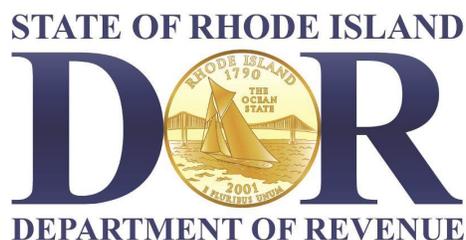


STATE OF RHODE ISLAND
GOVERNOR DANIEL J. MCKEE



Office of Revenue Analysis

State of Rhode Island Revenue Assessment Report
FY 2026 Monthly and Year-to-Date as of November 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 revised estimates adopted at the November REC held on November 10, 2025.

Results for FY 2026 Revenues through November

ORA finds that FY 2026 adjusted general revenues through November trailed the revised FY 2026 estimates through November by \$28.8 million, a variance of -1.4%.

Some notable variances to expected revenues are as follows:

- Personal income tax revenue was \$22.2 million less than expected, a variance of -2.8%. Final and withholding payments were down \$2.9 million and \$10.7 million, respectively, compared to the estimate. Despite falling below estimates, withholding cash collections in November 2025 grew by a robust 5.5% compared to November 2024. Refunds and adjustments were up by \$8.7 million (which lowers revenue).
- Combined, business taxes exceeded estimates by \$6.2 million with business corporation tax and financial institutions tax up by \$4.1 million and \$4.6 million, respectively. Offsetting this is public utilities gross earnings tax falling below the estimate by \$2.3 million. November is not a significant month for business tax collections.
- Sales and use tax revenue was below the estimate by \$2.7 million, or 0.4%. On a year-to-date cash basis compared to last year, sales and use tax grew by 1.3%.

- Estate and transfer tax and realty transfer tax trailed the estimate by \$3.9 million and \$2.6 million, respectively. Realty transfer revenue in November was negative because of increased transfers to non-general revenue accounts (which occur monthly).
- Departmental receipts fell below estimates by \$4.1 million through November.

Results for Month of November

The table *Monthly Estimate to Actual* gives the results for November 2025. Given that November is the first month of the fiscal year after the adoption of the revised revenue estimates at the November 2025 REC, the differences between the monthly adjusted revenues and expected revenues are the same as the above year-to-date differences. The monthly percentage changes, however, are larger than the fiscal year-to-date percentage changes due to the smaller nominal base that comprises monthly revenues.

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
December 17, 2025

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

	YTD November Adjusted Revenues FY 2026		YTD November Estimate of Revised FY 2026 Revenues †	Difference	Variance
Personal Income Tax	\$ 774,526,368	a, b, c	\$ 796,753,052	\$ (22,226,684)	-2.8%
General Business Taxes					
Business Corporation †	74,834,999	a, b, c	70,762,300	4,072,699	5.8%
Public Utilities Gross Earnings	28,312,481	a	30,622,037	(2,309,557)	-7.5%
Financial Institutions †	10,647,844	a	6,084,440	4,563,404	75.0%
Insurance Company Gross Premiums †	43,219,016	c	43,228,910	(9,894)	0.0%
Bank Deposits	1,205,527	a	1,027,736	177,791	17.3%
Health Care Provider Assessment	18,862,621		19,108,476	(245,855)	-1.3%
Excise Taxes					
Sales and Use †	746,036,185		748,716,603	(2,680,418)	-0.4%
Cigarettes, OTP, and ENDS †	48,320,057		48,799,764	(479,707)	-1.0%
Alcohol	8,856,077		8,136,272	719,805	8.8%
Controlled Substances	-		-	-	n/a
Other Taxes					
Estate and Transfer	43,881,703	d	47,743,072	(3,861,369)	-8.1%
Racing and Athletics	277,951		288,052	(10,101)	-3.5%
Realty Transfer	11,182,114		13,736,654	(2,554,540)	-18.6%
Total Taxes	\$ 1,810,162,943		\$ 1,835,007,369	\$ (24,844,425)	-1.4%
Departmental Receipts †	\$ 101,374,770	a, c	\$ 105,450,176	\$ (4,075,406)	-3.9%
Taxes and Departmentals	\$ 1,911,537,713		\$ 1,940,457,544	\$ (28,919,831)	-1.5%
Other General Revenue Sources					
Other Miscellaneous Revenues	272,135		272,135	-	0.0%
Lottery Transfer	146,821,218	f	146,722,386	98,832	0.1%
Unclaimed Property	-		-	-	n/a
Total Other Sources	\$ 147,093,353		\$ 146,994,522	\$ 98,832	0.1%
Total General Revenues	\$ 2,058,631,066		\$ 2,087,452,066	\$ (28,821,000)	-1.4%

PIT Component	YTD November Adjusted Revenues		YTD November Revised Estimates	Difference	Variance
Estimated payments	\$ 92,514,560	a	\$ 92,389,706	\$ 124,854	0.1%
Final payments †	80,075,400	a, b, c	82,974,444	(2,899,044)	-3.5%
Withholding	689,471,687		700,200,801	(10,729,113)	-1.5%
Refunds and Adjustments	(87,535,280)	a	(78,811,898)	(8,723,381)	11.1%
Total	\$ 774,526,368		\$ 796,753,052	\$ (22,226,684)	-2.8%

† FY 2026 expected revenues are based on the estimates adopted at the November 2025 Revenue Estimating Conference. The estimates for personal income tax final payr 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

- ^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 - \$(2,780,488)
 - business corporation tax - \$1,910,488
 - 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 \$28,622,879 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 \$158,613,123 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 FY 2026 but accrued back to FY 2025.

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

	November 2025 Adjusted Revenues FY 2026			November 2025 Estimate of FY 2025 Enacted Revenues †		Difference	Variance
Personal Income Tax	\$	122,903,288	a, b	\$	145,129,972	\$ (22,226,684)	-15.3%
General Business Taxes							
Business Corporation †		3,930,329	a, b		(142,370)	4,072,699	-2,860.6%
Public Utilities Gross Earnings		176,616			2,486,172	(2,309,557)	-92.9%
Financial Institutions †		4,556,411			(6,992)	4,563,404	-65,262.5%
Insurance Company Gross Premiums †		994,095			1,003,990	(9,895)	-1.0%
Bank Deposits		(28,445)			(206,236)	177,791	-86.2%
Health Care Provider Assessment		3,674,561			3,920,416	(245,855)	-6.3%
Excise Taxes							
Sales and Use †		139,488,824	a		142,169,242	(2,680,417)	-1.9%
Cigarettes, OTP, and ENDS †		9,194,470	a		9,701,893	(507,423)	-5.2%
Alcohol		2,498,938			1,779,132	719,805	40.5%
Controlled Substances		-			-	-	n/a
Other Taxes							
Estate and Transfer		7,506,076			11,367,445	(3,861,369)	-34.0%
Racing and Athletics		49,364			59,466	(10,101)	-17.0%
Realty Transfer		(577,915)			1,976,625	(2,554,540)	-129.2%
Total Taxes	\$	294,366,612		\$	319,238,755	\$ (24,872,143)	-7.8%
Departmental Receipts †	\$	19,734,890	c	\$	23,810,296	\$ (4,075,406)	-17.1%
Taxes and Departmentals	\$	314,101,502		\$	343,049,051	\$ (28,947,549)	-8.4%
Other General Revenue Sources							
Other Miscellaneous Revenues		762,485			762,485	-	0.0%
Lottery Transfer		36,671,505			36,572,673	98,832	0.3%
Unclaimed Property		-			-	-	n/a
Total Other Sources	\$	37,433,990		\$	37,335,158	\$ 98,832	0.3%
Total General Revenues	\$	351,535,492		\$	380,384,209	\$ (28,848,717)	-7.6%

PIT Component	November 2025 Adj. Revenues			November 2025 Revised Estimates		Difference	Variance
Estimated payments	\$	5,372,229		\$	5,247,375	\$ 124,854	2.4%
Final payments †		7,578,536	a, b		10,477,580	(2,899,044)	-27.7%
Withholding		132,173,260			142,902,373	(10,729,113)	-7.5%
Refunds and Adjustments		(22,220,738)	a		(13,497,356)	(8,723,381)	64.6%
Total	\$	122,903,288		\$	145,129,972	\$ (22,226,684)	-15.3%

† FY 2026 expected revenues are based on the estimates adopted at the November 2025 Revenue Estimating Conference. The estimates for personal income tax final payr 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.

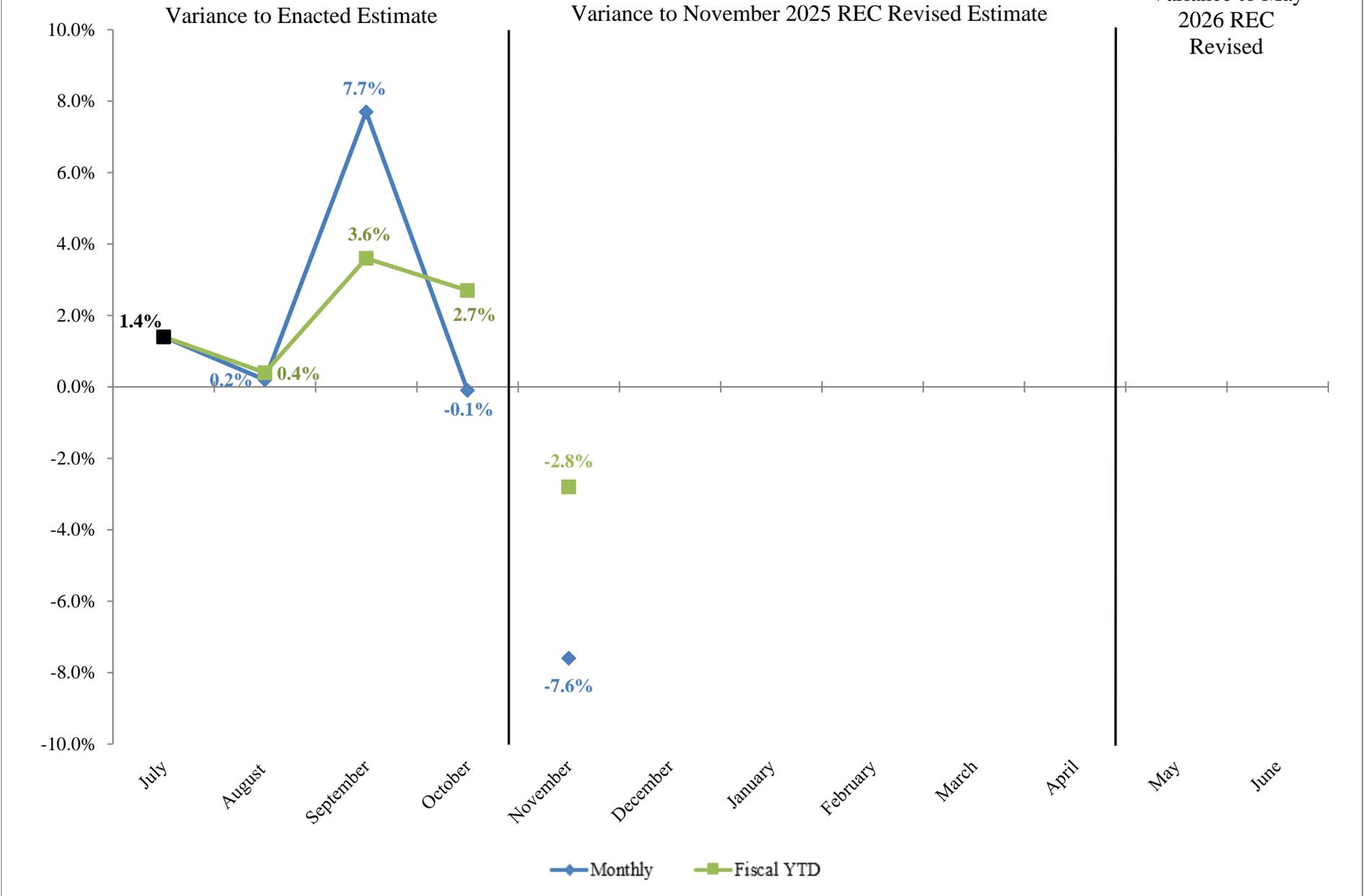
+ Set equal to actual amounts received.

Detailed notes on the following page

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

- ^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 - \$(108,000)
 - business corporation tax - \$108,000
 - sales and use tax - \$162,000
 - cigarette tax - \$(162,000)
- ^b Adds to personal income tax final payments \$2,054,436 in net revenues from pass-through entities made on behalf of shareholders received in November 2025 and recorded as business corporation tax payments. The offsetting amount was subtracted from business corporation tax.
- ^c Subtracts \$10,171,379 of FY 2025 hospital licensing fee payment(s) received in November 2025 and accrued back to FY 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>	
	Nov.	YTD		Nov.	YTD
Personal Income Taxes			Sales and Use Taxes	8.3%	43.1%
Estimated Payments	2.1%	31.2%	Cigarettes Taxes	8.5%	43.0%
Final Payments	1.9%	16.2%	Alcohol Excise Taxes	8.4%	43.7%
Withholding Payments	8.2%	39.1%	Estate and Transfer	14.3%	48.8%
Refunds/Adjustments	2.6%	14.1%	Racing and Athletics	8.4%	41.9%
Business Corporation Taxes	0.0%	24.2%	Realty Transfer	7.6%	50.7%
Utilities Gross Earnings Taxes	2.2%	24.3%	Departmental Receipts	7.1%	29.1%
Financial Institutions Taxes	-0.1%	33.0%	Lottery Transfer	8.1%	32.6%
Insurance Co. Gross Premiums	0.6%	20.3%	Other Misc. Revenues	n/a	n/a
Bank Deposits	-3.8%	23.3%	Unclaimed Property	0.0%	0.0%
Health Care Provider Assessment	8.2%	42.3%			

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 Revised Revenue Estimates

The FY 2026 estimates by revenue item as adopted at the November 2025 REC are as follows:

Table B. FY 2026 Revised Revenue Estimates by Major Revenue Item			
Revenue Item	Revised FY 2026 Estimate	Revenue Item	Revised FY 2026 Estimate
Personal Income Taxes		Sales and Use Taxes	\$1,726,000,000
Estimated Payments	\$266,300,000	Cigarettes Taxes	114,500,000
Final Payments	555,600,000	Alcohol Excise Taxes	20,000,000
Withholding Payments	1,760,200,000	Estate and Transfer	98,800,000
Refunds/Adjustments	(526,500,000)	Racing and Athletics	700,000
Business Corporation Taxes	317,000,000	Realty Transfer	26,500,000
Public Utilities Gross Earnings	115,000,000	Departmental Receipts	574,900,000
Financial Institutions Taxes	11,500,000	Lottery	451,300,000
Insurance Co. Gross Premiums	176,900,000	Other Misc. Revenues	25,300,000
Bank Deposits	5,200,000	Unclaimed Property	29,000,000
Health Care Provider Assessment	46,800,000		
		Total General Revenues *	\$5,795,800,000

* The total general revenues estimate includes a personal income tax net accrual of \$800,000.