STATE OF RHODE ISLAND
GOVERNOR DANIEL J. MCKEE

STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE

Office of Revenue Analysis

State of Rhode Island Revenue Assessment Report
FY 2027 Monthly and Year-to-Date as of July 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 revenue estimates enacted in the FY 2027 budget, which was signed into law on June 12, 2026.

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. ORA has used preliminary June 2026 data to set monthly allocation percentages, which are subject to change.

Results for FY 2027 Revenues through July

ORA finds that FY 2027 adjusted total general revenues through July were above the enacted FY 2027 expected total general revenue estimates through July by $14.8 million, a variance of 4.2%.

Some notable variances to expected revenues are as follows:

- Personal income tax revenue was $13.1 million less than expected, a variance of -9.0%. This is largely due to an increase in refunds and adjustments being ahead of the estimates by $21.6 million, which is a negative nominal amount.

- Combined, business taxes exceeded estimates by $5.4 million, with business corporation tax down by $4.6 million. Offsetting this were public utilities gross premiums tax and financial institutions tax exceeding the estimates by $5.7 million and $3.8 million.
- Sales and use tax overperformed the estimate by $13.8 million, a variance of 8.6%. On a cash basis, sales and use tax increased by 13.8% in July 2026 compared to July 2025.
- Departmental receipts exceeded estimates by $3.2 million through July, or 24.9%.
- Revenue from the estate and transfer tax was ahead of the estimate by $3.9 million, or 54.2%.

Results for Month of July

Given that July is the first month of the fiscal year, the differences between the monthly adjusted revenues and expected revenues are the same as the above year-to-date differences.

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

Jane E. Cole
Interim Director
Department of Revenue
August 26, 2026

FY 2027 STATE OF RHODE ISLAND REVENUE ASSESSMENT REPORT
Year-to-Date Estimate to Actual

	YTD July Adjusted Revenues FY 2027		YTD July Estimate of Enacted FY 2027 Revenues †		Difference	Variance
Personal Income Tax	$ 132,526,869	b, c	$ 145,586,919		$ (13,060,049)	-9.0%
General Business Taxes						
Business Corporation †	6,388,796	a, b, c	11,001,912		(4,613,116)	-41.9%
Public Utilities Gross Earnings	5,777,318		39,294		5,738,024	14,602.6%
Financial Institutions †	3,759,710		(7,422)		3,767,132	-50,759.0%
Insurance Company Gross Premiums †	84,667	c	50,658		34,009	67.1%
Bank Deposits	18,103		144,906		(126,803)	-87.5%
Health Care Provider Assessment	4,808,963		4,231,750		577,213	13.6%
Excise Taxes						
Sales and Use †	172,789,440	a	159,038,449		13,750,991	8.6%
Cigarettes, OTP, and ENDS †	11,414,199	a	9,940,828		1,473,370	14.8%
Alcohol	2,259,849		2,060,421		199,428	9.7%
Controlled Substances	-		-	+	-	n/a
Other Taxes						
Estate and Transfer	11,016,641		7,145,687		3,870,955	54.2%
Racing and Athletics	63,295		59,039		4,256	7.2%
Realty Transfer	4,809,666		4,757,502		52,164	1.1%
Total Taxes	**$ 355,717,517**		**$ 344,049,944**		**$ 11,667,573**	**3.4%**
Departmental Receipts †	$ 15,904,650	a, d	$ 12,736,925		$ 3,167,725	24.9%
Taxes and Departmentals	**$ 371,622,167**		**$ 356,786,869**		**$ 14,835,298**	**4.2%**
Other General Revenue Sources						
Other Miscellaneous Revenues	265,922		265,922	+	-	0.0%
Lottery Transfer	-		-		-	n/a
Unclaimed Property	-		-	+	-	n/a
Total Other Sources	**$ 265,922**		**$ 265,922**		**$ -**	**0.0%**
Total General Revenues	**$ 371,888,089**		**$ 357,052,791**		**$ 14,835,298**	**4.2%**

PIT Component	YTD July Adjusted Revenues		YTD July Enacted Estimates	Difference	Variance
Estimated payments	$ 6,600,234		$ 7,081,859	$ (481,624)	-6.8%
Final payments †	9,863,277	b, c	9,318,642	544,635	5.8%
Withholding	150,594,830		142,067,950	8,526,880	6.0%
Refunds and Adjustments	(34,531,472)	a	(12,881,532)	(21,649,940)	168.1%
Total	**$ 132,526,869**		**$ 145,586,919**	**$ (13,060,049)**	**-9.0%**

† FY 2027 expected revenues are based on the estimates enacted in the FY 2027 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.

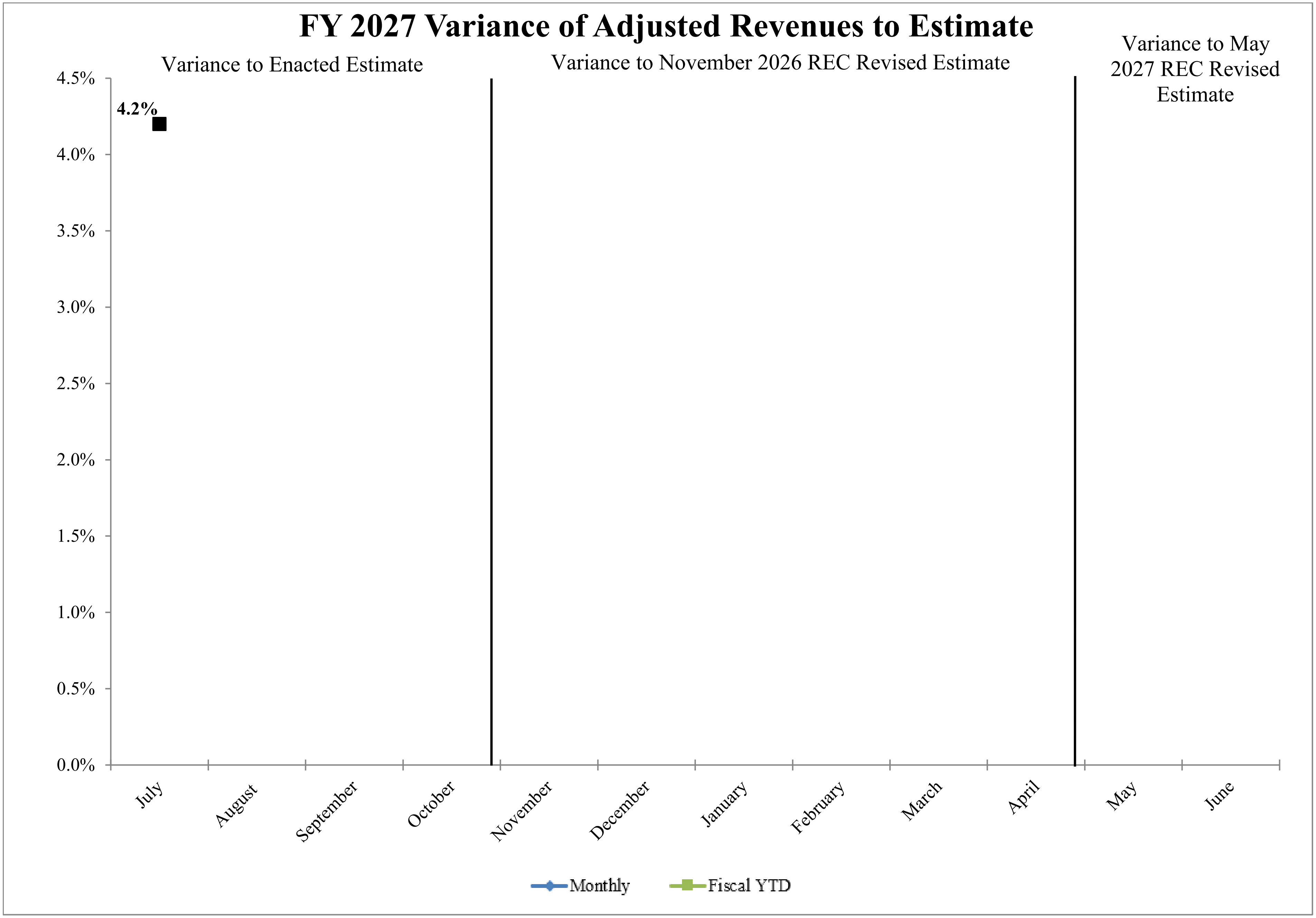
Detailed notes on the following page

[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.
- business corporation tax - $(3,972,285)
- sales and use tax - $4,134,285
- cigarette tax - $(162,000)
- departmental receipts - $(184,909)

[b] Adds to personal income tax final payments $1,364,661 in net revenues from pass-through entities made on behalf of shareholders received in YTD FY 2027 and recorded as business corporation tax payments. The offsetting amount was subtracted from business corporation tax.

[c] Subtracts FY 2027 Rebuild Rhode Island reimbursements accrued back to FY 2026 as follows:
- personal income tax final payments - $873,193
- business corporation - $80,778
- insurance premiums gross earnings tax - $1,705,609
- sales and use tax - $728,665

[d] Subtracts $10,289,897 of FY 2026 hospital licensing fee payment(s) received in FY 2027 and accrued back to FY 2026.



FY 2027 Variance of Adjusted Revenues to Estimate
Variance to Enacted Estimate
Variance to November 2026 REC Revised Estimate
Variance to May 2027 REC Revised Estimate
4.5%
4.0%
3.5%
3.0%
2.5%
2.0%
1.5%
1.0%
0.5%
0.0%
4.2%
July
August
September
October
November
December
January
February
March
April
May
June
Monthly
Fiscal YTD

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/about-us/divisions/revenue-analysis/fiscal-year-2027-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 for July. 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

	Percent Received			Percent Received	
Revenue Item	**July**	**YTD**	**Revenue Item**	**July**	**YTD**
Personal Income Taxes			Sales and Use Taxes	8.9%	8.9%
Estimated Payments	2.5%	2.5%	Cigarettes Taxes	8.8%	8.8%
Final Payments	1.5%	1.5%	Alcohol Excise Taxes	10.0%	10.0%
Withholding Payments	7.7%	7.7%	Estate and Transfer	8.4%	8.4%
Refunds/Adjustments	2.3%	2.3%	Racing and Athletics	8.4%	8.4%
Business Corporation Taxes	2.9%	2.9%	Realty Transfer	14.3%	14.3%
Utilities Gross Earnings Taxes	0.0%	0.0%	Departmental Receipts	3.9%	3.9%
Financial Institutions Taxes	0.0%	0.0%	Lottery Transfer	0.0%	0.0%
Insurance Co. Gross Premiums	0.0%	0.0%	Other Misc. Revenues	n/a	n/a
Bank Deposits	2.5%	2.5%	Unclaimed Property	0.0%	0.0%
Health Care Provider Assessment	7.9%	7.9%			

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/about-us/divisions/revenue-analysis/fiscal-year-2027-state-revenue-data.

FY 2027 Enacted Revenue Estimates

The FY 2027 estimates by revenue item as enacted in the FY 2027 budget are as follows:

Table B. FY 2027 Enacted Revenue Estimates by Major Revenue Item

Revenue Item	Enacted FY 2027 Estimate	Revenue Item	Enacted FY 2027 Estimate
Personal Income Taxes		Sales and Use Taxes	$1,780,362,121
Estimated Payments	$289,000,000	Cigarettes Taxes	112,969,584
Final Payments	601,330,789	Alcohol Excise Taxes	20,600,000
Withholding Payments	1,854,000,000	Estate and Transfer	94,325,325
Refunds/Adjustments	(563,921,798)	Racing and Athletics	700,000
Business Corporation Taxes	383,316,963	Realty Transfer	33,300,000
Public Utilities Gross Earnings	123,173,717	Departmental Receipts	561,935,550
Financial Institutions Taxes	16,777,224	Lottery	447,900,000
Insurance Co. Gross Premiums	181,346,391	Other Misc. Revenues	19,000,000
Bank Deposits	5,700,000	Unclaimed Property	37,600,000
Health Care Provider Assessment	53,699,061		
		Total General Revenues *	**$6,045,714,927**

* The total general revenues estimate includes a personal income tax net accrual of $(7,400,000).