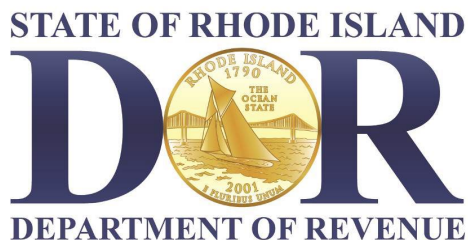


STATE OF RHODE ISLAND
GOVERNOR DANIEL J. MCKEE



Office of Revenue Analysis

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

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 May 2026 REC held on May 8, 2026.

Results for FY 2026 Revenues through May

ORA finds that FY 2026 adjusted general revenues through May trailed the revised FY 2026 estimates through May, with a variance of \$(19.9 million) or -0.4%.

Some notable variances to expected revenues are as follows:

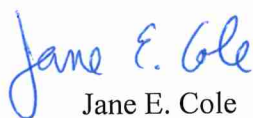
- Personal income tax revenue was \$21.1 million less than expected, which is a variance of -1.1%. Withholding payments had the largest nominal difference of \$(17.5 million). On a cash basis, withholding payments grew at 6.6% year-to-date. Estimated and final payments, which include elective pass-through entity tax payments, both had negative year-to-date variances, with nominal differences of \$2.0 million and \$2.9 million. Only refunds and adjustments had a positive nominal difference at \$1.3 million, or a variance of -0.3%.
- The health care provider assessment was up \$2.4 million. There were collection payment(s) in this tax type of \$6.9 million in February 2026 and \$1.6 million in May 2026 (the first of these was accounted for in the revised estimates at the May 2026 REC).
- Departmental receipts trailed the year-to-date estimate by \$2.1 million, or 0.7%.

Results for Month of May

The table, *Monthly Estimate to Actual*, gives the results for May 2026. Given that May is the first month of the fiscal year after the adoption of the revised revenue estimates at the May 2026 REC, the nominal differences between the monthly adjusted revenues and expected revenues are the same as the above year-to-date nominal 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.



Jane E. Cole
Interim Director
Department of Revenue
June 12, 2026

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

	YTD May Adjusted Revenues FY 2026		YTD May Estimate of Revised FY 2026 Revenues †		Difference	Variance
Personal Income Tax	\$ 1,904,984,960	a, b, c	\$ 1,926,106,001		\$ (21,121,041)	-1.1%
General Business Taxes						
Business Corporation †	311,707,081	a, b, c	312,783,111		(1,076,030)	-0.3%
Public Utilities Gross Earnings	91,753,692	a	91,770,241		(16,549)	0.0%
Financial Institutions †	25,024,834	a	24,960,246		64,588	0.3%
Insurance Company Gross Premiums †	134,142,032	a, c	134,184,995		(42,963)	0.0%
Bank Deposits	3,956,200	a	4,023,040		(66,841)	-1.7%
Health Care Provider Assessment	52,131,983	d	49,734,329		2,397,655	4.8%
Excise Taxes						
Sales and Use †	1,573,308,995	c	1,572,436,079		872,916	0.1%
Cigarettes, OTP, and ENDS †	105,372,048		105,435,565		(63,517)	-0.1%
Alcohol	19,025,288		18,635,139		390,149	2.1%
Controlled Substances	-		-	+	-	n/a
Other Taxes						
Estate and Transfer	79,582,376	e	79,166,095		416,281	0.5%
Racing and Athletics	601,258		624,487		(23,230)	-3.7%
Realty Transfer	27,556,422		27,895,357		(338,936)	-1.2%
Total Taxes	\$ 4,329,147,169		\$ 4,347,754,685		\$ (18,607,516)	-0.4%
Departmental Receipts †	\$ 280,681,717	a, f, g	\$ 282,778,258		\$ (2,096,541)	-0.7%
Taxes and Departmentals	\$ 4,609,828,885		\$ 4,630,532,943		\$ (20,704,057)	-0.4%
Other General Revenue Sources						
Other Miscellaneous Revenues	6,397,830		6,397,830	+	-	0.0%
Lottery Transfer	371,333,209	h	370,559,205		774,004	0.2%
Unclaimed Property	-		-	+	-	n/a
Total Other Sources	\$ 377,731,039		\$ 376,957,035		\$ 774,004	0.2%
Total General Revenues	\$ 4,987,559,924		\$ 5,007,489,977		\$ (19,930,053)	-0.4%

PIT Component	YTD May Adjusted Revenues		YTD May Revised Estimates		Difference	Variance
Estimated payments	\$ 231,141,715	a	\$ 233,136,166		\$ (1,994,452)	-0.9%
Final payments †	523,551,424	a, b, c	526,405,784		(2,854,360)	-0.5%
Withholding	1,632,214,517		1,649,764,203		(17,549,686)	-1.1%
Refunds and Adjustments	(481,922,695)	a	(483,200,152)		1,277,457	-0.3%
Total	\$ 1,904,984,960		\$ 1,926,106,001		\$ (21,121,041)	-1.1%

† FY 2026 expected revenues are based on the estimates adopted at the May 2026 Revenue Estimating Conference. 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

- ^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 - \$(3,295,488)
 - business corporation tax - \$2,240,928
 - public utilities gross earnings tax - \$(180,000)
 - financial institutions tax - \$1,250,000
 - insurance company gross premiums tax - \$184,599
 - bank deposits tax - \$(200,000)
 - departmental receipts - \$272,278
- ^b Adds to personal income tax final payments \$122,142,824 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 FY 2026 Rebuild Rhode Island reimbursements accrued back to FY 2025 as follows:
 - personal income tax final payments - \$1,170,467
 - business corporation - \$263,466
 - insurance premiums gross earnings tax - \$4,749,238
 - sales and use tax - \$1,610,127
- ^d Includes large, unusual payment(s) of \$8.5 million.
- ^e Includes large estate and transfer tax payment(s) of \$11.5 million received in FY 2026.
- ^f Subtracts \$168,820,351 of FY 2025 hospital licensing fee payment(s) received in FY 2026 and accrued back to FY 2025.
- ^g Adds to departmental receipts \$390,663 due to a duplicate transfer that will be corrected in June.
- ^h 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

	May 2026 Adjusted Revenues FY 2026			May 2026 Estimate of FY 2025 Revised Revenues †		Difference	Variance
Personal Income Tax	\$	118,166,211	^b	\$	139,287,252	\$ (21,121,041)	-15.2%
General Business Taxes							
Business Corporation †		7,839,576	^b		8,915,606	(1,076,030)	-12.1%
Public Utilities Gross Earnings		223,515			240,063	(16,548)	-6.9%
Financial Institutions †		13,943			(50,645)	64,588	-127.5%
Insurance Company Gross Premiums †		1,686,533			1,729,497	(42,964)	-2.5%
Bank Deposits		8,968			75,809	(66,841)	-88.2%
Health Care Provider Assessment		6,302,760	^c		3,905,106	2,397,655	61.4%
Excise Taxes							
Sales and Use †		146,553,467			145,680,551	872,916	0.6%
Cigarettes, OTP, and ENDS †		9,447,037			9,510,553	(63,517)	-0.7%
Alcohol		2,084,471			1,694,322	390,149	23.0%
Controlled Substances		-			-	-	n/a
Other Taxes							
Estate and Transfer		8,792,570			8,376,289	416,281	5.0%
Racing and Athletics		69,175			92,405	(23,229)	-25.1%
Realty Transfer		2,890,635			3,229,571	(338,936)	-10.5%
Total Taxes	\$	304,078,861		\$	322,686,378	\$ (18,607,517)	-5.8%
Departmental Receipts †	\$	23,882,732	^{a, d}	\$	25,979,273	\$ (2,096,541)	-8.1%
Taxes and Departmentals	\$	327,961,593		\$	348,665,652	\$ (20,704,059)	-5.9%
Other General Revenue Sources							
Other Miscellaneous Revenues		662,199			662,199	-	0.0%
Lottery Transfer		40,979,898			40,205,894	774,004	1.9%
Unclaimed Property		-			-	-	n/a
Total Other Sources	\$	41,642,097		\$	40,868,092	\$ 774,004	1.9%
Total General Revenues	\$	369,603,690		\$	389,533,744	\$ (19,930,055)	-5.1%

PIT Component	May 2026 Adj. Revenues			May 2026 Revised Estimates		Difference	Variance
Estimated payments	\$	5,941,368		\$	7,935,820	\$ (1,994,452)	-25.1%
Final payments †		13,004,265	^b		15,858,625	(2,854,360)	-18.0%
Withholding		131,350,073			148,899,759	(17,549,686)	-11.8%
Refunds and Adjustments		(32,129,495)			(33,406,952)	1,277,457	-3.8%
Total	\$	118,166,211		\$	139,287,252	\$ (21,121,041)	-15.2%

† FY 2026 expected revenues are based on the estimates adopted at the May 2026 Revenue Estimating Conference. 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.

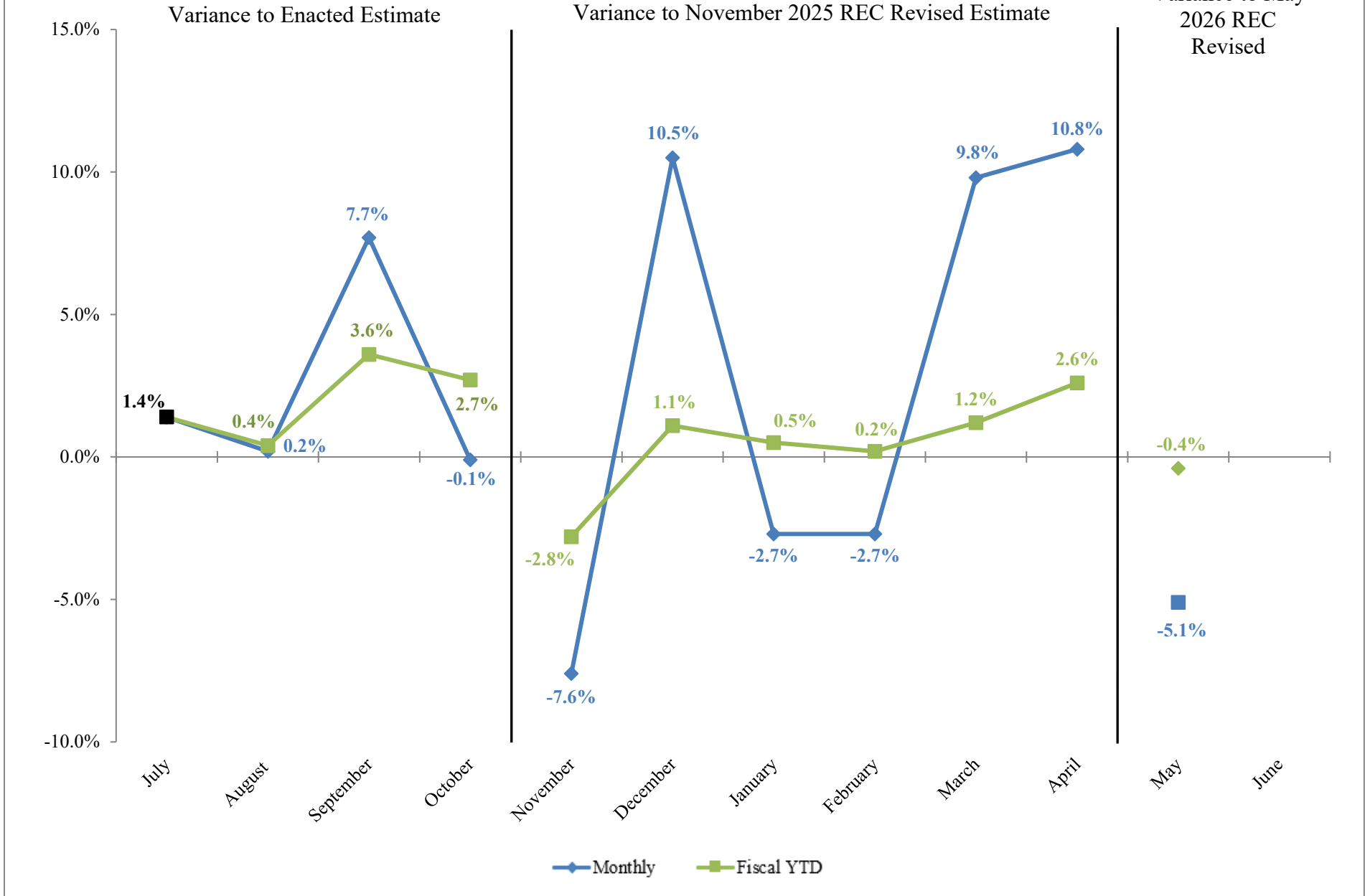
+ Set equal to actual amounts received.

Detailed notes on the following page

FY 2026 STATE OF RHODE ISLAND REVENUE ASSESSMENT REPORT
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.
- departmental receipts - \$(184,928)
- ^b Adds to personal income tax final payments \$1,090,280 in net revenues from pass-through entities made on behalf of shareholders received in May 2026 and recorded as business corporation tax payments. The offsetting amount was subtracted from business corporation tax.
- ^c Includes large, unusual payment(s) of \$1.6 million.
- ^d Adds to departmental receipts \$390,663 due to a duplicate transfer that will be corrected in June.

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>	
	May	YTD		May	YTD
Personal Income Taxes			Sales and Use Taxes	8.5%	91.2%
Estimated Payments	2.8%	81.9%	Cigarettes Taxes	8.4%	90.8%
Final Payments	2.8%	94.6%	Alcohol Excise Taxes	8.4%	91.2%
Withholding Payments	8.3%	91.9%	Estate and Transfer	9.6%	92.4%
Refunds/Adjustments	6.4%	93.0%	Racing and Athletics	10.8%	91.2%
Business Corporation Taxes	2.7%	85.0%	Realty Transfer	10.2%	97.1%
Utilities Gross Earnings Taxes	0.2%	77.3%	Departmental Receipts	7.2%	83.2%
Financial Institutions Taxes	0.1%	92.9%	Lottery Transfer	8.8%	82.5%
Insurance Co. Gross Premiums	1.1%	72.5%	Other Misc. Revenues	n/a	n/a
Bank Deposits	1.4%	73.0%	Unclaimed Property	0.0%	0.0%
Health Care Provider Assessment	8.4%	91.7%			

The percentage 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 May 2026 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	\$1,724,000,000
Estimated Payments	\$284,300,000	Cigarettes Taxes	116,500,000
Final Payments	553,200,000	Alcohol Excise Taxes	20,400,000
Withholding Payments	1,795,000,000	Estate and Transfer	96,200,000
Refunds/Adjustments	(519,500,000)	Racing and Athletics	700,000
Business Corporation Taxes	364,000,000	Realty Transfer	28,800,000
Public Utilities Gross Earnings	118,600,000	Departmental Receipts	575,000,000
Financial Institutions Taxes	22,500,000	Lottery	446,300,000
Insurance Co. Gross Premiums	180,700,000	Other Misc. Revenues	29,700,000
Bank Deposits	5,500,000	Unclaimed Property	44,600,000
Health Care Provider Assessment	53,600,000		
		Total General Revenues *	\$5,950,400,000
* The total general revenues estimate includes a personal income tax net accrual of \$10,300,000.			