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 October 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 is the last to compare 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 November Revenue Assessment report will use revenue estimates adopted at the November 2026 REC on November 10, 2026.

Results for FY 2027 Revenues through October

ORA finds that FY 2027 adjusted total general revenues through October were above the enacted FY 2027 expected total general revenue estimates through October by $79.2 million, a variance of 4.5%.

Some notable variances to expected revenues are as follows:

- Personal income tax revenue was $5.0 million less than expected, a variance of -0.7%. This is largely due to withholding payments and final payments being behind the estimates by $11.3 million and $2.8 million, respectively. Offsetting this is an increase in estimated payments, which are ahead of estimates by $9.3 million. On a cash basis, withholding payments increased by 1.6% in FY 2027 compared to FY 2026.
- Combined, business taxes exceeded estimates by $55.7 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 $21.8 million, a variance of 3.5%. On a cash basis, sales and use tax increased by 7.4% in FY 2027 compared to FY 2026.
- Estate and transfer tax was behind the estimate by $4.7 million, a variance of -16.4%.
- Revenue from the lottery transfer was ahead of the estimate by $3.0 million, or 2.8%, due to strong performance in video lottery terminals (slots) and iGaming.

Results for Month of October

ORA finds that October 2026 adjusted total general revenues were above the enacted monthly total general revenue estimates for October by $21.2 million, a variance of 5.2%.

Some notable variances to expected revenues are as follows:

- Personal income tax revenue was $4.0 million less than expected, a variance of -2.5%. This is largely due to withholding payments and estimated payments being behind the estimates by $16.8 million and $3.1 million, respectively. Offsetting this is a decrease in refunds and adjustments by $17.4 million, which is a positive nominal amount. On a cash basis, withholding payments decreased by 5.0% in October 2026 compared to October 2025. October is the due date for personal income tax filers on extension, which is reflected in refunds and final payments.
- Business corporation tax was ahead of estimates by $18.6 million, driven by 87.6% decline in refunds and adjustments on a cash basis compared to October 2025. October is the due date for some business filers on extension, which is reflected in refunds and final payments.
- Sales and use tax overperformed the estimate by $3.6 million, a variance of 2.3%. On a cash basis, sales and use tax increased by 7.0% in October 2026 compared to October 2025.
- Departmental receipts were ahead of the estimate by $5.9 million, a variance of 22.2%.

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
November 6, 2026

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

		YTD October Adjusted Revenues FY 2027			YTD October Estimate of Enacted FY 2027 Revenues †		Difference	Variance
Personal Income Tax	$	672,887,275	a, b, c	$	677,904,394		$ (5,017,119)	-0.7%
General Business Taxes								
Business Corporation †		127,771,180	a, b, c, d		79,329,331		48,441,849	61.1%
Public Utilities Gross Earnings		34,920,430			29,102,903		5,817,528	20.0%
Financial Institutions †		7,908,741	a		3,949,637		3,959,104	100.2%
Insurance Company Gross Premiums †		38,887,508	c		42,579,379		(3,691,871)	-8.7%
Bank Deposits		1,391,799			1,450,244		(58,445)	-4.0%
Health Care Provider Assessment		18,247,279			17,049,061		1,198,217	7.0%
Excise Taxes								
Sales and Use †		646,598,924	a, c, d		624,753,270		21,845,654	3.5%
Cigarettes, OTP, and ENDS †		42,324,858	a		40,491,029		1,833,829	4.5%
Alcohol		7,672,390			7,078,141		594,249	8.4%
Controlled Substances		-			-	+	-	n/a
Other Taxes								
Estate and Transfer		23,944,930			28,628,763		(4,683,834)	-16.4%
Racing and Athletics		233,042			243,846		(10,804)	-4.4%
Realty Transfer		13,590,744			14,218,898		(628,154)	-4.4%
Total Taxes	**$**	**1,636,379,100**		**$**	**1,566,778,896**		**$ 69,600,204**	**4.4%**
Departmental Receipts †	$	85,384,954	a, e	$	78,737,100		$ 6,647,854	8.4%
Taxes and Departmentals	**$**	**1,721,764,054**		**$**	**1,645,515,995**		**$ 76,248,059**	**4.6%**
Other General Revenue Sources								
Other Miscellaneous Revenues		3,063,475			3,063,475	+	-	0.0%
Lottery Transfer		111,688,687			108,690,165		2,998,522	2.8%
Unclaimed Property		-			-	+	-	n/a
Total Other Sources	**$**	**114,752,162**		**$**	**111,753,639**		**$ 2,998,522**	**2.7%**
Total General Revenues	**$**	**1,836,516,216**		**$**	**1,757,269,635**		**$ 79,246,581**	**4.5%**

PIT Component		YTD October Adjusted Revenues			YTD October Enacted Estimates		Difference	Variance
Estimated payments	$	95,490,694	a	$	86,214,741		$ 9,275,953	10.8%
Final payments †		75,685,732	b, c		78,468,008		(2,782,277)	-3.5%
Withholding		566,393,203			577,701,631		(11,308,427)	-2.0%
Refunds and Adjustments		(64,682,354)	a		(64,479,987)		(202,368)	0.3%
Total	**$**	**672,887,275**		**$**	**677,904,394**		**$ (5,017,119)**	**-0.7%**

† 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.
- personal income tax - $(1,156,117)
- business corporation tax - $156,117
- 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 $29,883,971 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 $20,614,755 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

		October 2026 Adjusted Revenues FY 2027			October 2026 Estimate of Enacted FY 2027 Revenues †		Difference	Variance
Personal Income Tax	$	157,084,547	a, b	$	161,085,256		$ (4,000,709)	-2.5%
General Business Taxes								
Business Corporation †		23,258,463	a, b		4,661,828		18,596,635	398.9%
Public Utilities Gross Earnings		694,852			656,278		38,574	5.9%
Financial Institutions †		1,793,084			1,244,937		548,148	44.0%
Insurance Company Gross Premiums †		95,919			534,105		(438,186)	-82.0%
Bank Deposits		(396,831)	a		(110,547)		(286,284)	259.0%
Health Care Provider Assessment		4,371,908			4,353,977		17,932	0.4%
Excise Taxes								
Sales and Use †		156,179,896			152,615,152		3,564,744	2.3%
Cigarettes, OTP, and ENDS †		11,047,298			10,258,110		789,188	7.7%
Alcohol		1,721,244			1,372,868		348,376	25.4%
Controlled Substances		-			-	+	-	n/a
Other Taxes								
Estate and Transfer		3,385,986			7,396,591		(4,010,605)	-54.2%
Racing and Athletics		53,740			63,943		(10,203)	-16.0%
Realty Transfer		3,373,009			3,225,545		147,465	4.6%
Total Taxes	**$**	**362,663,116**		**$**	**347,358,042**		**$ 15,305,073**	**4.4%**
Departmental Receipts †	$	32,578,850	c	$	26,664,764		$ 5,914,086	22.2%
Taxes and Departmentals	**$**	**395,241,966**		**$**	**374,022,807**		**$ 21,219,159**	**5.7%**
Other General Revenue Sources								
Other Miscellaneous Revenues		991,360			991,360	+	-	0.0%
Lottery Transfer		35,609,389			35,583,710		25,679	0.1%
Unclaimed Property		-			-	+	-	n/a
Total Other Sources	**$**	**36,600,749**		**$**	**36,575,070**		**$ 25,679**	**0.1%**
Total General Revenues	**$**	**431,842,715**		**$**	**410,597,876**		**$ 21,244,838**	**5.2%**

PIT Component		October 2026 Adjusted Revenues			October 2026 Enacted Estimates	Difference	Variance
Estimated payments	$	8,325,381	a	$	11,403,718	$ (3,078,337)	-27.0%
Final payments †		25,443,107	b		26,968,984	(1,525,877)	-5.7%
Withholding		134,224,987			150,987,939	(16,762,952)	-11.1%
Refunds and Adjustments		(10,908,928)	a		(28,275,385)	17,366,457	-61.4%
Total	**$**	**157,084,547**		**$**	**161,085,256**	**$ (4,000,709)**	**-2.5%**

† 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.

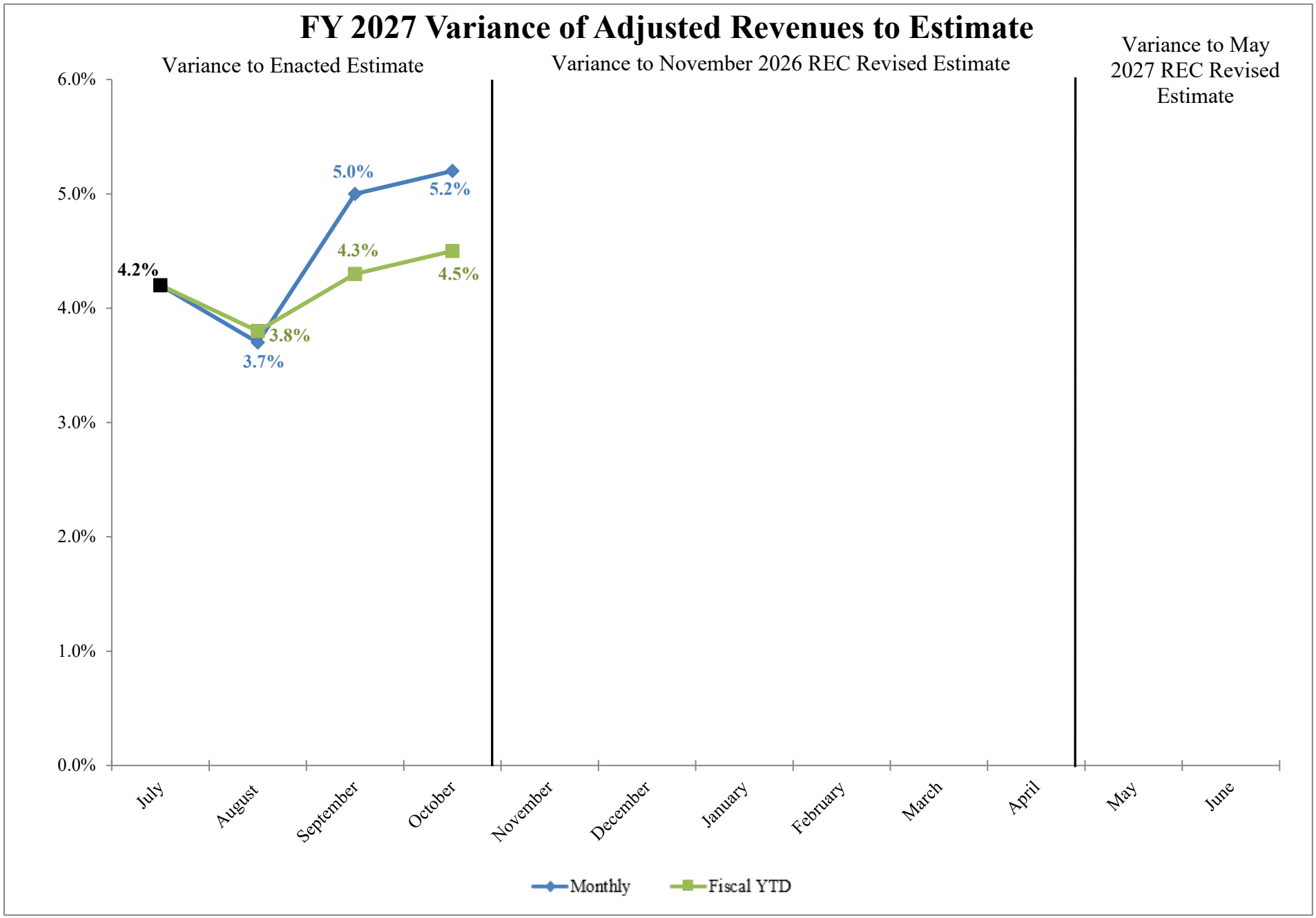
\+ Set equal to actual amounts received.

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.
- personal income tax - $(1,021,117)
- business corporation tax - $1,421,117
- bank deposits tax - $(400,000)

[b] Adds to personal income tax final payments $2,619,879 in net revenues from pass-through entities made on behalf of shareholders received in October 2026 and recorded as business corporation tax payments. The offsetting amount was subtracted from business corporation tax.

[c] Subtracts $7,816,276 of FY 2026 hospital licensing fee payment(s) received in October 2026 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
6.0%
5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
4.2%
3.7%
3.8%
5.0%
4.3%
5.2%
4.5%
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. 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	**Oct.**	**YTD**	**Revenue Item**	**Oct.**	**YTD**
Personal Income Taxes			Sales and Use Taxes	8.6%	35.1%
Estimated Payments	3.9%	29.8%	Cigarettes Taxes	9.1%	35.8%
Final Payments	4.5%	13.0%	Alcohol Excise Taxes	6.7%	34.4%
Withholding Payments	8.1%	31.2%	Estate and Transfer	8.7%	33.6%
Refunds/Adjustments	5.0%	11.4%	Racing and Athletics	9.1%	34.8%
Business Corporation Taxes	1.2%	20.7%	Realty Transfer	9.7%	42.7%
Utilities Gross Earnings Taxes	0.5%	23.6%	Departmental Receipts	8.1%	23.9%
Financial Institutions Taxes	7.4%	23.5%	Lottery Transfer	7.9%	24.3%
Insurance Co. Gross Premiums	0.3%	23.5%	Other Misc. Revenues	n/a	n/a
Bank Deposits	-1.9%	25.4%	Unclaimed Property	0.0%	0.0%
Health Care Provider Assessment	8.1%	31.7%			

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).