%. On a year-to-date cash basis compared to last year, sales and use tax grew by 1.7%.
- Business corporation tax was down by \$13.4 million, or 15.9%, compared to the estimate.
- Insurance company gross premiums tax exceeded estimates by \$6.9 million, a variance of 19.6%.

- Estate and transfer tax exceeded the estimate by \$10.6 million due to large payment(s) of \$11.5 million.
- Departmental receipts exceeded estimates by \$6.7 million through October. This is partially due to greater-than-expected interest earnings on the state's general fund.

Results for Month of October

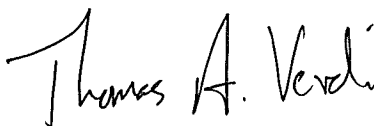
ORA finds that October 2025 adjusted total general revenues were below the enacted monthly expected estimates for October by \$(441,760), a variance of -0.1%.

Some notable variances to expected revenues are as follows:

- Personal income tax revenue was \$3.9 million more than expected, which is a variance of 2.7%. This is mostly due to larger withholding payments being received and less refunds being issued than expected.
- Business corporation tax trailed the estimate by \$9.7 million, or 91.4%.
- Sales and use tax revenue fell below estimates in October by \$1.9 million. Sales and use tax grew at 1.6% in October 2025 on a cash basis compared to October 2024.
- Departmental receipts revenue was above the monthly estimate by \$2.8 million, a variance of 10.9%.

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
November 13, 2025

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

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	YTD October Adjusted Revenues FY 2026			YTD October Estimate of Enacted FY 2026 Revenues †			Difference	Variance
Personal Income Tax	\$	651,623,080	a, b, c	\$	626,073,594		\$ 25,549,487	4.1%
General Business Taxes								
Business Corporation †		70,904,670	a, b, c		84,273,501		(13,368,831)	-15.9%
Public Utilities Gross Earnings		28,135,865	a		24,832,870		3,302,995	13.3%
Financial Institutions †		6,091,433	a		7,012,588		(921,155)	-13.1%
Insurance Company Gross Premiums †		42,224,921	c		35,315,162		6,909,759	19.6%
Bank Deposits		1,233,972	a		1,409,841		(175,869)	-12.5%
Health Care Provider Assessment		15,188,059			16,028,569		(840,509)	-5.2%
Excise Taxes								
Sales and Use †		606,547,361			601,681,030		4,866,331	0.8%
Cigarettes, OTP, and ENDS †		39,125,587			40,583,266		(1,457,679)	-3.6%
Alcohol		6,357,139			7,711,629		(1,354,489)	-17.6%
Controlled Substances		-			-	+	-	n/a
Other Taxes								
Estate and Transfer		36,375,627	d		25,821,509		10,554,118	40.9%
Racing and Athletics		228,587			234,314		(5,728)	-2.4%
Realty Transfer		11,760,030			8,626,131		3,133,899	36.3%
Total Taxes	\$	1,515,796,331		\$	1,479,604,003		\$ 36,192,328	2.4%
Departmental Receipts †	\$	81,639,880	a, c	\$	74,951,698		\$ 6,688,182	8.9%
Taxes and Departmentals	\$	1,597,436,211		\$	1,554,555,701		\$ 42,880,510	2.8%
Other General Revenue Sources								
Other Miscellaneous Revenues		(490,350)			(490,350)	+	-	0.0%
Lottery Transfer		110,149,713	f		107,714,790		2,434,923	2.3%
Unclaimed Property		-			-	+	-	n/a
Total Other Sources	\$	109,659,363		\$	107,224,441		\$ 2,434,923	2.3%
Total General Revenues	\$	1,707,095,574		\$	1,661,780,142		\$ 45,315,433	2.7%

PIT Component	YTD October Adjusted Revenues			YTD October Enacted Estimates			Difference	Variance
Estimated payments	\$	87,142,331	a	\$	72,004,727		\$ 15,137,604	21.0%
Final payments †		72,496,864	a, b, c		80,599,173		(8,102,309)	-10.1%
Withholding		557,298,427			534,838,111		22,460,316	4.2%
Refunds and Adjustments		(65,314,542)	a		(61,368,417)		(3,946,125)	6.4%
Total	\$	651,623,080		\$	626,073,594		\$ 25,549,487	4.1%

† 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

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- ^a 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 - \$(2,672,488)
 - business corporation tax - \$1,802,488
 - public utilities gross earnings tax - \$(180,000)
 - financial institutions tax - \$1,250,000
 - bank deposits tax - \$(200,000)
 - departmental receipts - \$272,278
- ^b Adds to personal income tax final payments \$26,568,443 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.
- ^c 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
- ^d Includes large estate and transfer tax payment(s) of \$11.5 million received in FY 2026.
- ^e Subtracts \$148,441,745 of FY 2025 hospital licensing fee payment(s) received in July 2025 and accrued back to FY 2025.
- ^f Subtracts \$5,119,003 of lottery transfer revenues that were transferred in October 2025 but accrued back to FY 2025.

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

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	October 2025 Adjusted Revenues FY 2026			October 2025 Estimate of FY 2026 Enacted Revenues †		Difference	Variance
<u>Personal Income Tax</u>	\$	147,799,639	a, b	\$	143,934,290	\$ 3,865,349	2.7%
<u>General Business Taxes</u>							
Business Corporation †		907,618	a, b		10,610,889	(9,703,271)	-91.4%
Public Utilities Gross Earnings		661,291			263,851	397,440	150.6%
Financial Institutions †		2,591,137			766,617	1,824,519	238.0%
Insurance Company Gross Premiums †		669,000			5,792	663,208	11,450.4%
Bank Deposits		(110,639)			(103,072)	(7,567)	7.3%
Health Care Provider Assessment		4,219,925			3,992,534	227,391	5.7%
<u>Excise Taxes</u>							
Sales and Use †		145,976,066	a		147,829,385	(1,853,318)	-1.3%
Cigarettes, OTP, and ENDS †		10,742,506	a		10,197,087	545,419	5.3%
Alcohol		898,329			1,696,038	(797,708)	-47.0%
Controlled Substances		-			-	+	n/a
<u>Other Taxes</u>							
Estate and Transfer		6,517,970			6,167,953	350,017	5.7%
Racing and Athletics		56,383			62,934	(6,551)	-10.4%
Realty Transfer		3,356,828			2,694,132	662,696	24.6%
Total Taxes	\$	324,286,054		\$	328,118,430	\$ (3,832,376)	-1.2%
<u>Departmental Receipts</u> †	\$	28,436,143	c	\$	25,630,747	\$ 2,805,396	10.9%
Taxes and Departmentals	\$	352,722,197		\$	353,749,177	\$ (1,026,980)	-0.3%
<u>Other General Revenue Sources</u>							
Other Miscellaneous Revenues		500,341			500,341	+	0.0%
Lottery Transfer		36,036,877	d		35,451,658	585,219	1.7%
Unclaimed Property		-			-	+	n/a
Total Other Sources	\$	36,537,218		\$	35,951,999	\$ 585,219	1.6%
Total General Revenues	\$	389,259,416		\$	389,701,176	\$ (441,760)	-0.1%

	October 2025 Adj. Revenues			October 2025 Enacted Estimates		Difference	Variance
PIT Component							
Estimated payments	\$	10,346,436		\$	9,462,879	\$ 883,557	9.3%
Final payments †		23,055,417	a, b		23,884,602	(829,185)	-3.5%
Withholding		141,322,644			138,519,946	2,802,698	2.0%
Refunds and Adjustments		(26,924,858)	a		(27,933,137)	1,008,279	-3.6%
Total	\$	147,799,639		\$	143,934,290	\$ 3,865,349	2.7%

† 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.

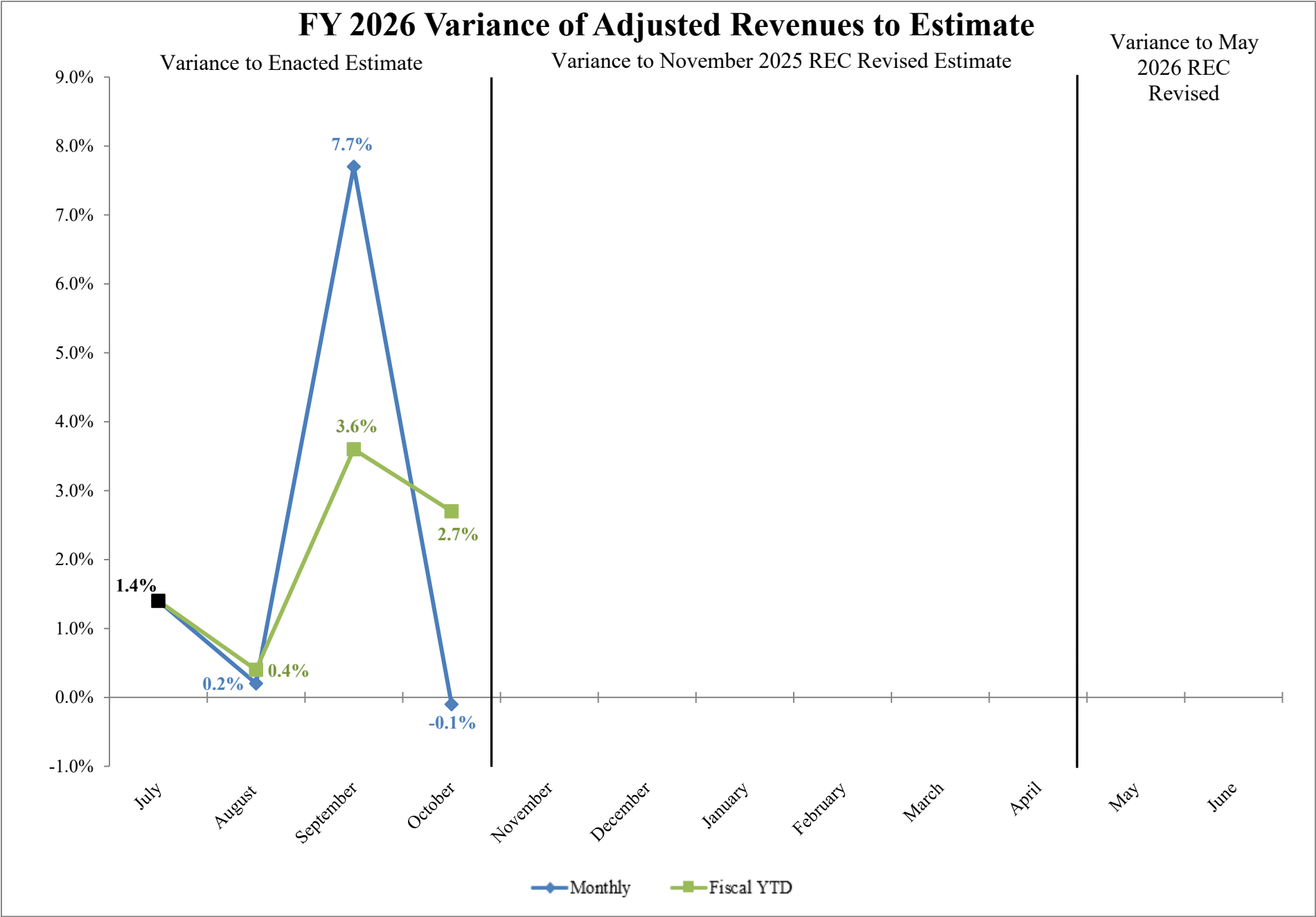
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Detailed notes on the following page

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

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- ^a 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 - \$(306,000)
 - business corporation tax - \$306,000
 - sales and use tax - \$135,000
 - cigarette tax - \$(135,000)
- ^b Adds to personal income tax final payments \$1,365,965 in net revenues from pass-through entities made on behalf of shareholders received in October 2025 and recorded as business corporation tax payments. The offsetting amount was subtracted from business corporation tax.
- ^c Subtracts \$10,243,078 of FY 2025 hospital licensing fee payment(s) received in October 2025 and accrued back to FY 2025.
- ^d Subtracts \$5,119,003 of lottery transfer revenues that were transferred in October 2025 but accrued back to FY 2025.



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.

Table A. Aggregate Revenue Allocation Percentages by Month and Fiscal Year-to-Date					
Revenue Item	<u>Percent Received</u>		Revenue Item	<u>Percent Received</u>	
	Oct.	YTD		Oct.	YTD
Personal Income Taxes			Sales and Use Taxes	8.6%	34.8%
Estimated Payments	3.8%	29.1%	Cigarettes Taxes	8.6%	34.3%
Final Payments	4.3%	14.4%	Alcohol Excise Taxes	7.7%	35.2%
Withholding Payments	8.0%	30.9%	Estate and Transfer	8.2%	34.4%
Refunds/Adjustments	5.3%	11.6%	Racing and Athletics	9.0%	33.5%
Business Corporation Taxes	3.0%	24.2%	Realty Transfer	9.0%	43.0%
Utilities Gross Earnings Taxes	0.2%	22.1%	Departmental Receipts	7.5%	21.9%
Financial Institutions Taxes	3.6%	33.1%	Lottery Transfer	8.0%	24.4%
Insurance Co. Gross Premiums	0.0%	19.6%	Other Misc. Revenues	n/a	n/a
Bank Deposits	-2.0%	27.1%	Unclaimed Property	0.0%	0.0%
Health Care Provider Assessment	8.4%	34.1%			

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:

Table B. FY 2026 Enacted Revenue Estimates by Major Revenue Item			
Revenue Item	Enacted FY 2026 Estimate	Revenue Item	Enacted FY 2026 Estimate
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		
Total General Revenues *			\$5,766,583,094
* The total general revenues estimate includes a personal income tax net accrual of \$(7,300,000).			