STATE OF RHODE ISLAND

GOVERNOR Daniel J. McKee

STATE OF RHODE ISLAND

DEPARTMENT OF REVENUE

Office of Revenue Analysis

State of Rhode Island Special Report on Preliminary FY 2026 Revenues

This special report includes information on fiscal year-end preliminary revenues for FY 2026 on an accrual basis. That is, it considers total fiscal year revenues, which are equal to cash collections plus the net accrual between consecutive fiscal years. This report's focus is on preliminary FY 2026 revenues compared to fiscal year revenue estimates as adopted in the final enacted FY 2026 budget and to audited FY 2025 revenues.

The data contained in this report is drawn from three sources, the Division of Lottery (Lottery), the Division of Taxation (Taxation), and the Office of Accounts and Controls (OAC). Component tables may not add up to the total listed due to a timing difference in when the data from each source was provided to the Office of Revenue Analysis (ORA). All totals are as reported by OAC in their preliminary FY 2026 closing statements. In addition, due to rounding, figures may also vary by a dollar or two.

This report includes two tables. The first table, *Preliminary FY 2026 to Final Enacted FY 2026*, displays the amounts, differences, and variances of preliminary FY 2026 revenues to final enacted FY 2026 revenues. The second table, *Preliminary FY 2026 to Audited FY 2025*, displays the amounts, differences, and year-over-year growth rates of preliminary FY 2026 revenues to final audited FY 2025 revenues. Following the tables, ORA has provided details on specific revenue items, including component data and information on the accruals, as appropriate.

STATE OF RHODE ISLAND SPECIAL REPORT ON PRELIMINARY REVENUES
Preliminary FY 2026 vs. Final Enacted FY 2026

	Preliminary Revenues FY 2026	Final Enacted Revenues FY 2026	Difference	Variance
Personal Income Tax	$ 2,135,182,846	$ 2,123,300,000	$ 11,882,846	0.6%
General Business Taxes				
Business Corporation	$ 371,865,656	386,600,000	(14,734,344)	-3.8%
Public Utilities Gross Earnings	$ 123,634,349	118,600,000	5,034,349	4.2%
Financial Institutions	$ 26,781,160	22,500,000	4,281,160	19.0%
Insurance Companies	$ 174,615,057	180,700,000	(6,084,943)	-3.4%
Bank Deposits	$ 5,325,422	5,500,000	(174,578)	-3.2%
Health Care Provider Assessment	$ 55,978,694	53,600,000	2,378,694	4.4%
Excise Taxes				
Sales and Use	$ 1,748,108,973	1,724,000,000	24,108,973	1.4%
Motor Vehicle License and Reg Fees	$ 22,482		22,482	
Cigarettes, OTP, and ENDS	$ 121,204,560	116,500,000	4,704,560	4.0%
Alcohol	$ 21,381,675	20,400,000	981,675	4.8%
Controlled Substances	$ (1,897)	-	(1,897)	n/a
Other Taxes				
Estate and Transfer	$ 93,228,598	96,200,000	(2,971,402)	-3.1%
Racing and Athletics	$ 712,596	700,000	12,596	1.8%
Realty Transfer	$ 27,728,704	28,800,000	(1,071,296)	-3.7%
Total Taxes	**$ 4,905,768,875**	**$ 4,877,400,000**	**$ 28,368,875**	**0.6%**
Departmental Receipts	$ 578,330,392	$ 575,000,000	$ 3,330,392	0.6%
Taxes and Departmentals	**$ 5,484,099,267**	**$ 5,452,400,000**	**$ 31,699,267**	**0.6%**
Other General Revenue Sources				
Other Miscellaneous Revenues	$ 28,757,252	29,700,000	(942,748)	-3.2%
Lottery Transfer	$ 449,172,804	446,300,000	2,872,804	0.6%
Unclaimed Property	$ 58,248,484	44,600,000	13,648,484	30.6%
Total Other Sources	**$ 536,178,540**	**$ 520,600,000**	**$ 15,578,540**	**3.0%**
Total General Revenues	**$ 6,020,277,807**	**$ 5,973,000,000**	**$ 47,277,807**	**0.8%**

PIT Component	Preliminary FY 2026	Final Enacted FY 2026	Difference	Variance
Estimated payments	$ 292,130,188	$ 284,300,000	$ 7,830,188	2.8%
Final payments	$ 553,984,437	553,200,000	784,437	0.1%
Withholding	$ 1,782,880,788	1,795,000,000	(12,119,212)	-0.7%
Refunds	$ (511,817,149)	(519,500,000)	7,682,851	-1.5%
Net Accrual	*$ 18,004,581*	*10,300,000*	*7,704,581*	*74.8%*
Total	**$ 2,135,182,846**	**$ 2,123,300,000**	**$ 11,882,846**	**0.6%**

STATE OF RHODE ISLAND SPECIAL REPORT ON PRELIMINARY REVENUES
Preliminary FY 2026 vs. Audited FY 2025

	Preliminary Revenues FY 2026	Audited Revenues FY 2025	Difference	Year-over-Year Growth
Personal Income Tax	$ 2,135,182,846	1,972,280,405	$ 162,902,441	8.3%
General Business Taxes				
Business Corporation	371,865,656	329,443,008	42,422,648	12.9%
Public Utilities Gross Earnings	123,634,349	116,322,106	7,312,243	6.3%
Financial Institutions	26,781,160	7,603,962	19,177,198	252.2%
Insurance Companies	174,615,057	174,291,413	323,644	0.2%
Bank Deposits	5,325,422	5,110,306	215,116	4.2%
Health Care Provider Assessment	55,978,694	44,764,572	11,214,122	25.1%
Excise Taxes				
Sales and Use	1,748,108,973	1,672,700,564	75,408,409	4.5%
Motor Vehicle License and Reg Fees	22,482	18,528	3,954	21.3%
Cigarettes, OTP, and ENDS	121,204,560	117,233,396	3,971,164	3.4%
Alcohol	21,381,675	21,849,386	(467,711)	-2.1%
Controlled Substances	(1,897)	8,174	(10,071)	-123.2%
Other Taxes				
Estate and Transfer	93,228,598	84,884,357	8,344,241	9.8%
Racing and Athletics	712,596	685,745	26,851	3.9%
Realty Transfer	27,728,704	18,764,852	8,963,852	47.8%
Total Taxes	**$ 4,905,768,875**	**4,565,960,774**	**$ 339,808,101**	**7.4%**
Departmental Receipts	578,330,392	541,663,308	36,667,085	6.8%
Taxes and Departmentals	**$ 5,484,099,267**	**$ 5,107,624,082**	**$ 376,475,186**	**7.4%**
Other General Revenue Sources				
Other Miscellaneous Revenues	28,757,252	33,716,631	(4,959,379)	-14.7%
Lottery Transfer	449,172,804	433,594,991	15,577,813	3.6%
Unclaimed Property	58,248,484	31,003,293	27,245,191	87.9%
Total Other Sources	**$ 536,178,540**	**$ 498,314,915**	**$ 37,863,625**	**7.6%**
Total General Revenues	**$ 6,020,277,807**	**$ 5,605,938,997**	**$ 414,338,811**	**7.4%**

PIT Component	Preliminary FY 2026	Audited FY 2025	Difference	Year-over-Year Growth
Estimated payments	$ 292,130,188	$ 262,305,939	$ 29,824,249	11.4%
Final payments	553,984,437	590,270,440	(36,286,003)	-6.1%
Withholding	1,782,880,788	1,674,022,112	108,858,676	6.5%
Refunds	(511,817,149)	(505,211,415)	(6,605,734)	1.3%
Net Accrual	*18,004,581*	*(49,106,193)*	*67,110,774*	*-136.7%*
Total	**$ 2,135,182,846**	**$ 1,972,280,405**	**$ 162,902,441**	**8.3%**

Historic Structures Tax Credit Reimbursements

The breakdown of the reimbursement of redeemed HSTCs by tax type is shown in the table below:

Historic Structures Tax Credit Reimbursements by Tax Type				
Tax Type	**FY 2026**	**FY 2025**	**Difference**	**% Change**
Personal Income	$505,558	$4,406,499	$(3,900,941)	-88.5%
Business Corporation	746	310,817	(310,071)	-99.8%
Financial Institutions	0	0	0	n/a
Insurance	1,599,901	1,109,202	490,699	44.2%
Insurance/HMOs	0	5,487,500	(5,487,500)	-100.0%
Non-Profit Partner Refund	0	0	0	n/a
Total	**$2,106,205**	**$11,314,018**	**$(9,207,813)**	**-81.4%**

Personal Income Taxes

The table below provides the component breakdown of the preliminary FY 2026 personal income tax revenues, as provided by the Division of Taxation, and the final enacted FY 2026 estimates for personal income tax revenues:

Component	FY 2026 Preliminary	FY 2026 Final Enacted	Nominal Difference	Percent Difference
Estimated Payments	$292,130,188	$284,300,000	$7,830,188	2.8%
Final Payments ^	553,984,437	553,200,000	784,437	0.1%
Withholding	1,782,880,788	1,795,000,000	(12,119,212)	-0.7%
Refunds/Adjustments	(511,817,149)	(519,500,000)	7,682,851	-1.5%
Net Accrual	18,004,581	10,300,000	7,704,581	74.8%
Total	**$2,135,182,846**	**$2,123,300,000**	**$11,882,846**	**0.6%**

^ FY 2026 preliminary includes $141.6 million from pass-through entities (PTEs) made on behalf of their shareholders that were originally deposited as business corporation tax revenues. FY 2026 final enacted final payments estimate includes expected revenues of $137.4 million from these PTE payments.

The table below provides the component breakdown of personal income tax revenues, as provided by the Division of Taxation, and compares preliminary FY 2026 revenues to audited FY 2025 revenues:

Component	FY 2026 Preliminary	FY 2025 Audited	Nominal Difference	Percent Difference
Estimated Payments	$292,130,188	$262,305,939	$29,824,249	11.4%
Final Payments ^	553,984,437	590,270,440	(36,286,003)	-6.1%
Withholding	1,782,880,788	1,674,022,112	108,858,676	6.5%
Refunds/Adjustments	(511,817,149)	(505,211,415)	(6,605,734)	1.3%
Net Accrual	18,004,581	(49,106,193)	67,110,774	-136.7%
Total †	**$2,135,182,846**	**$1,972,280,405**	**$162,902,441**	**8.3%**

^ Includes PTE payments that were originally deposited as business corporation tax revenues of $141.6 million in FY 2026 and $192.1 million in FY 2025.

Business Corporation Taxes

The table below provides the component breakdown of corporate income tax revenues, as provided by the Division of Taxation, and compares preliminary FY 2026 revenues to audited FY 2025 revenues:

Component	FY 2026 Preliminary	FY 2025 Audited	Nominal Difference	Percent Difference
Estimated Payments	$253,265,779	$222,653,248	$30,612,531	13.7%
Final Payments	213,305,313	194,381,391	18,923,922	9.7%
Refunds/Adjustments	(92,389,349)	(89,885,771)	(2,503,578)	2.8%
Net Accrual	(6,010,941)	28,714	(6,039,655)	-21,033.8%
Total Corp. Income	**$368,270,801**	**$326,407,431**	**$41,763,370**	**12.8%**

The table below provides the breakdown of the two other tax types included in total business corporation tax revenues:

Component	FY 2026 Preliminary	FY 2025 Audited	Nominal Difference	Percent Difference
Non-resident Contractor				
Cash	$7,428,063	$2,546,037	$4,882,026	191.8%
Net Accrual	(3,854,396)	472,309	(4,326,705)	-916.1%
Total NR Contractor	**3,573,667**	**$3,018,346**	**$555,321**	**18.4%**

Component	FY 2026 Preliminary	FY 2025 Audited	Nominal Difference	Percent Difference
Political Organizations				
Cash	$20,452	$17,173	$3,279	19.1%
Net Accrual	736	58	678	1,169.0%
Total Political Org.	**$21,188**	**$17,231**	**$3,957**	**23.0%**

Insurance Company Gross Premiums Taxes

The tables below provide the component breakdown of insurance company gross premiums tax revenues and compare preliminary FY 2026 revenues to FY 2026 final enacted revenues and audited FY 2025 revenues.

Component	FY 2026 Preliminary	FY 2026 Final Enacted	Nominal Difference	Percent Difference
Non-Health Insurance	$99,499,908	$106,000,000	$(6,500,092)	-6.1%
Health Insurance	75,115,149	74,700,000	415,149	0.6%
Total Insurance	**$174,615,057**	**$180,700,000**	**$(6,084,943)**	**-3.4%**

Component	FY 2026 Preliminary	FY 2025 Audited	Nominal Difference	Percent Difference
Non-Health Insurance				
Cash	$101,591,530	$104,640,077	$(3,048,547)	-2.9%
Net Accrual	(2,091,622)	(1,008,557)	(1,083,065)	107.4%
Total Non-Health Ins.	**$99,499,908**	**$103,631,520**	**$(4,131,612)**	**-4.0%**
Health Insurance				
Cash	$74,485,085	$71,232,191	$3,252,894	4.6%
Net Accrual	630,064	(572,298)	1,202,362	-210.1%
Total Health Ins.	**$75,115,149**	**$70,659,893**	**$4,455,256**	**6.3%**

Sales and Use Taxes

Component	FY 2026 Preliminary	FY 2025 Audited	Nominal Difference	Percent Difference
Net Taxation *	$1,247,444,759	$1,220,966,801	$26,477,958	2.2%
Meal & Bev Sales Tax	311,192,210	282,271,500	28,920,710	10.2%
Motor Vehicle Use Tax	168,900,711	170,776,249	(1,875,538)	-1.1%
Total Receipts	***$1,727,583,835***	***$1,673,296,757***	***$54,287,078***	**3.2%**
Net Accrual	20,525,138	(596,193)	21,121,331	-3,542.7%
Total Revenue	**$1,748,108,973**	**$1,672,700,564**	***$75,408,409***	**4.5%**

* The net taxation component includes nonsufficient funds checks of $22,529 in audited FY 2025. Net taxation does not include the meal and beverage sales tax and motor vehicle use tax amounts that are separately stated. Total receipts may include cash adjustments after the end of the fiscal year.

Cigarettes Taxes

Component	FY 2026 Preliminary	FY 2026 Final Enacted	Nominal Difference	Percent Difference
Cigarettes, incl. Floor Stock	$99,663,988	$96,100,000	$3,563,988	3.7%
Other Tobacco Products	17,173,613	16,400,000	773,613	4.7%
ENDS	4,366,959	4,000,000	366,959	9.2%
Total Revenues	**$121,204,560**	**$116,500,000**	**$4,704,560**	**4.0%**

Component	FY 2026 Preliminary	FY 2025 Audited	Nominal Difference	Percent Difference
Cigarettes, incl. Floor Stock				
Cash	$97,077,558	$108,376,304	$(11,298,746)	-10.4%
Net Accrual	2,586,430	(2,781,934)	5,368,364	-193.0%
Total Cigarettes	**$99,663,988**	**$105,594,370**	**$(5,930,382)**	**-5.6%**
Other Tobacco Products *				
Cash	$16,303,123	$9,170,523	$7,132,600	77.8%
Net Accrual	870,490	317,082	553,408	174.5%
Total Other Tobacco	**$17,173,613**	**$9,487,605**	**$7,686,008**	**81.0%**

* In October 2025, the Other Tobacco Products tax base was expanded to include nicotine pouches. There was also a nicotine pouch floor stock tax imposed as of October 1, 2025, with returns due in the same month.

Component	FY 2026 Preliminary	FY 2025 Audited	Nominal Difference	Percent Difference
Electronic Nicotine Delivery Systems (ENDS) *				
Cash	$4,039,917	$2,086,278	$1,953,638	93.6%
Net Accrual	327,042	65,143	261,899	402.0%
Total ENDS	**$4,366,959**	**$2,151,421**	**$2,215,538**	**103.0%**

* The tax on ENDS began on January 1, 2025, with returns due in February 2025. There was also an ENDS floor stock tax imposed as of January 1, 2025, with returns due in the same month.

Total Departmental Receipts

Category	FY 2026 Preliminary	FY 2025 Audited	Nominal Difference	Percent Difference
Licenses and Fees				
Cash	$538,027,598	$282,395,570	$255,632,028	90.5%
Net Accrual	(112,822,165)	110,320,306	(223,142,471)	-202.3%
Total Licenses and Fees	**$425,205,433**	**$392,715,876**	**$32,489,557**	**8.3%**
Fines and Penalties				
Cash	$72,108,175	$70,089,561	$2,018,614	2.9%
Net Accrual	61,635	(5,784)	67,419	-1,165.6%
Total Fines and Penalties	**$72,169,810**	**$70,083,777**	**$2,086,033**	**3.0%**
Sales and Services				
Cash	$7,972,542	$9,383,557	$(1,411,015)	-15.0%
Net Accrual	138,165	102,127	36,038	35.3%
Total Sales and Services	**$8,110,706**	**$9,485,685**	**$(1,374,979)**	**-14.5%**
Miscellaneous Departmental Receipts				
Cash	$76,423,616	$58,839,083	$17,584,533	29.9%
Net Accrual	(3,579,181)	10,538,887	(14,118,068)	-134.0%
Total Misc. Dept. Receipts	**$72,844,435**	**$69,377,970**	**$3,466,465**	**5.0%**

In the licenses and fees category of departmental receipts, the hospital licensing fee (HLF) was restructured starting in FY 2025 to have three tiers with differing fees based on inpatient and outpatient net patient-services revenue.

The preliminary FY 2026 HLF receivable was $53.3 million, and the audited FY 2025 HLF receivable was $168.8 million, which translates into an HLF net accrual of $(115.5) million in FY 2026. FY 2026 HLF was primarily received in June 2026, and the FY 2025 HLF was primarily received in July 2025.

Lottery Transfer

The table below provides the component breakdown of revenues from the lottery transfer, as provided by the Division of Lottery, and compares preliminary FY 2026 revenues to FY 2026 final enacted revenues:

Component	FY 2026 Preliminary	FY 2026 Final Enacted	Nominal Difference	Percent Difference
Traditional Games *	$72,436,874	$69,600,000	$2,836,874	4.1%
VLTs	312,698,761	313,100,000	(401,239)	-0.1%
Table Games	11,337,034	11,000,000	337,034	3.1%
On-Site Sports Betting	3,042,793	3,000,000	42,793	1.4%
Remote Sports Betting	17,300,283	16,100,000	1,200,283	7.5%
iGaming	32,449,546	33,500,000	(1,050,454)	-3.1%
Net Accrual	1,269,789	n/a	n/a	n/a
Total Lottery	**$449,172,804**	**$446,300,000**	**$2,872,804**	**0.6%**

* Includes $5.4 million in FY 2026 in one-time deposits not from traditional game sales.

The table below provides the component breakdown of revenues from the lottery transfer, as provided by the Division of Lottery, and compares preliminary FY 2026 revenues to audited FY 2025 revenues:

Component	FY 2026 Preliminary	FY 2025 Audited	Nominal Difference	Percent Difference
Traditional Games *	$72,436,874	$69,268,513	$3,168,361	4.6%
VLTs	312,698,761	313,637,975	(939,214)	-0.3%
Table Games	11,337,034	12,196,146	(859,112)	-7.0%
On-Site Sports Betting	3,042,793	2,398,449	644,344	26.9%
Remote Sports Betting	17,300,283	16,921,665	378,618	2.2%
iGaming	32,449,546	19,312,562	13,136,984	68.0%
Net Accrual	1,269,789	(1,109,368)	2,379,157	-214.5%
Total Lottery	**$449,172,804**	**$433,594,991**	**$15,577,813**	**3.6%**

* Includes $5.4 million in FY 2026 and $3.0 million in FY 2025 in one-time deposits not from traditional game sales.

Per Penny Motor Fuel Tax Yield

FY 2026	FY 2026 Preliminary	FY 2026 ORA Estimated	Nominal Difference	Percent Difference
Per Penny	$4,403,562	$4,389,524	$14,038	0.3%

FY 2026	FY 2026 Preliminary	FY 2025 Audited	Nominal Difference	Percent Difference
Per Penny	$4,403,562	$4,354,403	$49,159	1.1%

The State's per gallon motor fuel tax was $0.37 in FY 2025 and $0.40 in FY 2026. The State's motor fuel tax is dedicated to the funding of transportation. Of the $0.37, the State's motor fuel tax is allocated as follows: Rhode Island Department of Transportation, $0.2125; Rhode Island Public Transit Authority, $0.0925; Department of Human Services, $0.01 for its elderly transportation program; and Rhode Island Turnpike and Bridge Authority, $0.035 for the maintenance and repair of the Jamestown Verrazano Bridge, the Mount Hope Bridge, the Newport Pell Bridge, and the Sakonnet River Bridge. Of the $0.40, the State's motor fuel tax is allocated as follows: Rhode Island Department of Transportation, $0.2225; Rhode Island Public Transit Authority, $0.1125; Department of Human Services, $0.01 for its elderly transportation program; and Rhode Island Turnpike and Bridge Authority, $0.035 for the maintenance and repair of the Jamestown Verrazano Bridge, the Mount Hope Bridge, the Newport Pell Bridge, and the Sakonnet River Bridge. The ORA Estimated figure above is the Office of Revenue Analysis' projection of the motor fuel tax per penny yield as it was computed in May 2026.