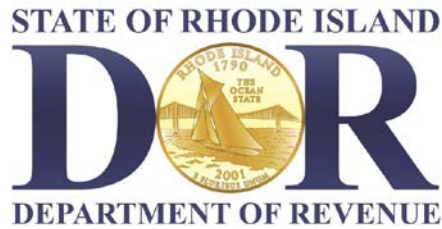


STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
GOVERNOR GINA M. RAIMONDO



Office of Revenue Analysis

Cash Collections Report as of August 2016 Summary

Fiscal Year-to-Date through August:

FY 2017 total general revenue cash collections through August were \$651.0 million, up \$33.1 million or 5.4 percent over the same period in FY 2016. The breakdown by major revenue components is as follows:

Component	FY 2017	FY 2016	Difference	% Change
Personal Income Tax	\$ 176,592,160	\$ 172,592,229	\$ 3,999,931	2.3 %
Sales and Use Taxes	187,331,454	180,569,837	6,761,617	3.7 %
Departmental Receipts	179,059,404	170,024,594	9,034,810	5.3 %
Lottery Transfer	32,759,524	30,690,626	2,068,898	6.7 %
All Other Revenues	75,227,981	64,005,545	11,222,436	17.5 %
Total General Revenues	\$ 650,970,523	\$ 617,882,831	\$ 33,087,692	5.4 %

Month of August:

August 2016 total general revenue cash collections were \$268.9 million, up \$21.2 million or 8.6 percent over August 2015. The breakdown by major revenue components is as follows:

Component	August 2016	August 2015	Difference	% Change
Personal Income Tax	\$ 99,045,192	\$ 91,214,156	\$ 7,831,036	8.6 %
Sales and Use Taxes	96,370,447	88,806,842	7,563,605	8.5 %
Departmental Receipts	12,715,959	11,711,965	1,003,994	8.6 %
Lottery Transfer	32,759,524	30,690,626	2,068,898	6.7 %
All Other Revenues	28,012,367	25,246,230	2,766,137	11.0 %
Total General Revenues	\$ 268,903,489	\$ 247,669,819	\$ 21,233,670	8.6 %

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Fiscal Year To Date

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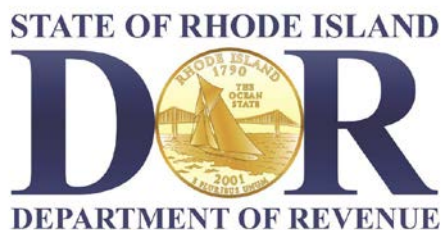
	FY 2017 YTD August	FY 2016 YTD August	Nominal Difference	Change
<u>Personal Income Tax</u>	\$ 176,592,160	\$ 172,592,229	\$ 3,999,931	2.3%
<u>General Business Taxes</u>				
Business Corporations	11,049,949	12,167,355	(1,117,406)	-9.2%
Public Utilities Gross Earnings	615,320	858,202	(242,882)	-28.3%
Financial Institutions	(226,242)	75,888	(302,130)	-398.1%
Insurance Companies	17,009,297	3,807,985	13,201,312	346.7%
Bank Deposits	1,301	28,508	(27,207)	-95.4%
Health Care Provider Assessment	6,927,735	7,429,269	(501,534)	-6.8%
<u>Excise Taxes</u>				
Sales and Use	187,331,454	180,569,837	6,761,617	3.7%
Motor Vehicle	1,565,303	4,883,239	(3,317,936)	-67.9%
Motor Carrier Fuel Use	(104,986)	(9,934)	(95,052)	956.8%
Cigarettes	25,697,999	24,271,514	1,426,485	5.9%
Alcohol	3,465,342	3,477,098	(11,756)	-0.3%
<u>Other Taxes</u>				
Estate and Transfer	6,813,876	4,828,588	1,985,288	41.1%
Racing and Athletics	204,996	174,632	30,364	17.4%
Realty Transfer	2,207,324	2,007,757	199,567	9.9%
Total Taxes	\$ 439,150,828	\$ 417,162,167	\$ 21,988,661	5.3%
<u>Departmental Receipts</u>				
Licenses and Fees	\$ 172,448,029	\$ 163,150,086	\$ 9,297,943	5.7%
Fines and Penalties	2,088,148	1,192,078	896,070	75.2%
Sales and Services	1,511,321	1,631,095	(119,774)	-7.3%
Miscellaneous	3,011,906	4,051,335	(1,039,429)	-25.7%
Total Departmental Receipts	\$ 179,059,404	\$ 170,024,594	\$ 9,034,810	5.3%
Taxes and Departmentals	\$ 618,210,232	\$ 587,186,761	\$ 31,023,471	5.3%
<u>Other General Revenue Sources</u>				
Other Miscellaneous Revenues	\$ 767	\$ 5,444	\$ (4,677)	-85.9%
Lottery Transfer	32,759,524	30,690,626	2,068,898	6.7%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 32,760,291	\$ 30,696,070	\$ 2,064,221	6.7%
Total General Revenues	\$ 650,970,523	\$ 617,882,831	\$ 33,087,692	5.4%

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Month of August

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	FY 2017 Month of August		FY 2016 Month of August	Nominal Difference	% Change
<u>Personal Income Tax</u>	\$ 99,045,192		\$ 91,214,156	\$ 7,831,036	8.6%
<u>General Business Taxes</u>					
Business Corporations	2,568,539		3,352,932	(784,393)	-23.4%
Public Utilities Gross Earnings	326,185		615,846	(289,661)	-47.0%
Financial Institutions	(207,744)		148	(207,892)	-140467.6%
Insurance Companies	(91,232)		(1,255,019)	1,163,787	-92.7%
Bank Deposits	(10,301)		-	(10,301)	-
Health Care Provider Assessment	3,414,147		3,739,371	(325,224)	-8.7%
<u>Excise Taxes</u>					
Sales and Use	96,370,447		88,806,842	7,563,605	8.5%
Motor Vehicle	845,350		2,485,848	(1,640,498)	-66.0%
Motor Carrier Fuel Use	64,394		53,465	10,929	20.4%
Cigarettes	14,649,532		12,387,432	2,262,100	18.3%
Alcohol	1,448,502		1,652,856	(204,354)	-12.4%
<u>Other Taxes</u>					
Estate and Transfer	3,532,787		1,107,038	2,425,749	219.1%
Racing and Athletics	126,857		101,842	25,015	24.6%
Realty Transfer	1,344,912		999,648	345,264	34.5%
Total Taxes	\$ 223,427,567		\$ 205,262,405	\$ 18,165,162	8.8%
<u>Departmental Receipts</u>					
Licenses and Fees	\$ 8,653,383		\$ 8,737,308	\$ (83,925)	-1.0%
Fines and Penalties	1,197,284		1,095,489	101,795	9.3%
Sales and Services	911,793		907,002	4,791	0.5%
Miscellaneous	1,953,499		972,166	981,333	100.9%
Total Departmental Receipts	\$ 12,715,959		\$ 11,711,965	\$ 1,003,994	8.6%
Taxes and Departmentals	\$ 236,143,526		\$ 216,974,370	\$ 19,169,156	8.8%
<u>Other General Revenue Sources</u>					
Other Miscellaneous Revenues	\$ 439		\$ 4,823	\$ (4,384)	-90.9%
Lottery Transfer	32,759,524		30,690,626	2,068,898	6.7%
Unclaimed Property	-		-	-	-
Total Other Sources	\$ 32,759,963		\$ 30,695,449	\$ 2,064,514	6.7%
Total General Revenues	\$ 268,903,489		\$ 247,669,819	\$ 21,233,670	8.6%

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
GOVERNOR GINA M. RAIMONDO



Office of Revenue Analysis

State of Rhode Island Cash Collections Report
August 2016 Detail

The Rhode Island Department of Revenue cash collections report is a comprehensive analysis of fiscal year-to-date and monthly cash collections on all revenue sources estimated by the principals of the Revenue Estimating Conference (see Rhode Island General Laws § 35-16-1). *Users of this report should be cautious when comparing year-to-date growth rates for Other Miscellaneous Revenues and Unclaimed Property as the receipt of these revenues occurs at discrete points in time over the course of a fiscal year. Further complicating matters is the fact that the discrete pattern of receipts varies so that payments received do not necessarily occur at the same point in time in each fiscal year.*

Cash Flow Differences

Fiscal Year-To-Date through August:

The following cash flow differences between FY 2017 and FY 2016 should be noted:

FY 2017

- Fiscal year-to-date personal income tax refunds and adjustments cash collections include \$9.3 million for refunds paid out in July and August 2016 but accrued back to FY 2016.
- Fiscal year-to-date insurance companies gross premiums tax cash collections include \$16.8 million in HMO payments posted in July 2016 that accrued back to FY 2016.
- Fiscal year-to-date sales and use tax cash collections include \$2.3 million from a payment received in August 2016 that is associated with the audit of prior year sales and use tax incurred.
- Fiscal year-to-date motor carrier fuel use tax cash collections include \$(104,986) in receipts that were incorrectly posted as general revenues. Effective July 1, 2016, receipts generated by the motor carrier fuel use tax are reclassified from general revenues to other funds.

- Fiscal year-to-date realty transfer tax cash collections through August include \$45,282 of funds designated for the Housing Resources Commission (HRC). The amount reflects the difference between the June 2016 transfer that occurred in July 2016 and the August 2016 transfer that will occur in September 2016.
- For the fiscal year-to-date period through August, hospital licensing fee cash collections are \$8.5 million more than the same period in FY 2016. The increase in hospital licensing fee cash collections is due to an increase in the hospital licensing fee rate from 5.745 percent for FY 2015 to 5.862 percent for FY 2016 and the advancement of the hospital licensing fee base from hospital FY 2013 net patient revenues in FY 2015 to hospital FY 2014 net patient revenues in FY 2016. The prior fiscal year hospital licensing fee is received in July of the current year.
- The licenses and fees category of departmental receipts in FY 2017 through August includes a payment of \$276,946 for beach parking fees that was received in July 2016 but accrued to FY 2016.
- In the fines and penalties category of departmental receipts, collections from the Rhode Island Traffic Tribunal are \$529,264 more in FY 2017 through August compared to FY 2016 through August. Due to the implementation of a new collections system, receipts from the Traffic Tribunal are able to be posted in the same month as when the activity that generated those receipts occurred. Previously, receipts were posted in the month following the activity.
- In miscellaneous departmental receipts, collections from a Department of Health cost recovery account in FY 2017 through August were down by \$472,077 compared to FY 2016 through August. Effective January 1, 2016, deposits generated by quarterly payments for this account must be made into a lockbox and be transferred into the general fund by request. The transfers occur, in general, on a monthly basis, with the exception of the quarterly collection period when they are done weekly. Previously, deposits were made directly into the account and may have been done on a quarterly, semi-annual, or annual basis.

FY 2016

- Fiscal year-to-date personal income tax refunds and adjustments cash collections include \$1.4 million of reimbursed Historic Structures Tax Credits (HSTC), which were recorded in July 2015 but accrued back to FY 2015.
- Fiscal year-to-date personal income tax final payments cash collections are understated by \$113,214 for HSTCs, which were reimbursed in August 2015 but not recorded.
- Fiscal year-to-date insurance companies gross premiums tax cash collections include \$4.5 million of reimbursed HSTCs, which were recorded in July 2015 but accrued back to FY 2015.
- Fiscal year-to-date insurance companies gross premiums tax cash collections are understated by \$1.5 million for HSTCs, which were reimbursed in August 2015 but not recorded.
- Motor vehicle license and registration fees through August of FY 2016 are greater by \$3.3 million compared to motor vehicle license and registration fees through August of FY 2017. Effective July 1, 2016, the percentage of motor vehicle license and registration

fees that are transferred to the Rhode Island Highway Maintenance Account (RIHMA) increase from 25 percent to 75 percent. On a fiscal year-to-date basis, the 75 percent transfer to RIHMA has reduced FY 2017 motor vehicle license and registration fees by \$4.7 million, an increase of \$3.1 million compared to the 25 percent transfer in the same period of FY 2016 of \$1.6 million.

- The licenses and fees category of departmental receipts in FY 2016 through August does not include a payment of \$679,646 for beach parking fees in July 2015 that was posted in October 2015.
- Miscellaneous departmental receipts in FY 2016 through August include \$215,960 received in July 2015 from a settlement between the Office of the Attorney General and a credit card provider and \$118,609 in July 2015 from a settlement with a mobile telephone provider for placing third-party service charges on consumers' bills, known as "mobile cramming".
- Year-to-date FY 2016 miscellaneous departmental receipts include \$388,625 in state hotel tax receipts that reflect hotel activity in June 2015. Effective July 1, 2015, the state's share and the statewide tourism district's share of the state 5.0 percent hotel tax were transferred from general revenues to the Rhode Island Commerce Corporation (RICC) for a state level tourism promotion and business attraction campaign.

The following table displays the differences in cash flows for FY 2017 through August and FY 2016 through August:

Revenue Source	Cash Flow Differences	YTD FY 2017	YTD FY 2016
Personal Income Tax	Refunds paid but accrued to prior year	\$9,297,000	\$0
Personal Income Tax	Late reimbursement of HSTCs	\$0	\$1,355,142
Personal Income Tax	Aug. 2015 HSTC reimbursed, not recorded	\$0	\$(113,214)
Ins Gross Premiums Tax	Late HMO payments	\$16,844,511	\$0
Ins Gross Premiums Tax	Late reimbursement of HSTCs	\$0	\$4,450,735
Ins Gross Premiums Tax	Aug. 2015 HSTC reimbursed, not recorded	\$0	\$(1,481,112)
Sales and Use Tax	Audit payment	\$2,273,693	\$0
Motor Carrier Fuel Tax	Incorrect posting/transfer to other funds	\$(104,986)	\$(9,934)
MV License & Reg Fees	25% RIHMA transfer increase to 75%	\$0	\$3,317,936
Realty Transfer	Delayed transfer to Housing Resources Comm.	\$45,282	\$0
Departmental Receipts	Hospital licensing fee difference	\$8,504,219	\$0
Departmental Receipts	Late beach parking fee payments	\$276,946	\$(679,646)
Departmental Receipts	End of Traffic Tribunal delayed posting	\$529,264	\$0
Departmental Receipts	Health cost recovery deposit change	\$(472,077)	\$0
Departmental Receipts	AG settlements/recoveries	\$0	\$334,569
Departmental Receipts	State hotel tax transfer	\$0	\$388,625

Month of August:

The following cash flow differences between August 2016 and August 2015 should be noted:

August 2016

- August 2016 personal income tax refunds and adjustments cash collections include \$4.4 million for refunds paid out in August 2016 but accrued back to FY 2016.
- August 2016 business corporations tax refunds and adjustments cash collections include \$1.5 million in July 2016 refunds that were not posted until August 2016.
- August 2016 sales and use tax cash collections include \$2.3 million from a payment associated with a prior year audit.
- August 2016 motor carrier fuel use cash collections include \$64,394 in receipts that were incorrectly posted as general revenues. Effective July 1, 2016, receipts generated by the motor carrier fuel use tax are reclassified from general revenues to other funds.
- August 2016 realty transfer tax cash collections include \$75,616 of funds designated for the Housing Resources Commission (HRC). The amount reflects the difference between the July 2016 transfer that occurred in August 2016 and the August 2016 transfer that will occur in September 2016.
- In miscellaneous departmental receipts, collections from a Department of Health cost recovery account were up \$743,315 in August 2016 compared to August 2015. Effective January 1, 2016, deposits generated by quarterly payments for this account must be made into a lockbox and be transferred into the general fund by request. The transfers occur, in general, on a monthly basis, with the exception of the quarterly collection period when they are done weekly. Previously, deposits were made directly into the account and may have been done on a quarterly, semi-annual, or annual basis.

August 2015

- August 2015 personal income tax final payment cash collections are understated by \$113,214 for historic structure tax credits which were reimbursed in August but not recorded.
- August 2015 insurance companies gross premiums tax cash collections are understated by \$1.5 million for historic structure tax credits which were reimbursed in August but not recorded.
- August 2015 motor vehicle license and registration fees are greater by \$1.6 million compared to motor vehicle license and registration fees in August 2016. Effective July 1, 2016, the percentage of motor vehicle license and registration fees that are transferred to the Rhode Island Highway Maintenance Account (RIHMA) increase from 25 percent to 75 percent. In August 2016, the 75 percent transfer to RIHMA reduced motor vehicle license and registration fees by \$2.5 million, an increase of \$1.7 million compared to the 25 percent transfer in August 2015 of \$828,616.

The following table displays the differences in cash flows for August 2016 and August 2015.

Revenue Source	Cash Flow Differences	August 2016	August 2015
Personal Income Tax	Refunds paid but accrued to FY 2016	\$4,390,043	\$0
Personal Income Tax	Aug. 2015 HSTC reimbursed, not recorded	\$0	\$(113,214)
Business Corp Tax	Late posting of refunds	\$1,534,646	\$0
Ins Gross Premiums Tax	Aug. 2015 HSTC reimbursed, not recorded	\$0	\$(1,481,112)
Sales and Use Tax	Audit Payment	\$2,273,693	\$0
MV License & Reg Fees	25% RIHMA transfer increase to 75%	\$0	\$1,640,498
Motor Carrier Fuel Use	Incorrect posting/transfer to other funds	\$64,394	\$53,465
Realty Transfer Tax	Delayed transfer to Housing Resources Comm.	\$75,616	\$0
Departmental Receipts	Health cost recovery deposit change	\$743,315	\$0

Historic Structures Tax Credit Reimbursements:

FY 2017 total Historic Structures Tax Credit (HSTC) redemptions/reimbursements for all taxes through August were \$3.4 million compared to \$1.8 million reimbursed in FY 2016 through August, an increase of 92.0 percent. August 2016 total redemptions/reimbursements for all taxes were \$2.6 million compared to \$1.6 million in August 2015, an increase of 62.2 percent.

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

Tax Type	Year-to-Date		Monthly	
	FY 2017	FY 2016	August 2017	August 2016
Personal Income	\$ 1,191,245	\$ 296,128	\$ 365,120	\$ 113,214
Business Corporations	3,411	0	3,411	0
Financial Institutions	0	0	0	0
Insurance/Non-HMOs	0	1,481,112	0	1,481,112
Insurance/HMOs	0	0	0	0
Non-Profit Refund	2,217,981	0	2,217,981	0
Total	\$ 3,412,637	\$ 1,777,240	\$ 2,586,512	\$ 1,594,326

Personal Income Tax Cash Collections by Component

The tables below are based on data provided by the Division of Taxation and break down personal income tax cash collections by component on both a fiscal year-to-date and monthly basis. It should be noted that differences may exist between the figures reported by the Division of Taxation and those reported by the Controller due to timing differences in the posting of receipts.

Fiscal Year-to-Date through August:

Component	FY 2017	FY 2016	Difference	% Change
Estimated Payments	\$ 9,132,586	\$ 9,219,201	\$ (86,615)	-0.9 %
Final Payments *	6,535,392	5,454,927	1,080,466	19.8 %
Refunds/Adjustments	(20,562,368) †	(8,404,658) ^	(12,157,711)	144.7 %
Withholding Tax Payments	181,472,803	166,322,759	15,150,044	9.1 %
* Final Payments include Historic Structures Tax Credit (HSTC) reimbursements of \$1,191,245 in year-to-date FY 2017 and \$182,914 in year-to-date FY 2016. FY 2016 YTD final payments do not include \$113,214 in HSTCs that were reimbursed but not recorded in August 2015.				
† Fiscal 2017 YTD refunds and adjustments include \$9,297,000 in refunds paid out in July 2016 and August 2016 but accrued back to FY 2016.				
^ Fiscal 2016 YTD refunds and adjustments include an adjustment of \$1,355,142 for reimbursed FY 2015 HSTCs which were recorded in July 2015 but accrued back to FY 2015.				

Month of August:

Component	August 2016	August 2015	Difference	% Change
Estimated Payments	\$ 4,073,193	\$ 3,342,133	\$ 731,060	21.9 %
Final Payments *	3,224,770	2,356,421	868,348	36.9 %
Refunds/Adjustments	(9,544,988) †	(6,239,365)	(3,305,623)	53.0 %
Withholding Tax Payments	101,278,470	91,754,967	9,523,503	10.4 %
* Final Payments include \$365,120 in historic structures tax credit reimbursements in August 2016. August 2015 final payments do not include \$113,214 in HSTCs that were reimbursed but not recorded.				
† August 2016 refunds and adjustments include \$4,390,043 in refunds paid out in August 2016 but accrued back to FY 2016.				

Sales and Use Taxes Cash Collections by Component

The tables below are based on data provided by the Division of Taxation and break down sales and use tax cash collections by component on both a fiscal year-to-date and monthly basis. It should be noted that differences may exist between the figures reported by the Division of Taxation and those reported by the Controller due to timing differences in the posting of receipts.

Fiscal Year-to-Date through August:

Component	FY 2017	FY 2016	Difference	% Change
Net Taxation	\$ 167,143,162 *	\$ 160,659,434	\$ 6,483,728	4.0 %
Registry Receipts	18,018,393	17,561,624	456,770	2.6 %
Providence Place Mall	2,157,100	2,258,650	(101,549)	-4.5 %

* Includes \$2,273,693 from a payment received in August 2016 for a prior year audit.

Month of August:

Component	August 2016	August 2015	Difference	% Change
Net Taxation	\$ 85,186,180 *	\$ 78,615,439	\$ 6,570,741	8.4 %
Registry Receipts	10,088,430	8,954,054	1,134,376	12.7 %
Providence Place Mall	1,084,475	1,152,434	(67,959)	-5.9 %

* Includes \$2,273,693 from a payment received in August 2016 for a prior year audit.

General Business Taxes

August	FY 2017	FY 2016	Difference	% Change
Fiscal YTD	\$ 35.4 million	\$ 24.4 million	\$ 11.0 million	45.2 %
Month	\$ 6.0 million	\$ 6.5 million	\$ (453,684)	-7.0 %

In general, businesses with Rhode Island tax liabilities make estimated payments of their tax year liabilities in March and June of the fiscal year, with 40.0 percent of the estimated total tax liability due in March and 60.0 percent of the estimated total tax liability due in June. There is one exception to this payment pattern, namely the health care provider assessment, payments of which are made on a monthly basis. Business corporations, or corporate income, tax payments are also received more consistently over the course of the fiscal year due to the varying fiscal years of corporations and the number of filers that are on extension at any given point in time. As a result, both business corporation taxes and health care provider assessments flow more evenly into the general fund over the course of a fiscal year.

Fiscal Year-to-Date through August:

General business taxes collected through August of FY 2017 increased by 45.2 percent over general business taxes collected through August of FY 2016. FY 2017 general business taxes collected through August were \$35.4 million compared to \$24.4 million collected for the same period in FY 2016, an increase of \$11.0 million.

FY 2017 business corporations tax cash collections through August were \$11.0 million, \$1.1 million below the \$12.2 million of business corporations tax cash collections received in FY 2016 through August. In year-to-date FY 2017, business corporations tax cash collections

include \$3,411 in historic structures tax credit reimbursements (HSTCs) compared to no HSTCs reimbursements in year-to-date FY 2016.

FY 2017 insurance companies taxes collected through August increased by \$13.2 million or 346.7 percent over the \$3.8 million collected through August of FY 2016. It should be noted that insurance companies gross premiums tax cash collections for FY 2017 through August include \$16.8 million in health insurance (HMO) gross premiums tax payments that were recorded in July 2016 but accrued back to FY 2016. In addition, insurance companies gross premiums tax for FY 2016 through August include \$4.5 million of reimbursed HSTCs that were recorded in July 2015 but accrued back to FY 2015. Further, FY 2016 through August insurance companies gross premiums tax cash collections are understated by \$1.5 million due to HSTCs being reimbursed in August but not recorded.

Month of August:

General business taxes collected in August 2016 decreased 7.0 percent from general business taxes collected in August 2015. August 2016 general business taxes collected were \$6.0 million compared to \$6.5 million collected during the same period last fiscal year, a decrease of \$453,684. August 2016 business corporations tax cash collections include \$3,411 of HSTC reimbursements compared to no HSTCs reimbursements in August 2015. There were no historic structure tax credit reimbursements in August 2016 for insurance companies gross premiums tax, but August 2015 insurance companies gross premium tax cash collections are understated by \$1.5 million due to historic structure tax credits being reimbursed in August but not recorded.

Business Corporations Tax Cash Collections by Component:

The tables below are based on data provided by the Division of Taxation and break down business corporations tax cash collections by component on both a fiscal year-to-date and monthly basis. It should be noted that differences may exist between the figures reported by the Division of Taxation and those reported by the Controller due to timing differences in the posting of receipts.

Fiscal Year-to-Date through August:

Component	FY 2017	FY 2016	Difference	% Change
Estimated Payments	\$ 10,682,495	\$ 9,769,102	\$ 913,393	9.3 %
Final Payments *	3,276,330	3,625,746	(349,416)	-9.6 %
Refunds/Adjustments	(2,926,563)	(1,233,003)	(1,693,561)	137.4 %
* Final Payments include \$3,411 in historic structures tax credit (HSTC) reimbursements in YTD 2017 and no HSTC reimbursements in YTD 2016.				

Business corporations tax refunds and adjustments cash collections were \$1.7 million more in FY 2017 through August compared to the same period last fiscal year, an increase of 137.4 percent. In FY 2017 through August, 350 business corporations tax refunds were paid for a total of \$2.9 million. In FY 2016 through August, 57 business corporations tax refunds were paid for

a total of \$847,055. The Division of Taxation's Corporate Tax Section processed more refunds fiscal year-to-date through August compared to the same period last fiscal year in order to reduce the backlog of corporate tax returns.

Month of August:

Component	August 2016	August 2015	Difference	% Change
Estimated Payments	\$ 2,576,982	\$ 1,879,273	\$ 697,709	37.1 %
Final Payments *	1,911,231	2,012,133	(100,902)	-5.0 %
Refunds/Adjustments	(391,193)	(540,675)	149,482	-27.6 %
* Final Payments include \$3,411 in historic structures tax credit (HSTC) reimbursements in August 2016 compared to no HSTC reimbursements in August 2015.				

Excise Taxes Other Than the Sales and Use Tax

August	FY 2017	FY 2016	Difference	% Change
Fiscal YTD	\$ 30.6 million	\$ 32.6 million	\$ (2.0 million)	-6.1 %
Month	\$ 17.0 million	\$ 16.8 million	\$ 428,177	2.6 %

Fiscal Year-to-Date through August:

Excise taxes other than sales and use taxes collected in FY 2017 through August decreased by 6.1 percent from excise taxes other than sales and use taxes collected through August of FY 2016. FY 2017 excise taxes other than sales and use taxes collected through August were \$30.6 million compared to \$32.6 million collected for the same period last fiscal year, a decrease of \$2.0 million. Motor vehicle license and registration fees were \$1.6 million in FY 2017 through August, down \$3.3 million or -67.9 percent compared to FY 2016 through August. It is important to note that, effective July 1, 2016, the transfer from motor vehicle license and fees general revenues to the Rhode Island Highway Maintenance Account (RIHMA) increased from 25 percent to 75 percent of cash collections. To date in FY 2017, this transfer has totaled \$4.7 million, \$3.1 million more than the transfer of \$1.6 million during the same period last fiscal year. In the 2016 session, the General Assembly reclassified collections from generated from the motor carrier fuel use tax from general revenues to other funds effective July 1, 2016. It should be noted that \$(104,986) in motor carrier fuel use tax receipts were incorrectly deposited as general revenues in FY 2017 through August.

Rhode Island cigarettes tax receipts are comprised of excise taxes collected on the sale of cigarettes and smokeless tobacco (which also includes cigars and pipe tobacco), 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. Total cigarette excise tax cash receipts through August of FY 2017 were \$25.7 million, which is up \$1.4 million, or 5.9 percent, compared to the \$24.3 million collected for the same period last fiscal year. Finally, the change in cigarette sales is determined. Cigarette floor stock tax and other tobacco products tax cash collections are netted out of the cigarettes tax cash receipts data, yielding only cigarette excise tax cash collections. Through

August of FY 2017, Rhode Island cigarette sales increased 1.1 percent compared to the same period last fiscal year.

Month of August:

Excise taxes other than sales and use taxes collected in August 2016 increased 2.6 percent over excise taxes other than sales and use taxes collected in August 2015. August 2016 excise taxes other than sales and use taxes collected totaled \$17.0 million compared to \$16.6 million collected in August 2015, an increase of \$428,177. Motor vehicle license and registration fees are down \$1.6 million in August 2016 compared to August 2015. The August 2016 transfer to RIHMA from motor vehicle operator license and registration fees totaled \$2.5 million, \$1.7 million more than the transfer of \$828,616 made in August 2015.

August 2016 cigarette excise tax receipts were \$14.6 million, an increase of \$2.3 million or 18.3 percent over the \$12.4 million collected in August 2015. After accounting for any cigarette floor stock receipts and other tobacco products tax cash collections, the percentage change in Rhode Island cigarette sales is determined. For August 2016, Rhode Island cigarette sales increased by 17.2 percent compared to August 2015.

Other Taxes

August	FY 2017	FY 2016	Difference	% Change
Fiscal YTD	\$ 9.2 million	\$ 7.0 million	\$ 2.2 million	31.6 %
Month	\$ 5.0 million	\$ 2.2 million	\$ 2.8 million	126.6 %

Fiscal Year-to-Date through August:

Other taxes collected in FY 2017 through August increased 31.6 percent from other taxes collected through August of FY 2016. FY 2017 other taxes collected through August were \$9.2 million compared to the \$7.0 million collected in the same period last fiscal year, an increase of \$2.2 million. FY 2017 estate and transfer taxes collected through August were \$6.8 million, up \$2.0 million or 41.1 percent compared to the same period in FY 2016.

FY 2017 realty transfer taxes collected through August were \$2.2 million, up \$199,567 or 9.9 percent compared to the same period last fiscal year. It should be noted that fiscal year-to-date realty transfer tax cash collections through August include \$45,282 of receipts designated for the Housing Resources Commission (HRC). The amount reflects the difference between the June 2016 transfer that occurred in July 2016 and the August 2016 transfer that will occur in September of 2016.

Month of August:

Other taxes collected in August 2016 increased 126.6 percent over other taxes collected in August 2015. August 2016 other taxes collected totaled \$5.0 million compared to \$2.2 million collected in August 2015, an increase of \$2.8 million. Estate and transfer tax cash collections in

August 2016 were \$3.5 million, up \$2.4 million or 219.1 percent, over the \$1.1 million collected in August 2015.

August 2016 realty transfer tax cash collections were \$1.3 million, up \$345,264 in August 2016 compared to August 2015, an increase of 34.5 percent. It should be noted that August 2016 realty transfer tax includes \$75,616 of receipts designated for the HRC. The amount reflects the difference between the July 2016 transfer that occurred in August 2016 and the August 2016 transfer that will occur in September 2016.

Departmental Receipts Cash Collections by Component

The tables below are based on data provided by the Controller and break down departmental receipts cash collections by component on both a fiscal year-to-date and monthly basis.

Fiscal Year-to-Date through August:

Component	FY 2017	FY 2016	Difference	% Change
Licenses and Fees *	\$ 172,448,029	\$ 163,150,086	\$ 9,297,943	5.7 %
Fines and Penalties	2,088,148	1,192,078	896,070	75.2 %
Sales and Services	1,511,321	1,631,095	(119,774)	-7.3%
Miscellaneous	3,011,906	4,051,335	(1,039,429)	-25.7 %
Total	\$ 179,059,404	\$ 170,024,594	\$ 9,034,810	5.3 %
* Licenses and fees cash collections include hospital licensing fees of \$154,710,510 in year-to-date FY 2017 and \$146,206,291 in year-to-date FY 2016.				

Total departmental receipts in FY 2017 through August increased by 5.3 percent compared to total departmental receipts in FY 2016 through August. Fiscal year-to-date total departmental receipts collected in FY 2017 were \$179.1 million compared to \$170.0 million collected for the same period last year, an increase of \$9.0 million.

The licenses and fees category of departmental receipts through August of FY 2017 was up 5.7 percent or \$9.3 million over the \$163.2 million collected through August of FY 2016. Much of the increase in licenses and fees is due to the increase in hospital licensing fee cash collections. For the fiscal year-to-date period through August, hospital licensing fee cash collections are \$8.5 million more than the same period in FY 2016. The increase in hospital licensing fee cash collections is due to an increase in the hospital licensing fee rate from 5.745 percent for FY 2015 to 5.862 percent for FY 2016 and the advancement of the hospital licensing fee base from hospital FY 2013 net patient revenues in FY 2015 to hospital FY 2014 net patient revenues in FY 2016. The prior fiscal year hospital licensing fee is received in July of the current year. Additionally, part of the increase in licenses and fees is due to the expense recovery cost account for public utilities being up \$1.4 million in FY 2017 through August compared to the same period last fiscal year.

In the enacted FY 2017 budget, signed into law by Governor Raimondo on June 15, 2016,

parking fees at state beaches were reduced by 50.0 percent. Cash collections for beach parking fees are up \$909 in FY 2017 through August compared to FY 2016 through August. It should be noted that FY 2017 through August beach parking fees include a payment of \$276,946 received in July 2016 that accrued back to June 2016. Further, FY 2016 through August beach parking fees cash collections do not include a \$679,646 payment for activity in July 2015 that was posted in October 2015. It is also important to note that numerous licenses included in the licenses and fees category of departmental receipts are renewed on a biennial or triennial basis, which skews the fiscal year-to-date comparisons.

The fines and penalties category of departmental receipts through August of FY 2017 was up \$896,070 or 75.2 percent over the \$1.2 million collected through August of FY 2016. Much of this increase can be accounted for by cash collections from the Rhode Island Traffic Tribunal being up \$529,264 in FY 2017 through August compared to FY 2016 through August. This increase is due to the implementation of a new collections system that allows receipts to be posted in the same month they were generated rather than in the following month. Additionally, insurance verification license reinstatement fees are up \$209,200 in FY 2017 through August over the \$4,000 collected in FY 2016 through August.

The sales and services category of departmental receipts through August of FY 2017 was down \$119,774 or -7.3 percent from the \$1.6 million collected through August of FY 2016.

FY 2017 miscellaneous departmental receipts through August are down \$1.0 million or -25.7 percent compared to cash collections through August of FY 2016. The Drinking Water Protection Fund was up \$407,929 in year-to-date FY 2017 over the \$141,336 collected in the same period last fiscal year. The Department of Health's cost recovery account, however, was down \$472,077 in year-to-date FY 2017 compared to year-to-date FY 2016. Effective January 1, 2016, deposits generated by quarterly payments for this account must be made into a lockbox and be transferred into the general fund by request. The transfers occur, in general, on a monthly basis, with the exception of the quarterly collection period when they are done weekly. Previously, deposits were made directly into the account and may have been done on a quarterly, semi-annual, or annual basis. Additionally, miscellaneous departmental receipts for Office of the Attorney General in FY 2017 through August were down \$415,967 compared to FY 2016 through August. Included in the FY 2016 through August miscellaneous departmental receipts from the Office of the Attorney General is \$215,960 received in July 2015 from a settlement between the Office of the Attorney General and a credit card provider and \$118,609 in July 2015 from a settlement with a mobile telephone provider for placing third-party service charges on consumers' bills, known as "mobile cramming". During the 2015 session, the General Assembly accepted the Governor's proposal to transfer the state's share and the statewide tourism district's share of the state 5.0 percent hotel tax from general revenues to the Rhode Island Commerce Corporation (RICC) for a state level tourism promotion and business attraction campaign effective July 1, 2015. As hotel tax receipts, in general, reflect activity for the prior month, the first transfer to the RICC from the legislative change occurred in August 2016. Due to this transfer, state hotel tax receipts are down \$388,625 in FY 2017 through August compared to the same period last fiscal year.

Month of August:

Component	August 2016	August 2015	Difference	% Change
Licenses and Fees *	\$ 8,653,383	\$ 8,737,308	\$ (83,925)	-1.0 %
Fines and Penalties	1,197,284	1,095,489	101,795	9.3 %
Sales and Services	911,793	907,002	4,791	0.5 %
Miscellaneous	1,953,499	972,166	981,333	100.9 %
Total	\$ 12,715,959	\$ 11,711,965	\$ 1,003,994	8.6 %
* Licenses and fees include no hospital licensing fees in August 2016 or August 2015.				

Total departmental receipts in August 2016 increased 8.6 percent over total departmental receipts in August 2015. August 2016 total departmental receipts collected were \$12.7 million compared to \$11.7 million collected in August 2015, an increase of \$1.0 million.

The licenses and fees category of departmental receipts for August 2016 was down 1.0 percent or \$83,925 from the \$8.7 million collected in August of 2015. Beach parking fees cash collections in August 2016 were \$608,692 compared to the \$1.0 million collected in August 2015, a decrease of \$413,193 due to the reduction in beach parking fees at state beaches. The expense recovery cost account for public utilities was up \$235,116 in August 2016 compared to August 2015.

The fines and penalties category of departmental receipts for August 2016 was up \$101,795 or 9.3 percent over the \$1.1 million collected in August 2015.

In August 2016, the sales and services category of departmental receipts was up \$4,791 over the \$907,002 collected in August 2015.

August 2015 miscellaneous departmental receipts are up \$981,333 or 100.9 percent compared to cash collections in August of 2015. Much of this increase can be accounted for by the Department of Health's cost recovery account being up \$743,315 in August 2016 compared to August 2015. Effective January 1, 2016, deposits generated by quarterly payments for this account must be made into a lockbox and be transferred into the general fund by request. The transfers occur, in general, on a monthly basis, with the exception of the quarterly collection period when they are done weekly. Previously, deposits were made directly into the account and may have been done on a quarterly, semi-annual, or annual basis. Additionally, the Drinking Water Protection Fund is up \$192,163 in August 2016 compared to August 2015.

Motor Fuel Tax, Per Penny Yield

August	FY 2017	FY 2016	Difference	% Change
Fiscal YTD	\$ 790,122	\$ 763,604	\$ 26,518	3.5 %
Month	\$ 391,811	\$ 390,484	\$ 1,327	0.3 %

In FY 2017, the State's motor fuel tax consists of a \$0.33 per gallon excise tax on the distribution of motor fuel in the State and an additional \$0.01 per gallon surcharge for motor fuel that is delivered to an underground storage tank. These tax rates were the same in FY 2016 except for the July 2015 receipts which were based on the FY 2015 motor fuel tax rates of \$0.32 per gallon and \$0.01 per gallon respectively. The revenue change from the one cent increase in the motor fuel excise tax, effective July 1, 2015, was not realized in the motor fuel tax cash collections until August 2015. 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.

Fiscal Year-to-Date through August:

The per penny yield of the state's motor fuel tax collected in FY 2017 through August is \$26,518 more than in FY 2016 through August. This represents an increase of 3.5 percent between the two fiscal year-to-date periods. For FY 2017 through August, the per penny yield was \$790,122 versus \$763,604 for FY 2016 through August.

Month of August:

The per penny yield of the State's motor fuel tax collected in August 2016 totaled \$391,811, an increase of \$1,327 or 0.3 percent over the \$390,484 collected in August 2015.

Lottery Transfer Cash Collections by Component

The tables below are based on data provided by the Division of Lottery and break down the lottery transfer cash collections by component on both a fiscal year-to-date and monthly basis. It should be noted that slight differences may exist between the figures reported by the Division of Lottery and those reported by the Controller due to timing differences in the posting of receipts. Data on lottery transfer cash collections reflect the prior month's gaming activity.

Fiscal Year-to-Date through August:

Component	FY 2017	FY 2016	Difference	% Change
Traditional Games	\$ 4,120,654	\$ 3,006,889	\$ 1,113,765	37.0 %
Keno	1,494,295	1,515,682	(21,387)	-1.4 %
Twin River VLTs	23,626,753	23,091,191	535,562	2.3 %
Twin River Traditional Table Games	1,240,264	1,140,349	99,915	8.8 %
Twin River Poker Tables	72,658	0	72,658	n/a
Newport Grand VLTs	2,596,405	2,353,092	243,313	10.3 %

In fiscal year-to-date 2017, Twin River operated a maximum of 92 traditional table games and 16 poker tables. In the same period in FY 2016, Twin River operated a maximum of 80 traditional table games and no poker tables. It should be noted that in order to make space for additional table games and a poker room, Twin River had 70 fewer VLTs operating in fiscal year-to-date 2017 compared to the same period last fiscal year. Both Twin River and Newport Grand VLT

cash collections do not reflect unclaimed prizes, distressed communities relief program receipts, or the State's payment to either Newport Grand's or Twin River's marketing program.

Month of August:

Given that August is the first month that lottery receipts are transferred to the general fund there are no differences between fiscal year-to-date and monthly cash collections.



Robert S. Hull, Director
Rhode Island Department of Revenue
October 7, 2016