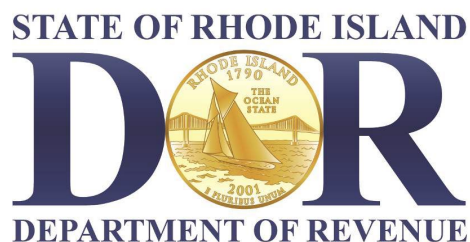


STATE OF RHODE ISLAND
GOVERNOR DANIEL J. MCKEE



Office of Revenue Analysis

State of Rhode Island Revenue Assessment Report
FY 2027 Monthly and Year-to-Date as of September 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.

Results for FY 2027 Revenues through September

ORA finds that FY 2027 adjusted total general revenues through September were above the enacted FY 2027 expected total general revenue estimates through September by \$58.0 million, a variance of 4.3%.

Some notable variances to expected revenues are as follows:

- Personal income tax revenue was \$1.0 million less than expected, a variance of -0.2%. This is largely due to refunds and adjustments being ahead of the estimates by \$17.6 million, which is a negative nominal amount. This negative variance in refunds is concentrated in July and likely relates to the processing of tax year 2025 tax returns. Offsetting this is an increase in estimated payments and withholding payments, which are ahead of estimates by \$12.4 million and \$5.5 million, respectively. On a cash basis, withholding payments increased by 3.9% in FY 2027 compared to FY 2026.
- Combined, business taxes exceeded estimates by \$37.2 million. All the business tax types were above estimates except for insurance company gross premiums tax.

- Sales and use tax overperformed compared to the estimate by \$18.3 million, a variance of 3.9%.
- Revenue from the lottery transfer was ahead of the estimate by \$3.0 million, or 4.1%, due to strong performance in video lottery terminals (slots) and iGaming.

Results for Month of September

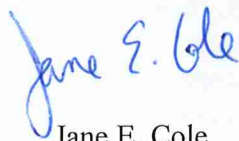
ORA finds that September 2026 adjusted total general revenues were above the enacted monthly total general revenue estimates for September by \$29.3 million, a variance of 5.0%.

Some notable variances to expected revenues are as follows:

- Personal income tax revenue was \$2.8 million more than expected, a variance of 1.2%. This is largely due to estimated payments being ahead of the estimates by \$12.4 million. September contains a due date for quarterly estimated payments, and September 2026 estimated payments grew by 13.6% compared to September 2025. Offsetting this is a decrease in withholding payments, which were short of the estimate by \$14.0 million. September 2026 contained only three due dates for businesses on a weekly withholding payment schedule, compared to four in September 2025.
- Combined, business taxes exceeded estimates by \$21.6 million. Business corporation tax was ahead of estimates by \$25.5 million, driven by 45.2% growth in estimated payments compared to September 2025 (September contains a due date for quarterly estimated payments for many businesses). Financial institutions tax and insurance company gross premiums tax were below the estimate for September.
- Sales and use tax overperformed the estimate by \$5.7 million, a variance of 3.7%. On a cash basis, sales and use tax increased by 4.2% in September 2026 compared to September 2025. September was the second month of 4% year-over-year growth after July 2026 saw 13.8% growth.

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
October 19, 2026

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

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	YTD September Adjusted Revenues FY 2027			YTD September Estimate of Enacted FY 2027 Revenues †			Difference	Variance
Personal Income Tax	\$	515,802,728	a, b, c	\$	516,803,961		\$ (1,001,233)	-0.2%
General Business Taxes								
Business Corporation †		104,512,716	a, b, c, d		74,670,956		29,841,760	40.0%
Public Utilities Gross Earnings		34,225,578			28,446,624		5,778,954	20.3%
Financial Institutions †		6,115,657	a		2,704,700		3,410,957	126.1%
Insurance Company Gross Premiums †		38,791,590	c		42,045,274		(3,253,685)	-7.7%
Bank Deposits		1,788,631			1,560,792		227,839	14.6%
Health Care Provider Assessment		13,875,371			12,695,085		1,180,286	9.3%
Excise Taxes								
Sales and Use †		490,419,028	a, c, d		472,138,118		18,280,910	3.9%
Cigarettes, OTP, and ENDS †		31,277,560	a		30,232,919		1,044,641	3.5%
Alcohol		5,951,146			5,705,274		245,873	4.3%
Controlled Substances		-			-	+	-	n/a
Other Taxes								
Estate and Transfer		20,558,944			21,232,172		(673,228)	-3.2%
Racing and Athletics		179,302			179,903		(601)	-0.3%
Realty Transfer		10,217,734			10,993,353		(775,619)	-7.1%
Total Taxes	\$	1,273,715,985		\$	1,219,409,130		\$ 54,306,854	4.5%
Departmental Receipts †	\$	52,806,104	a, c	\$	52,072,335		\$ 733,769	1.4%
Taxes and Departmentals	\$	1,326,522,089		\$	1,271,481,466		\$ 55,040,623	4.3%
Other General Revenue Sources								
Other Miscellaneous Revenues		2,072,115			2,072,115	+	-	0.0%
Lottery Transfer		76,079,298			73,106,455		2,972,843	4.1%
Unclaimed Property		-			-	+	-	n/a
Total Other Sources	\$	78,151,413		\$	75,178,570		\$ 2,972,843	4.0%
Total General Revenues	\$	1,404,673,501		\$	1,346,660,035		\$ 58,013,466	4.3%

PIT Component	YTD September Adjusted Revenues			YTD September Enacted Estimates		Difference	Variance
Estimated payments	\$	87,165,313	a	\$	74,789,807	\$ 12,375,506	16.5%
Final payments †		50,242,625	b, c		51,505,064	(1,262,439)	-2.5%
Withholding		432,168,216			426,713,691	5,454,524	1.3%
Refunds and Adjustments		(53,773,426)	a		(36,204,602)	(17,568,824)	48.5%
Total	\$	515,802,728		\$	516,803,961	\$ (1,001,233)	-0.2%

† 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

FY 2027 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 - \$(135,000)
 - business corporation tax - \$(865,000)
 - financial institutions tax - \$1,000,000
 - sales and use tax - \$162,000
 - cigarette tax - \$(162,000)
 - departmental receipts - \$(184,909)
- ^b Adds to personal income tax final payments \$27,264,093 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 Shifts \$4.0 million from sales tax to business corporation tax to adjust for a misposting transfer accounted for in the FY 2026 closing.
- ^e Subtracts \$12,798,479 of FY 2026 hospital licensing fee payment(s) received in FY 2027 and accrued back to FY 2026.

FY 2027 STATE OF RHODE ISLAND REVENUE ASSESSMENT REPORT
Monthly Estimate to Actual

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	September 2026 Adjusted Revenues FY 2027			September 2026 Estimate of Enacted FY 2027 Revenues †		Difference	Variance
Personal Income Tax	\$	224,309,771	b	\$	221,554,514	\$ 2,755,257	1.2%
General Business Taxes							
Business Corporation †		86,644,450	b		61,106,178	25,538,272	41.8%
Public Utilities Gross Earnings		28,163,172			28,411,193	(248,021)	-0.9%
Financial Institutions †		1,330,200			2,630,037	(1,299,837)	-49.4%
Insurance Company Gross Premiums †		37,703,285			40,544,782	(2,841,497)	-7.0%
Bank Deposits		1,790,416			1,515,243	275,173	18.2%
Health Care Provider Assessment		4,269,094			4,116,428	152,666	3.7%
Excise Taxes							
Sales and Use †		159,428,856	a		153,720,009	5,708,847	3.7%
Cigarettes, OTP, and ENDS †		10,072,172	a		9,944,082	128,089	1.3%
Alcohol		1,728,108			1,876,704	(148,595)	-7.9%
Controlled Substances		-			-	-	n/a
Other Taxes							
Estate and Transfer		6,185,869			5,326,138	859,731	16.1%
Racing and Athletics		64,299			56,341	7,958	14.1%
Realty Transfer		3,001,383			3,206,835	(205,453)	-6.4%
Total Taxes	\$	564,691,076		\$	534,008,484	\$ 30,682,591	5.7%
Departmental Receipts †	\$	16,693,267	c	\$	18,859,113	\$ (2,165,846)	-11.5%
Taxes and Departmentals	\$	581,384,342		\$	552,867,597	\$ 28,516,746	5.2%
Other General Revenue Sources							
Other Miscellaneous Revenues		864,110			864,110	-	0.0%
Lottery Transfer		37,207,918			36,460,020	747,898	2.1%
Unclaimed Property		-			-	-	n/a
Total Other Sources	\$	38,072,028		\$	37,324,130	\$ 747,898	2.0%
Total General Revenues	\$	619,456,370		\$	590,191,726	\$ 29,264,644	5.0%

	September 2026 Adjusted Revenues			September 2026 Enacted Estimates		Difference	Variance
PIT Component							
Estimated payments	\$	72,519,607		\$	60,156,825	\$ 12,362,781	20.6%
Final payments †		32,075,369	b		32,570,496	(495,126)	-1.5%
Withholding		126,293,802			140,243,368	(13,949,566)	-9.9%
Refunds and Adjustments		(6,579,007)			(11,416,174)	4,837,168	-42.4%
Total	\$	224,309,771		\$	221,554,514	\$ 2,755,257	1.2%

† 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.

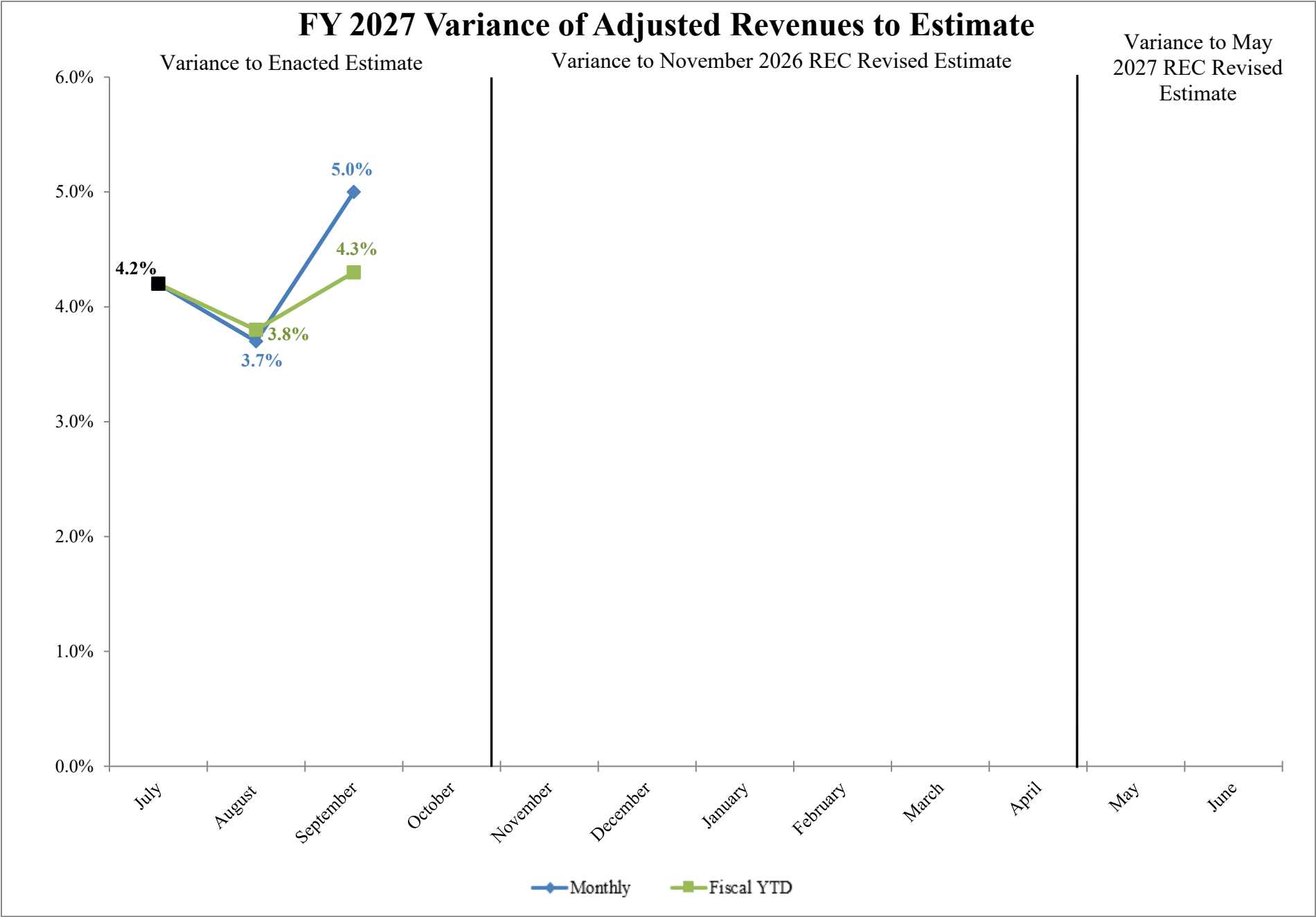
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Detailed notes on the following page

FY 2027 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.
- sales and use tax - \$313,500
 - cigarette tax - \$(313,500)
- ^b Adds to personal income tax final payments \$24,466,878 in net revenues from pass-through entities made on behalf of shareholders received in September 2026 and recorded as business corporation tax payments. The offsetting amount was subtracted from business corporation tax.
- ^c Subtracts \$1,254,291 of FY 2026 hospital licensing fee payment(s) received in September 2026 and accrued back to FY 2026.



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. 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>	
	Sep.	YTD		Sep.	YTD
Personal Income Taxes			Sales and Use Taxes	8.6%	26.5%
Estimated Payments	20.8%	25.9%	Cigarettes Taxes	8.8%	26.8%
Final Payments	5.4%	8.6%	Alcohol Excise Taxes	9.1%	27.7%
Withholding Payments	7.6%	23.0%	Estate and Transfer	6.3%	24.9%
Refunds/Adjustments	2.0%	6.4%	Racing and Athletics	8.0%	25.7%
Business Corporation Taxes	15.9%	19.5%	Realty Transfer	9.6%	33.0%
Utilities Gross Earnings Taxes	23.1%	23.1%	Departmental Receipts	5.7%	15.8%
Financial Institutions Taxes	15.7%	16.1%	Lottery Transfer	8.1%	16.3%
Insurance Co. Gross Premiums	22.4%	23.2%	Other Misc. Revenues	n/a	n/a
Bank Deposits	26.6%	27.4%	Unclaimed Property	0.0%	0.0%
Health Care Provider Assessment	7.7%	23.6%			

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).			