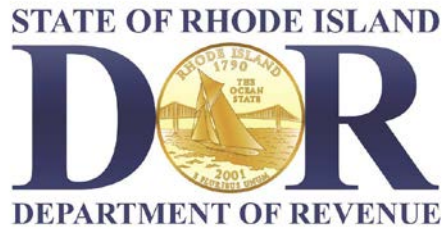


STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
GOVERNOR GINA M. RAIMONDO



Office of Revenue Analysis

Cash Collections Report as of October 2016 Summary

Fiscal Year-to-Date through October:

FY 2017 total general revenue cash collections through October were \$1.2 billion, up \$29.2 million or 2.5 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	\$ 405,145,742	\$ 397,669,067	\$ 7,476,675	1.9 %
Sales and Use Taxes	358,681,512	351,329,200	7,352,312	2.1 %
Departmental Receipts	211,307,860	202,802,696	8,505,164	4.2 %
Lottery Transfer	92,126,245	89,865,450	2,260,795	2.5 %
All Other Revenues	138,327,123	134,731,353	3,595,770	2.7 %
Total General Revenues	\$ 1,205,588,482	\$ 1,176,397,766	\$ 29,190,716	2.5 %

Month of October:

October 2016 total general revenue cash collections were \$253.4 million, up \$5.3 million or 2.1 percent over October 2015. The breakdown by major revenue components is as follows:

Component	October 2016	October 2015	Difference	% Change
Personal Income Tax	\$ 92,734,800	\$ 92,514,258	\$ 220,542	0.2 %
Sales and Use Taxes	84,603,593	83,527,256	1,076,337	1.3 %
Departmental Receipts	18,608,778	19,692,196	(1,083,418)	-5.5 %
Lottery Transfer	29,878,557	28,970,832	907,725	3.1 %
All Other Revenues	27,612,920	23,476,293	4,136,627	17.6 %
Total General Revenues	\$ 253,438,648	\$ 248,180,835	\$ 5,257,813	2.1 %

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Fiscal Year To Date

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	FY 2017 YTD October		FY 2016 YTD October	Nominal Difference	Change
<u>Personal Income Tax</u>	\$ 405,145,742		\$ 397,669,067	\$ 7,476,675	1.9%
<u>General Business Taxes</u>					
Business Corporations	27,615,752		28,885,501	(1,269,749)	-4.4%
Public Utilities Gross Earnings	1,414,752		1,342,546	72,206	5.4%
Financial Institutions	534,679		494,272	40,407	8.2%
Insurance Companies	18,823,413		6,312,331	12,511,082	198.2%
Bank Deposits	(779)		28,707	(29,486)	-102.7%
Health Care Provider Assessment	13,916,737		14,711,290	(794,553)	-5.4%
<u>Excise Taxes</u>					
Sales and Use	358,681,512		351,329,200	7,352,312	2.1%
Motor Vehicle	3,454,775		10,520,924	(7,066,149)	-67.2%
Motor Carrier Fuel Use	-		(89,006)	89,006	-
Cigarettes	49,546,636		51,939,567	(2,392,931)	-4.6%
Alcohol	6,710,826		6,660,664	50,162	0.8%
<u>Other Taxes</u>					
Estate and Transfer	11,479,464		10,009,568	1,469,896	14.7%
Racing and Athletics	383,439		353,258	30,181	8.5%
Realty Transfer	4,399,402		3,552,027	847,375	23.9%
Total Taxes	\$ 902,106,350		\$ 883,719,916	\$ 18,386,434	2.1%
<u>Departmental Receipts</u>					
Licenses and Fees	\$ 190,463,323		\$ 181,466,054	\$ 8,997,269	5.0%
Fines and Penalties	10,026,390		7,342,313	2,684,077	36.6%
Sales and Services	3,562,298		3,661,771	(99,473)	-2.7%
Miscellaneous	7,255,849		10,332,558	(3,076,709)	-29.8%
Total Departmental Receipts	\$ 211,307,860		\$ 202,802,696	\$ 8,505,164	4.2%
Taxes and Departmentals	\$ 1,113,414,210		\$ 1,086,522,612	\$ 26,891,598	2.5%
<u>Other General Revenue Sources</u>					
Other Miscellaneous Revenues	\$ 48,027		\$ 9,704	\$ 38,323	394.9%
Lottery Transfer	92,126,245		89,865,450	2,260,795	2.5%
Unclaimed Property	-		-	-	-
Total Other Sources	\$ 92,174,272		\$ 89,875,154	\$ 2,299,118	2.6%
Total General Revenues	\$ 1,205,588,482		\$ 1,176,397,766	\$ 29,190,716	2.5%

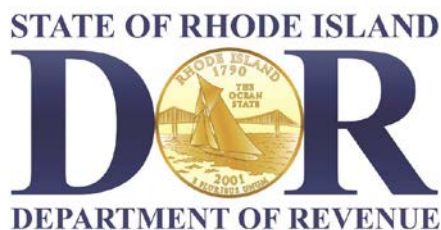
STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS

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Month of October

	FY 2017 Month of October	FY 2016 Month of October	Nominal Difference	% Change
<u>Personal Income Tax</u>	\$ 92,734,800	\$ 92,514,258	\$ 220,542	0.2%
<u>General Business Taxes</u>				
Business Corporations	4,774,234	(572,938)	5,347,172	-933.3%
Public Utilities Gross Earnings	336,304	179,177	157,127	87.7%
Financial Institutions	(108,626)	8,300	(116,926)	-1408.7%
Insurance Companies	1,582,201	893,515	688,686	77.1%
Bank Deposits	-	-	-	-
Health Care Provider Assessment	3,482,664	3,609,274	(126,610)	-3.5%
<u>Excise Taxes</u>				
Sales and Use	84,603,593	83,527,256	1,076,337	1.3%
Motor Vehicle	879,431	3,044,295	(2,164,864)	-71.1%
Motor Carrier Fuel Use	-	14,179	(14,179)	-
Cigarettes	11,190,182	10,897,410	292,772	2.7%
Alcohol	1,375,709	1,675,983	(300,274)	-17.9%
<u>Other Taxes</u>				
Estate and Transfer	2,973,786	2,973,010	776	0.0%
Racing and Athletics	82,473	76,197	6,276	8.2%
Realty Transfer	1,027,083	673,876	353,207	52.4%
Total Taxes	\$ 204,933,834	\$ 199,513,792	\$ 5,420,042	2.7%
<u>Departmental Receipts</u>				
Licenses and Fees	\$ 8,978,263	\$ 10,119,134	\$ (1,140,871)	-11.3%
Fines and Penalties	6,790,124	4,982,120	1,808,004	36.3%
Sales and Services	1,239,961	1,038,336	201,625	19.4%
Miscellaneous	1,600,430	3,552,606	(1,952,176)	-55.0%
Total Departmental Receipts	\$ 18,608,778	\$ 19,692,196	\$ (1,083,418)	-5.5%
Taxes and Departmentals	\$ 223,542,612	\$ 219,205,988	\$ 4,336,624	2.0%
<u>Other General Revenue Sources</u>				
Other Miscellaneous Revenues	\$ 17,479	\$ 4,015	\$ 13,464	335.3%
Lottery Transfer	29,878,557	28,970,832	907,725	3.1%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 29,896,036	\$ 28,974,847	\$ 921,189	3.2%
Total General Revenues	\$ 253,438,648	\$ 248,180,835	\$ 5,257,813	2.1%

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



Office of Revenue Analysis

**State of Rhode Island Cash Collections Report
 October 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 October:

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 personal income tax withholding cash collections include a large payment of \$3.3 million received in August 2016.
- Fiscal year-to-date business corporations tax cash collections include a transfer of \$100,000 of receipts to financial institutions tax in September 2016 to properly record a tax payment that was incorrectly recorded in a prior month.
- Fiscal year-to-date financial institutions tax cash collections include \$100,000 of receipts that were moved in September 2016 from business corporations tax cash collections to properly record a tax payment that was incorrectly recorded in a prior month.
- 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 realty transfer tax cash collections through October include \$22,863 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 October 2016 transfer that will occur in November 2016.
- For the fiscal year-to-date period through October, hospital licensing fee cash collections are \$8.8 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 October includes a payment of \$276,946 for beach parking fees that was received in July 2016 but accrued to FY 2016.
- In licenses and fees, the FY 2017 through October cash collections for the local building permit ADA (Americans with Disabilities Act) surcharge does not include a deposit generated by collections in cities and towns in October 2016. Collections for this account are down by \$267,671 compared to FY 2016 through October.
- In miscellaneous departmental receipts, collections from a Department of Health cost recovery account in FY 2017 through October were down by \$476,967 compared to FY 2016 through October. 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.
- Year-to-date miscellaneous departmental receipts include the transfer of \$1.6 million in October 2016 of refunds written off by the Office of the Treasurer and the Division of Taxation to unclaimed property.
- The October lottery transfer includes receipts of \$1.4 million that were accrued back to FY 2016. The lottery transfer made in FY 2016 that accrued back to FY 2015 was not completed until November 2015.

FY 2016

- Fiscal year-to-date personal income tax refunds and adjustments cash collections include \$1.4 million of reimbursed Historic Structures Tax Credits (HSTCs), which were recorded in July 2015 but accrued back to FY 2015.
- Fiscal year-to-date personal income tax refunds and adjustments cash collections include \$2.0 million of receipts that were moved from business corporations tax to personal income tax in October 2015 to properly record tax payments that were incorrectly recorded in prior months.

- Fiscal year-to-date business corporations tax refunds and adjustments cash collections include a transfer of \$2.0 million of receipts from business corporations tax to personal income tax in October 2015 to properly record tax payments that were incorrectly recorded in prior months.
- 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.
- Motor vehicle license and registration fees through October of FY 2016 are greater by \$7.1 million compared to motor vehicle license and registration fees through October 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) increased 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 \$10.4 million, an increase of \$6.9 million compared to the 25 percent transfer in the same period of FY 2016 of \$3.5 million.
- FY 2016 through October motor carrier fuel use tax cash collections are greater by \$(89,006) compared to collections in FY 2017 through October. Effective July 1, 2016, motor carrier fuel use tax cash collections are transferred from general revenues to other funds.
- Departmental receipts are overstated by \$1.3 million in FY 2016 through October for various court-related fines and fees posted in October 2015 by the Judiciary that should have been posted in November 2015.
- Miscellaneous departmental receipts in FY 2016 through October 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", and \$685,467 in October 2015 from a settlement with a pharmaceutical manufacturer.
- 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 October and FY 2016 through October:

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	Large withholding payment	\$3,333,842	\$0
Personal Income Tax	Late reimbursement of HSTCs	\$0	\$1,355,142
Personal Income Tax	Transfer from bus corp tax in Oct. 2015	\$0	\$2,049,477

Revenue Source	Cash Flow Differences	YTD FY 2017	YTD FY 2016
Bus Corp Tax	Transfer to financial institutions in Sept. 2016	\$(100,000)	\$0
Bus Corp Tax	Transfer to personal income tax in Oct. 2015	\$0	\$(2,049,477)
Financial Inst. Tax	Transfer from bus corp tax in Sept. 2016	\$100,000	\$0
Ins Gross Premiums Tax	Late HMO payments	\$16,844,511	\$0
Ins Gross Premiums Tax	Late reimbursement of HSTCs	\$0	\$4,450,735
Sales and Use Tax	Audit payment	\$2,273,693	\$0
MV License & Reg Fees	25% RIHMA transfer increase to 75%	\$0	\$7,066,149
Motor Carrier Fuel Use	Transfer to other funds	\$0	\$(89,006)
Realty Transfer	Delayed transfer to Housing Resources Comm.	\$22,863	\$0
Departmental Receipts	Hospital licensing fee difference	\$8,829,006	\$0
Departmental Receipts	Late beach parking fee payments	\$276,946	\$0
Departmental Receipts	No October ADA surcharge deposit	\$0	\$267,671
Departmental Receipts	Health cost recovery deposit change	\$(476,967)	\$0
Departmental Receipts	Transfer of refund checks to Unclaimed Prop	\$(1,619,009)	\$0
Departmental Receipts	Early posting of court fines and fees	\$0	\$1,311,010
Departmental Receipts	AG settlements/recoveries	\$0	\$1,020,036
Departmental Receipts	State hotel tax transfer	\$0	\$388,625
Lottery Transfer	Receipt of prior year revenues	\$1,408,965	\$0

Month of October:

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

October 2016

- October 2016 realty transfer tax cash collections include \$(36,845) of funds designated for the Housing Resources Commission (HRC). The amount reflects the difference between the September 2016 transfer that occurred in October 2016 and the October 2016 transfer that will occur in November 2016.
- October 2016 hospital licensing fee cash collections are \$324,630 more than collections in October 2015 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.
- October 2016 licenses and fees cash collections do not include a deposit from the local building permit ADA (Americans with Disabilities Act) surcharge that is collected by cities and towns. Collections for this account are down \$147,575 from October 2015.

- The October lottery transfer includes receipts of \$1.4 million that were accrued back to FY 2016. The lottery transfer made in FY 2016 that accrued back to FY 2015 was not completed until November 2015.

October 2015

- October 2015 personal income tax refunds and adjustments cash collections include \$2.0 million of receipts that were moved from business corporations tax to personal income tax to properly record tax payments that were incorrectly recorded in prior months.
- October 2015 business corporations tax refunds and adjustments cash collections include a transfer of \$2.0 million of receipts from business corporations tax to personal income tax to properly record tax payments that were incorrectly recorded in prior months.
- October 2015 motor vehicle license and registration fees are greater by \$2.2 million compared to motor vehicle license and registration fees in October 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 October 2016, the 75 percent transfer to RIHMA reduced motor vehicle license and registration fees by \$2.6 million, an increase of \$1.6 million compared to the 25 percent transfer in October 2015 of \$1.0 million.
- October 2015 motor carrier fuel use tax cash collections are greater by \$14,179 compared to October 2016. Effective July 1, 2016, motor carrier fuel use tax cash collections are transferred from general revenues to other funds.
- Departmental receipts are overstated by \$1.3 million in October 2015 for various court-related fines and fees posted by the Judiciary that should have been posted in November.
- The licenses and fees category of departmental receipts includes a payment of \$679,646 in October 2015 for beach parking fees generated in July 2015.
- Miscellaneous departmental receipts in October 2015 include \$685,467 from a settlement with a pharmaceutical manufacturer.

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

Revenue Source	Cash Flow Differences	October 2016	October 2015
Personal Income Tax	Transfer of funds incorrectly deposited	\$0	\$2,049,477
Business Corp. Taxes	Transfer of funds incorrectly deposited	\$0	\$(2,049,477)
MV License & Reg Fees	25% RIHMA transfer increase to 75%	\$0	\$2,164,864
Motor Carrier Fuel Use	Transfer to other funds	\$0	\$14,179
Realty Transfer Tax	Delayed transfer to Housing Resources Comm.	\$(36,845)	\$0
Departmental Receipts	Hospital licensing fee difference	\$324,630	\$0
Departmental Receipts	No October ADA surcharge deposit	\$0	\$147,575
Departmental Receipts	Early posting of court fines and fees	\$0	\$1,311,010
Departmental Receipts	Late beach parking fee payment	\$0	\$679,646

Revenue Source	Cash Flow Differences	October 2016	October 2015
Departmental Receipts	AG settlements/recoveries	\$0	\$685,467
Lottery Transfer	Receipt of prior year revenues	\$1,408,965	\$0

Historic Structures Tax Credit Reimbursements:

FY 2017 total Historic Structures Tax Credit (HSTC) redemptions/reimbursements for all taxes through October were \$7.9 million compared to \$4.7 million reimbursed in FY 2016 through October, an increase of 67.3 percent. October 2016 total redemptions/reimbursements for all taxes were \$4.0 million compared to \$2.7 million in October 2015, an increase of 47.7 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	October 2017	October 2016
Personal Income	\$ 5,608,480	\$ 2,775,566	\$ 4,028,516	\$ 2,295,026
Business Corporations	103,411	432,162	0	432,162
Financial Institutions	0	0	0	0
Insurance/Non-HMOs	0	1,532,975	0	0
Insurance/HMOs	0	0	0	0
Non-Profit Refund	2,217,981	0	0	0
Total	\$ 7,929,872	\$ 4,740,703	\$ 4,028,516	\$ 2,727,188

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 October:

Component	FY 2017	FY 2016	Difference	% Change
Estimated Payments	\$ 61,076,485	\$ 61,254,944	\$ (178,459)	-0.3 %
Final Payments *	26,259,848	21,367,767	4,892,081	22.9 %
Refunds/Adjustments †, ^	(35,072,971)	(12,696,210)	(22,376,761)	176.2 %
Withholding Tax Payments ‡	352,882,381	327,750,235	25,132,146	7.7 %
* Final Payments include Historic Structures Tax Credit (HSTC) reimbursements of \$5,608,480 in year-to-date FY 2017 and \$2,775,566 in year-to-date FY 2016.				
† Fiscal 2017 YTD refunds and adjustments include \$9,297,000 in refunds paid out in July 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 that were recorded in July 2015 but accrued back to FY 2015 and a transfer of \$2,049,477 received in October 2015 from business corporations tax receipts to correct for improperly recorded prior tax payments.				
‡ Fiscal 2017 YTD withholding tax payments include a large payment of \$3,333,842 in August 2016.				

Month of October:

Component	October 2016	October 2015	Difference	% Change
Estimated Payments	\$ 6,001,435	\$ 5,524,105	\$ 477,331	8.6 %
Final Payments *	13,198,808	10,180,100	3,018,708	29.7 %
Refunds/Adjustments ^	(9,547,952)	(795,159)	(8,752,794)	1100.8 %
Withholding Tax Payments	83,082,510	77,612,882	5,469,628	7.0 %
* Final Payments include \$4,028,516 in historic structures tax credit (HSTC) reimbursements in October 2016 and \$2,295,026 in October 2015 HSTC reimbursements.				
^ October 2015 refunds and adjustments include a transfer of \$2,049,477 from business corporations tax receipts to correct for improperly recorded prior tax payments.				

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 October:

Component	FY 2017	FY 2016	Difference	% Change
Net Taxation *	\$ 318,209,663	\$ 309,493,923	\$ 8,715,740	2.8 %
Registry Receipts	36,005,376	37,461,766	(1,456,390)	-3.9 %
Providence Place Mall	4,370,428	4,515,324	(144,896)	-3.2 %

* FY 2017 includes \$2,273,693 from a payment received in August 2016 for a prior year audit.

Month of October:

Component	October 2016	October 2015	Difference	% Change
Net Taxation	\$ 74,795,481	\$ 73,249,234	\$ 1,546,247	2.1 %
Registry Receipts	8,574,648	9,323,785	(749,138)	-8.0 %
Providence Place Mall	1,163,728	1,198,696	(34,969)	-2.9 %

General Business Taxes

October	FY 2017	FY 2016	Difference	% Change
Fiscal YTD	\$ 62.3 million	\$ 51.8 million	\$ 10.5 million	20.3 %
Month	\$ 10.1 million	\$ 4.1 million	\$ 5.9 million	144.5 %

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 October:

General business taxes collected through October of FY 2017 increased by 20.3 percent over general business taxes collected through October of FY 2016. FY 2017 general business taxes collected through October were \$62.3 million compared to \$51.8 million collected for the same period in FY 2016, an increase of \$10.5 million.

FY 2017 business corporations tax cash collections through October were \$27.6 million, \$1.3 million below the \$28.9 million of business corporations tax cash collections received in FY 2016 through October, which is a decrease of 4.4 percent. In year-to-date FY 2017, business corporations tax cash collections include \$103,411 in historic structures tax credits (HSTCs) reimbursements compared to \$432,162 in HSTCs reimbursements in year-to-date FY 2016.

Further, FY 2017 through October business corporations tax cash collections include a transfer of \$100,000 to financial institutions tax made in September 2016 due to an incorrect posting of payments received in a prior month. In FY 2016 through October, business corporations tax cash collections include a transfer of \$2.0 million to personal income tax in October 2015 to properly record tax payments that were incorrectly recorded in prior months.

FY 2017 financial institutions tax cash collections through October were \$534,679, \$40,407 more than the \$494,272 collected in FY 2016 through October, an increase of 8.2 percent. Year-to-date FY 2017 financial institutions cash collections include a transfer of \$100,000 from business corporations tax received in September 2016 due to an incorrect posting of payments received in a prior month.

FY 2017 insurance companies taxes collected through October increased by \$12.5 million or 198.2 percent over the \$6.3 million collected through October of FY 2016. It should be noted that insurance companies gross premiums tax cash collections for FY 2017 through October include \$16.8 million in health insurance (HMO) gross premiums tax payments that were recorded in July 2016 but accrued back to FY 2016. Year-to-date FY 2017 insurance companies gross premiums tax cash collections include no reimbursed HSTCs compared to \$1.5 million in reimbursed HSTCs in year-to-date FY 2016. In addition, insurance companies gross premiums tax cash collections for FY 2016 through October include \$4.5 million of reimbursed HSTCs that were recorded in July 2015 but accrued back to FY 2015.

Month of October:

General business taxes collected in October 2016 increased 144.5 percent from general business taxes collected in October 2015. October 2016 general business taxes collected were \$10.1 million compared to \$4.1 million collected during the same period last fiscal year, an increase of \$5.9 million.

October 2016 business corporations tax cash collections were \$4.8 million, \$5.3 million more than the \$(572,938) of business corporations tax cash collections in October 2015, an increase of 933.3 percent. October 2016 business corporations tax cash collections include no HSTCs reimbursements compared to \$432,162 in HSTCs reimbursements in October 2015. Further, October 2015 business corporations tax cash collections include a transfer of \$2.0 million to personal income tax due to an incorrect posting of payments received in prior months.

Insurance companies gross premiums tax cash collections were \$688,686 more in October 2016 than in October 2015, an increase of 77.1 percent. October 2016 financial institutions tax cash collections were \$116,926 less than the \$8,300 collected in October 2015, a decrease of 1,408.7 percent.

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 October:

Component	FY 2017	FY 2016	Difference	% Change
Estimated Payments	\$ 22,398,322	\$ 22,410,455	\$ (12,133)	-0.1 %
Final Payments *	13,629,932	12,639,416	990,516	7.8 %
Refunds/Adjustments ^,†	(8,450,063)	(6,290,747)	(2,159,315)	34.3 %
* Final Payments include \$103,411 in historic structures tax credit (HSTC) reimbursements in YTD 2017 and no HSTC reimbursements in YTD 2016.				
^ FY 2017 YTD refunds and adjustments include a transfer of \$100,000 to financial institutions tax in September 2016 due to an incorrect posting of payments received.				
† FY 2016 YTD refunds and adjustments include a transfer of \$2.0 million to personal income tax in October 2015 due to an incorrect posting of payments received.				

Business corporations tax refunds and adjustments cash collections were \$2.2 million more in FY 2017 through October compared to the same period last fiscal year, an increase of 34.3 percent. In FY 2017 through October, 858 business corporations tax refunds were paid for a total of \$8.0 million. In FY 2016 through October, 166 business corporations tax refunds were paid for a total of \$3.3 million. The Division of Taxation's Corporate Tax Section processed more refunds fiscal year-to-date through October compared to the same period last fiscal year in order to reduce the backlog of corporate tax returns.

Month of October:

Component	October 2016	October 2015	Difference	% Change
Estimated Payments	\$ 1,604,993	\$ 784,546	\$ 820,447	104.6 %
Final Payments *	4,092,032	2,527,036	1,564,996	61.9 %
Refunds/Adjustments ^	(928,074)	(4,002,097)	3,074,023	-76.8 %
* Final payments include no HSTC reimbursements in October 2016 and \$432,162 HSTC reimbursements in October 2015.				
^ Refunds and adjustments include a transfer of 2.0 million to personal income tax in October 2015 due to an incorrect posting of payments received.				

Excise Taxes Other Than the Sales and Use Tax

October	FY 2017	FY 2016	Difference	% Change
Fiscal YTD	\$ 59.7 million	\$ 69.0 million	\$ (9.3 million)	-13.5 %
Month	\$ 13.5 million	\$ 15.6 million	\$ (2.2 million)	-14.0 %

Fiscal Year-to-Date through October:

Excise taxes other than sales and use taxes collected in FY 2017 through October decreased by 13.5 percent from excise taxes other than sales and use taxes collected through October of FY 2016. FY 2017 excise taxes other than sales and use taxes collected through October were \$59.7 million compared to \$69.0 million collected for the same period last fiscal year, a decrease of \$9.3 million. Motor vehicle license and registration fees were \$3.5 million in FY 2017 through October, down \$7.1 million or -67.2 percent compared to FY 2016 through October. 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 \$10.4 million, \$6.9 million more than the transfer of \$3.5 million during the same period last fiscal year. In the 2016 session, the General Assembly reclassified collections generated from the motor carrier fuel use tax from general revenues to other funds effective July 1, 2016. In year-to-date FY 2017, there were no receipts from motor carrier fuel use tax compared to \$(89,006) in receipts in year-to-date FY 2016.

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 October of FY 2017 were \$49.5 million, down \$2.4 million or -4.6 percent, compared to the \$51.9 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 October of FY 2017, Rhode Island cigarette sales decreased 7.7 percent compared to the same period last fiscal year.

Month of October:

Excise taxes other than sales and use taxes collected in October 2016 decreased 14.0 percent from excise taxes other than sales and use taxes collected in October 2015. October 2016 excise taxes other than sales and use taxes collected totaled \$13.5 million compared to \$15.6 million collected in October 2015, a decrease of \$2.2 million. Motor vehicle license and registration fees are down \$2.2 million in October 2016 compared to October 2015. The October 2016 transfer to RIHMA from motor vehicle operator license and registration fees totaled \$2.6 million, \$1.6 million more than the transfer of \$1.0 million made in October 2015.

October 2016 cigarette excise tax receipts were \$11.2 million, an increase of \$292,772 or 2.7 percent from the \$10.9 million collected in October 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 October 2016, Rhode Island cigarette sales decreased by 0.02 percent compared to October 2015.

Other Taxes

October	FY 2017	FY 2016	Difference	% Change
Fiscal YTD	\$ 16.3 million	\$ 13.9 million	\$ 2.3 million	16.9 %
Month	\$ 4.1 million	\$ 3.7 million	\$ 360,259	9.7 %

Fiscal Year-to-Date through October:

Other taxes collected in FY 2017 through October increased 16.9 percent from other taxes collected through October of FY 2016. FY 2017 other taxes collected through October were \$16.3 million compared to the \$13.9 million collected in the same period last fiscal year, an increase of \$2.3 million. FY 2017 estate and transfer taxes collected through October were \$11.5 million, up \$1.5 million or 14.7 percent compared to the same period in FY 2016.

FY 2017 realty transfer taxes collected through October were \$4.4 million, up \$847,375 or 23.9 percent compared to the same period last fiscal year. It should be noted that fiscal year-to-date realty transfer tax cash collections through October include \$22,863 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 October 2016 transfer that will occur in November of 2016.

Month of October:

Other taxes collected in October 2016 increased 9.7 percent from other taxes collected in October 2015. October 2016 other taxes collected totaled \$4.1 million compared to \$3.7 million collected in October 2015, an increase of \$360,259.

October 2016 realty transfer tax cash collections were \$1.0 million, up \$353,207 in October 2016 compared to October 2015, an increase of 52.4 percent. It should be noted that October 2016 realty transfer tax includes \$(36,845) of receipts designated for the HRC. The amount reflects the difference between the September 2016 transfer that occurred in October 2016 and the October 2016 transfer that will occur in November 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 October:

Component	FY 2017	FY 2016	Difference	% Change
Licenses and Fees *	\$ 190,463,323	\$ 181,466,054	\$ 8,997,269	5.0 %
Fines and Penalties	10,026,390	7,342,313	2,684,077	36.6 %
Sales and Services	3,562,298	3,661,771	(99,473)	-2.7 %
Miscellaneous	7,255,849	10,332,558	(3,076,709)	-29.8 %
Total	\$ 211,307,860	\$ 202,802,696	\$ 8,505,164	4.2 %
* Licenses and fees cash collections include hospital licensing fees of \$155,544,076 in year-to-date FY 2017 and \$146,715,070 in year-to-date FY 2016.				

Total departmental receipts in FY 2017 through October increased by 4.2 percent compared to total departmental receipts in FY 2016 through October. Fiscal year-to-date total departmental receipts collected in FY 2017 were \$211.3 million compared to \$202.8 million collected for the same period last year, an increase of \$8.5 million.

The licenses and fees category of departmental receipts through October of FY 2017 was up 5.0 percent or \$9.0 million over the \$181.5 million collected through October 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 October, hospital licensing fee cash collections are \$8.8 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 \$1.6 million in FY 2017 through October compared to the same period last fiscal year. Year-to-date FY 2017 collections from the local building permit ADA surcharge are down \$267,671 compared to year-to-date FY 2016. It should be noted that the deposit generated by building permit activity in cities and towns in October 2016 is not included in year-to-date cash collections for this account. In addition, the licenses and fees category for year-to-date FY 2016 is overstated by \$275,622 for various court-related fees posted in October 2015 by the Judiciary that should have been posted in November 2015.

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 down \$765,565 in FY 2017 through October compared to FY 2016 through October. It should be noted that FY 2017 through October beach parking fees include a payment of \$276,946 received in July 2016 that accrued back to June 2016. 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 October of FY 2017 was up \$2.7 million or 36.6 percent over the \$7.3 million collected through October of FY 2016. Much of this increase can be accounted for by cash collections from interest and penalties on overdue taxes being up \$2.8 million in FY 2017 through October compared to FY 2016 through October. Receipts from insurance verification license fees are also up \$373,424 in year-to-date FY 2017 compared to year-to-date FY 2016. It should be noted that the year-to-date FY 2016 fines and penalties category of departmental receipts is overstated by \$952,632 for various court-related fines and fees posted in October 2015 by the Judiciary that should have been posted in November 2015.

The sales and services category of departmental receipts through October of FY 2017 was down \$99,473 or -2.7 percent from the \$2.6 million collected through October of FY 2016. Departmental receipts from sales and services for FY 2016 through October are overstated by \$53,285 for various court-related charges for services being posted in October 2015 by the Judiciary that should have been posted in November 2015.

FY 2017 miscellaneous departmental receipts through October are down \$3.1 million or -29.8 percent compared to cash collections through October of FY 2016. In year-to-date FY 2017, \$1.6 million of refunds and other checks written off by the Office of the Treasurer and the Division of Taxation were transferred to unclaimed property in October 2016. The Department of Health's cost recovery account was down \$476,967 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 October were down \$1.1 million compared to FY 2016 through October. Included in the FY 2016 through October 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", and \$685,467 in October 2015 from a settlement with a pharmaceutical manufacturer. It should be noted that miscellaneous department receipts for FY 2016 through October are overstated by \$29,618 for various court-related miscellaneous receipts being posted in October 2015 by the Judiciary that should have been posted in November 2015.

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 October compared to the same period last fiscal year.

Month of October:

Component	October 2016	October 2015	Difference	% Change
Licenses and Fees *	\$ 8,978,263	\$ 10,119,134	\$ (1,140,871)	-11.3 %
Fines and Penalties	6,790,124	4,982,120	1,808,004	36.3 %
Sales and Services	1,239,961	1,038,336	201,625	19.4 %
Miscellaneous	1,600,430	3,552,606	(1,952,176)	-55.0 %
Total	\$ 18,608,778	\$ 19,692,196	\$ (1,083,418)	-5.5 %
* Licenses and fees include hospital licensing fees of \$833,409 in October 2016 and \$508,779 in October 2015.				

Total departmental receipts in October 2016 decreased 5.5 percent from total departmental receipts in October 2015. October 2016 total departmental receipts collected were \$18.6 million compared to \$19.7 million collected in October 2015, a decrease of \$1.1 million.

The licenses and fees category of departmental receipts for October 2016 was down 11.3 percent or \$1.1 million from the \$10.1 million collected in October of 2015. In licenses and fees, the deposit for October 2016 local building permit ADA surcharge collections was not completed in October, resulting in collections for this account to be down \$147,575 compared to October 2015. It should be noted that October 2015 licenses and fees cash collections are overstated by \$679,646 in beach parking fees that were generated by activity in July 2015 but posted in October 2015. Additionally, October 2015 licenses and fees cash collections are overstated by \$275,622 for various court-related fees that were posted in October 2015 by the Judiciary and should have been posted in November 2015.

The fines and penalties category of departmental receipts for October 2016 was up \$1.8 million or 36.3 percent from the \$5.0 million collected in October 2015. This increase can be accounted for the cash collections from interest and penalties on overdue taxes being up \$2.8 million in October 2016 compared to October 2015. It should be noted that October 2015 fines and penalties are overstated by \$952,632 for various court-related fines that were posted in October 2015 by the Judiciary and should have been posted in November 2015.

In October 2016, the sales and services category of departmental receipts was up \$201,625 compared to the \$1.0 million collected in October 2015, an increase of 19.4 percent. It should be noted that October 2015 sales and services are overstated by \$53,285 for various court-related charges for services that were posted in October 2015 by the Judiciary and should have been posted in November 2015.

October 2015 miscellaneous departmental receipts are down \$2.0 million or -55.0 percent compared to cash collections in October of 2015. Much of this can be accounted for by the \$(1.6 million) of refunds and other checks written off by the Office of the Treasurer and the Division of Taxation that were transferred to unclaimed property in October 2016. Additionally, a Department of Labor and Training cost recovery account is down \$223,821 in October 2016 compared to October 2015. It should be noted that October 2015 miscellaneous departmental

receipts are overstated by \$29,618 for various court-related miscellaneous receipts that were posted in October 2015 by the Judiciary and should have been posted in November 2015.

Motor Fuel Tax, Per Penny Yield

October	FY 2017	FY 2016	Difference	% Change
Fiscal YTD	\$ 1.57 million	\$ 1.50 million	\$ 63,401	4.2 %
Month	\$ 376,006	\$ 366,812	\$ 9,194	2.5 %

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 October:

The per penny yield of the state's motor fuel tax collected in FY 2017 through October is \$63,401 more than in FY 2016 through October. This represents an increase of 4.2 percent between the two fiscal year-to-date periods. For FY 2017 through October, the per penny yield was \$1.57 million versus \$1.50 million for FY 2016 through October.

Month of October:

The per penny yield of the State's motor fuel tax collected in October 2016 totaled \$376,006, an increase of \$9,194 or 2.5 percent over the \$366,812 collected in October 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 October:

Component	FY 2017	FY 2016	Difference	% Change
Traditional Games	\$ 9,371,077	\$ 9,386,686	\$ (15,609)	-0.2 %
Keno	4,411,467	4,467,820	(56,353)	-1.3 %
Twin River VLTs	66,572,916	66,957,366	(384,450)	-0.6 %
Twin River Traditional Table Games	3,858,954	3,358,276	500,678	14.9 %
Twin River Poker Tables	217,441	0	217,441	n/a
Newport Grand VLTs	7,515,879	6,897,900	617,979	9.0 %

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 86 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 22 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 October:

Component	October 2016	October 2015	Difference	% Change
Traditional Games	\$ 2,638,912	\$ 3,258,470	\$ (619,558)	-19.0 %
Keno	1,427,313	1,538,363	(111,050)	-7.2 %
Twin River VLTs	21,085,942	21,341,838	(255,896)	-1.2 %
Twin River Traditional Table Games	1,299,730	1,009,155	290,575	28.8 %
Twin River Poker Tables	72,241	0	72,241	n/a
Newport Grand VLTs	2,366,457	2,237,141	129,316	5.8 %

In October 2016, Twin River operated a maximum of 92 traditional table games and 16 poker tables. In October 2015, Twin River operated a maximum of 92 traditional table games and no poker tables. 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.



Robert S. Hull, Director
Rhode Island Department of Revenue
November 17, 2016