STATE OF RHODE ISLAND
GOVERNOR DANIEL J. MCKEE

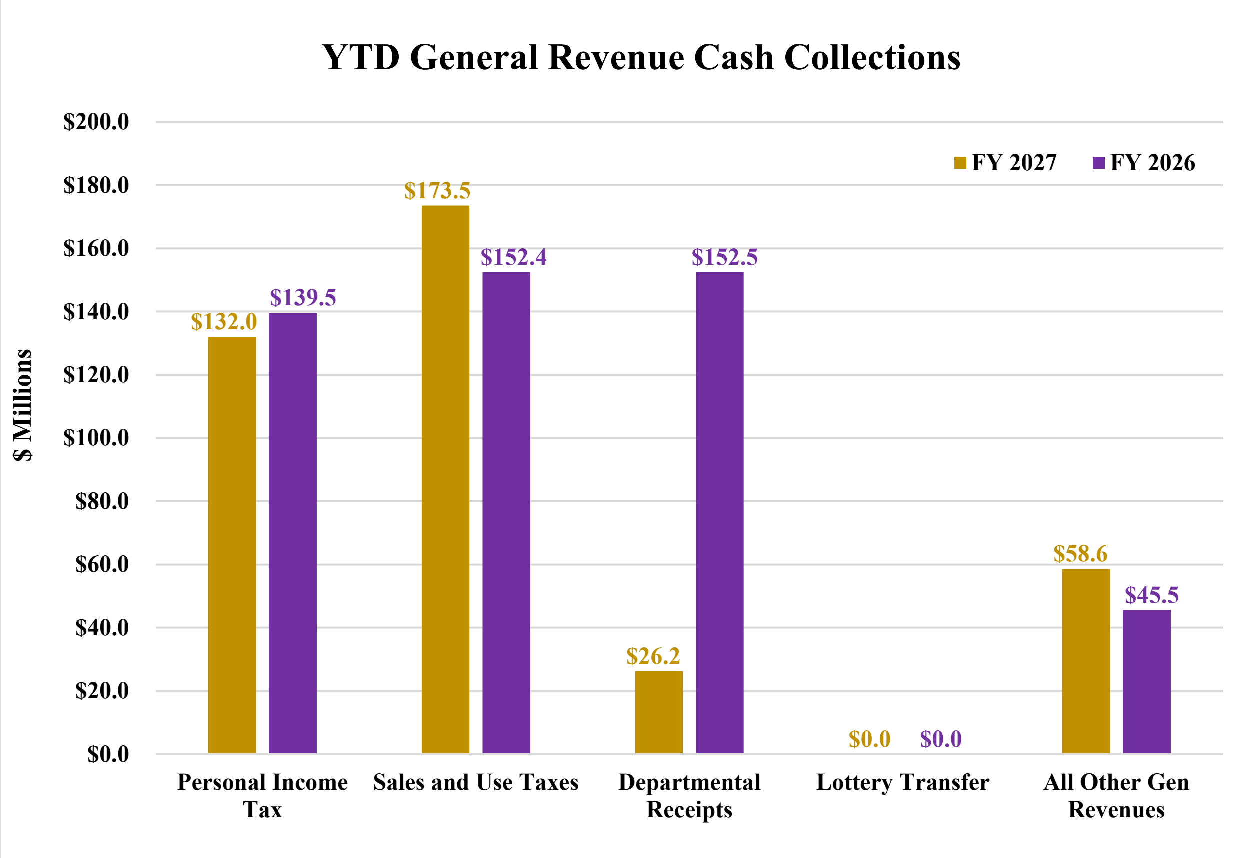
STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE

Office of Revenue Analysis

FY 2027 Cash Collections Report as of July 2026 Summary

Fiscal Year-to-Date through July:

FY 2027 total general revenue cash collections through July were $390.3 million, down $99.7 million or 20.3%, from the $490.0 million collected in the same period in FY 2026. The breakdown by major general revenue components is as follows:



- Personal income tax cash collections declined by 5.4%, with refunds and adjustments up by $21.8 million, which is a negative nominal amount. Partially offsetting this is an increase in withholding payments of $12.7 million.

- Sales and use tax collections grew by 13.8% year-to-date.
- The decrease in departmental receipts is largely due to the decrease in the hospital licensing fee from payment(s) received in July 2026 of $10.3 million and accrued back to FY 2026 compared to $138.2 million received in July 2025 and accrued back to FY 2025.
- The lottery transfer commences in August of a given fiscal year.

Month of July:

Given that July is the first month of the fiscal year, there are no differences between fiscal year-to-date and monthly cash collections.

Motor Fuel Tax:

- The per-penny yield of the state's gas tax was up 9.2% in July. The gas tax, unlike the other revenue items discussed in this report, is not general revenue.

How to Read this Report

The tables on the following pages present a year-to-date and monthly look at cash collections compared to last year. The rest of the report examines each major revenue category and presents component data where available, along with commentary on nuances in cash flows. An appendix at the end of the report presents data about specific events that have caused differences in cash flows between fiscal years.

FY 2027 STATE OF RHODE ISLAND CASH COLLECTIONS

	FY 2027 YTD July	FY 2026 YTD July	Nominal Difference	% Change
Personal Income Tax	$ 132,035,401	$ 139,543,236	$ (7,507,835)	-5.4%
General Business Taxes				
Business Corporation	7,834,235	12,012,057	(4,177,822)	-34.8%
Public Utilities Gross Earnings	5,777,318	58,007	5,719,312	9,859.8%
Financial Institutions	3,759,710	11,238	3,748,472	33,356.0%
Insurance Companies	1,790,276	4,760,710	(2,970,433)	-62.4%
Bank Deposits	18,103	172,386	(154,283)	-89.5%
Health Care Provider Assessment	4,808,963	3,712,105	1,096,858	29.5%
Excise Taxes				
Sales and Use Δ	173,518,105	152,444,139	21,073,966	13.8%
Motor Vehicle License and Reg Fees	4,753,609	4,563,412	190,196	4.2%
Cigarettes, OTP, and ENDS	11,414,199	7,838,593	3,575,605	45.6%
Alcohol	2,259,849	1,923,730	336,120	17.5%
Controlled Substances	-	-	-	-
Other Taxes				
Estate and Transfer	11,016,641	5,757,524	5,259,117	91.3%
Racing and Athletics	63,295	64,342	(1,046)	-1.6%
Realty Transfer	4,809,666	4,627,443	182,223	3.9%
Total Taxes	**$ 363,859,371**	**$ 337,488,920**	**$ 26,370,450**	**7.8%**
Departmental Receipts				
Licenses and Fees	$ 20,815,393	$ 146,413,098	$ (125,597,705)	-85.8%
Fines and Penalties	1,356,366	1,078,131	278,235	25.8%
Sales and Services	814,899	655,649	159,250	24.3%
Miscellaneous	3,207,888	4,350,052	(1,142,163)	-26.3%
Total Departmental Receipts	**$ 26,194,547**	**$ 152,496,930**	**$ (126,302,384)**	**-82.8%**
Taxes and Departmentals	**$ 390,053,917**	**$ 489,985,851**	**$ (99,931,933)**	**-20.4%**
Other General Revenue Sources				
Other Miscellaneous Revenues	$ 265,922	$ 47,798	$ 218,125	456.4%
Lottery Transfer Δ	-	-	-	-
Unclaimed Property	-	-	-	-
Total Other Sources	**$ 265,922**	**$ 47,798**	**$ 218,125**	**456.4%**
Total General Revenues	**$ 390,319,840**	**$ 490,033,648**	**$ (99,713,809)**	**-20.3%**

Δ Sales and use tax primarily reflects June activity and the lottery transfer commences in August of a given fiscal year.

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Personal Income Tax Cash Collections by Component

Fiscal Year-to-Date through July:

Component	FY 2027	FY 2026	Difference	% Change
Estimated Payments	$6,600,234	$6,469,187	$131,047	2.0%
Final Payments	9,371,809	7,986,821	1,384,988	17.3%
Withholding Tax Payments	150,594,830	137,857,243	12,737,587	9.2%
Refunds/Adjustments	(34,531,472)	(12,770,016)	(21,761,456)	170.4%

Notes about Fiscal Year-to-Date through July:

- Final payments in FY 2027 YTD do not include $1,364,661 in pass-through entity payments that were deposited as business corporation tax. FY 2026 YTD does not include $1,688,245 in pass-through entity payments that were deposited as business corporation tax.
- Final payments include HSTC reimbursements of $2,716 in FY 2026 YTD.
- Final payments also include Rebuild RI reimbursements of $873,193 in FY 2027 YTD. The comparable figure for FY 2026 YTD is $906,101.

Year-to-Date Refund Activity:

Refund Activity	FY 2027	FY 2026
Number of Refunds	16,980	10,472
Average Refund	$1,993	$1,138
Number of Issuance Dates*	4	3
* Due to system updates, not all weeks include refund issuances.		

Month of July:
Given that July is the first month of the fiscal year, there are no differences between fiscal year-to-date and monthly cash collections.

Background Information about this Category:
The majority of personal income tax is received through withholding of taxes on employee paychecks. Taxpayers with income that is not subject to withholding are required to make four estimated payments throughout the course of the year, on the 15th of April, June, September, and January. Any taxpayers would still owe taxes when filing their final return must submit a final payment by April 15th. Taxpayers who have overpaid, or are able to claim various tax credits, receive a refund after they file. Taxpayers who file for an extension must file their tax return by October 15th but are still required to make their final payment by April 15th. Refunds are primarily issued in February through June.

Rhode Island also has a voluntary pass-through entity tax. The collections from this tax show up in corporate income tax but will be moved to personal income tax by the Controller at the end of the fiscal year. Pass-through entities are businesses where income is passed directly to the owners or investors of the business. These members pay tax on this income under the personal income tax. Optionally, the entities themselves can pay the tax at the entity level. In this case, the members receive a tax credit to offset their personal income tax liability for that income. The largest month for these payments is December, followed by March (when final pass-through entity tax returns are due) along with the other typical estimated payment months.

Sales and Use Tax Cash Collections by Component

Rhode Island's tax system can present data for three components of the state's sales and use tax: sales tax on meals and beverages (typically from restaurants and other prepared food), sales tax on car sales paid at the Division of Motor Vehicles, and the sales tax portion of the state hotel tax. Hotel tax data lags by two months and therefore is not presented here. The other two components are shown, along with a third bucket that includes all other sales and use tax collections.

Fiscal Year-to-Date through July:

Component	FY 2027	FY 2026	Difference	% Change
Meal and Beverage (M&B)	$30,518,890	$29,338,444	$1,180,445	4.0%
Motor Vehicle	14,555,620	12,089,753	2,465,867	20.4%
Other Sales and Use Receipts	128,443,595	111,015,942	17,427,654	15.7%

Notes about Fiscal Year-to-Date through July:
- Other sales and use tax receipts include Rebuild RI reimbursements of $728,665 in FY 2027.
- Sales and use tax also includes net transfers of $4,134,285 in FY 2027.

Month of May:
Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

Background Information about this Category:
Sales tax is a levy imposed on the retail sale, rental, or lease of many goods and services at a rate of 7%. Individuals and businesses owe use tax if they do not pay sales tax at the time of purchase. Sales and use tax returns are due on the twentieth day of the month after the transaction. This means that sales tax data generally represents consumption for the prior month. The one exception is sales tax paid at the Division of Motor Vehicles, which is more contemporaneous with the actual sale.

Excise Taxes Other than the Sales and Use Tax

What it includes: **cigarette excise tax, other tobacco products tax (OTP), electronic nicotine-delivery systems tax (ENDS), alcohol excise tax, controlled substances tax.**

July	FY 2027	FY 2026	Difference	% Change
Fiscal YTD	$18,427,656	$14,325,735	$4,101,921	28.6%
Month	$18,427,656	$14,325,735	$4,101,921	28.6%

Fiscal Year-to-Date through July:

Cigarette and OTP	FY 2027	FY 2026	Difference	% Change
Cigarettes	$9,437,584	$6,749,692	$2,687,892	39.8%
OTP	1,715,087	751,068	964,019	128.4%
ENDS/ENDS Floor Stock	260,302	330,547	(70,245)	-21.3%
Cigarette Floor Stock	1,226	7,286	(6,060)	-83.2%

Notes about Fiscal Year-to-Date through July:

- Cigarette, OTP, and ENDS tax also includes net transfers of $(162,000) in FY 2027.

Month of May:

Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

Background Information about this Category:

Rhode Island cigarettes tax receipts are comprised of excise taxes collected on the sale of cigarettes (wholesale cigarette stamps), sales of smokeless tobacco (which also includes cigars, pipe tobacco, and nicotine pouches), and a one-time cigarette floor stock tax. The cigarette floor stock tax is imposed only when there is an increase in the excise tax rate on cigarettes but may include late payments for prior rate increases. The state's cigarette tax rate is $4.50 a pack.

Business Corporation Tax Cash Collections by Component

Fiscal Year-to-Date through July:

Component	FY 2027	FY 2026	Difference	% Change
Estimated Payments	$10,642,939	$9,983,621	$659,318	6.6%
Final Payments	6,189,955	5,444,546	745,409	13.7%
Refunds/Adjustments	(8,998,659)	(3,416,111)	(5,582,548)	163.4%

Notes about Fiscal Year-to-Date through July:

- Business corporation tax includes Rebuild RI reimbursements of $80,778 in FY 2027 YTD and $263,466 in FY 2026 YTD.
- Business corporation tax also includes net transfers of $(3,972,285) in FY 2027.

Year-to-Date Pass-through Entity Payments:

The following amounts are the pass-through entity payments received from pass-through entities to cover the personal income taxes of shareholders. These figures are included in the estimated and final payments amounts in the table above. These amounts will be transferred to personal income tax after the end of the fiscal year.

Component	FY 2027	FY 2026
Estimated Payments	$926,296	$1,043,382
Final Payments	438,365	644,863

Month of July:
Given that July is the first month of the fiscal year, there are no differences between fiscal year-to-date and monthly cash collections.

Background Information about this Category:
Businesses with Rhode Island tax liabilities make estimated payments equal to 25% of their expected tax year liabilities by the 15^{th} day of the fourth, sixth, ninth, and twelfth months of their tax year. For calendar tax year corporations, this equates to April, June, September, and December.

General Business Taxes Other than Business Corporation Tax

What it includes: **public utilities gross earnings tax, financial institutions tax, insurance tax on personal property and casualty insurance, insurance tax on health insurance, bank deposits tax, and health care provider assessment on nursing homes.**

July	**FY 2027**	**FY 2026**	**Difference**	**% Change**
Fiscal YTD	$16,154,370	$8,714,445	$7,439,926	85.4%
Month	$16,154,370	$8,714,445	$7,439,926	85.4%

Fiscal Year-to-Date through July:

Insurance Component	**FY 2027**	**FY 2026**	**Difference**	**% Change**
Personal Property/Casualty	$586,722	$2,500,220	$(1,913,498)	-76.5%
Health Insurance (HMO)	1,203,554	2,260,490	(1,056,936)	-46.8%

Notes about Fiscal Year-to-Date through July:

- Insurance gross premiums tax in FY 2027 includes July 2026 Rebuild RI reimbursements of $1.7 million for credits paid out in January 2026 - June 2026. The comparable figure for FY 2026 YTD is $4.7 million.

Month of July:

Given that July is the first month of the fiscal year, there are no differences between fiscal year-to-date and monthly cash collections.

Background Information about this Category:

Businesses with Rhode Island tax liabilities make estimated payments equal to 25% of their expected tax year liabilities by the 15th day of the fourth, sixth, ninth, and twelfth months of their tax year. For calendar tax year corporations, this equates to April, June, September, and December. There is one exception to this payment pattern, namely the health care provider assessment, payments of which are made monthly. As a result, health care provider assessments flow more evenly into the general fund over the course of a fiscal year.

Other Taxes

***What it includes:* estate and transfer, racing and athletics, and realty transfer.**

July	FY 2027	FY 2026	Difference	% Change
Fiscal YTD	$15,889,602	$10,449,308	$5,440,294	52.1%
Month	$15,889,602	$10,449,308	$5,440,294	52.1%

Background Information about this Category:

The realty transfer tax includes transfers to the Housing Resources Commission (HRC) and the Housing Production Fund (HPF) completed on a one-month lag from when the tax is collected. In addition to the HRC and HPF transfers, collections from controlling interest tax payments include a transfer to municipalities, also on a one-month lag.

Departmental Receipts

What it includes: **licenses and fees and fines and penalties assessed for state agencies, charges for sales and services provided by state agencies, and miscellaneous agency collections.**

July	FY 2027	FY 2026	Difference	% Change
Fiscal YTD	$26,194,547	$152,496,930	$(126,302,384)	-82.8%
Month	$26,194,547	$152,496,930	$(126,302,384)	-82.8%

The fiscal year-to-date and monthly tables below are based on data provided by the Controller and break down departmental receipts cash collections by component. Each table includes the three accounts with the largest nominal increases or decreases greater than $100,000 in the given departmental receipts category. If there are less than three accounts that meet this qualification, only the accounts with nominal increases or decreases greater than $100,000 are listed.

Fiscal Year-to-Date through July:

Licenses and Fees	Nominal Increase / Decrease
Insurance claims adjuster license fees	$1,160,575
Insurance producer license fees	890,765
Registration fees for securities	254,400
Hospital licensing fee	$(127,908,770)
E911 and first response surcharge	(531,319)
Building permits – State properties	(282,434)

Fines and Penalties	Nominal Increase / Decrease
Rhode Island Traffic Tribunal fines and fees	$158,786
None	n/a

Sales and Services	Nominal Increase / Decrease
Rhode Island Veterans Home board and support	$237,219
None	n/a

Miscellaneous Departmental Receipts	Nominal Increase / Decrease
Cost recovery – Public Utilities Commission	$476,250
Insurance examination fees	413,880
Drinking water protection fund	108,379
Income on investments	$(2,164,492)
Hotel tax	(160,261)

Notes about Fiscal Year-to-Date through July:

- FY 2027 includes a payment of $10,289,897 toward the FY 2026 hospital licensing fee, which was due on June 30, 2026 but deposited in July 2026. The comparable figure for FY 2026 was $138,198,667.
- Departmental receipts also include net transfers of $(184,909) in FY 2027.

Month of July:

Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

Other General Revenue Sources Other than Lottery Transfer

***What it includes:* other miscellaneous revenues and unclaimed property revenues.**

July	FY 2027	FY 2026	Difference	% Change
Fiscal YTD	$265,922	$47,798	$218,125	456.4%
Month	$265,922	$47,798	$218,125	456.4%

Background Information about this Category:

Transfers from the Rhode Island Highway Maintenance Account (RIHMA) are transferred each month and are included in other miscellaneous revenue (previously the transfers were completed on a quarterly basis). The unclaimed property transfer occurs in the adjustment period after the end of each fiscal year.

Lottery Transfer Cash Collections by Component

The lottery transfer to the general fund does not commence until August of each fiscal year when July lottery receipts are transferred.

Background Information about this Category:

- The lottery transfer, which is comprised of lottery and gaming activity from the prior month, begins in August of each fiscal year. The June transfer includes lottery and gaming activity from May and June of the given fiscal year. A final lottery transfer payment from the prior fiscal year is received in October of a given fiscal year and accrued back to that prior year.
- Neither Twin River Casino Hotel nor Tiverton Casino Hotel video lottery terminal (VLT) cash collections reflect unclaimed prizes, distressed communities' relief program receipts, or the State's payment to either Tiverton Casino Hotel's or Twin River Casino Hotel's marketing program.
- Traditional games include the transfer of net income from such items as scratch tickets, Daily Numbers, Powerball, etc. Keno includes the transfer of net income from monitor games (Keno and Bingo).
- VLTs include the transfer of net terminal income from video lottery terminals (slot machines).
- On-site and remote sports betting include the transfer of gross profits from sports wagering done at the two Rhode Island casinos and online.
- Traditional table and poker games include the transfer of operating income from these on-site games.
- iGaming allows eligible players located in the State to play online slot and table games.

Motor Fuel Tax, Per Penny Yield

July	FY 2027	FY 2026	Difference	% Change
Fiscal YTD	$401,653	$367,711	$33,941	9.2%
Month	$401,653	$367,711	$33,941	9.2%

Background Information about this Category:
On July 1, 2025, the motor fuel tax increased from $0.37 to $0.40 per gallon. No portion of the motor fuel tax is designated as general revenues. The data provided in this section of the report is for informational purposes only.