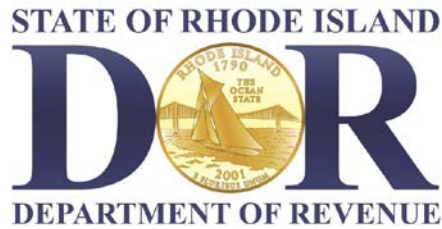


STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
GOVERNOR GINA M. RAIMONDO



Office of Revenue Analysis

Cash Collections Report as of November 2016 Summary

Fiscal Year-to-Date through November:

FY 2017 total general revenue cash collections through November were \$1.4 billion, up \$34.5 million or 2.4 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	\$ 501,243,232	\$ 492,321,652	\$ 8,921,580	1.8 %
Sales and Use Taxes	440,370,573	431,359,224	9,011,349	2.1 %
Departmental Receipts	224,701,366	209,017,292	15,684,074	7.5 %
Lottery Transfer	121,208,571	121,245,667	(37,096)	0.0 %
All Other Revenues	162,440,488	161,536,901	903,587	0.6 %
Total General Revenues	\$ 1,449,964,230	\$ 1,415,480,736	\$ 34,483,494	2.4 %

Month of November:

November 2016 total general revenue cash collections were \$244.4 million, up \$5.3 million or 2.2 percent over November 2015. The breakdown by major revenue components is as follows:

Component	November 2016	November 2015	Difference	% Change
Personal Income Tax	\$ 96,097,490	\$ 94,652,585	\$ 1,444,905	1.5 %
Sales and Use Taxes	81,689,061	80,030,024	1,659,037	2.1 %
Departmental Receipts	13,393,506	6,214,596	7,178,910	115.5 %
Lottery Transfer	29,082,326	31,380,217	(2,297,891)	-7.3%
All Other Revenues	24,113,365	26,805,548	(2,692,183)	-10.0%
Total General Revenues	\$ 244,375,748	\$ 239,082,970	\$ 5,292,778	2.2 %

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Fiscal Year To Date

	FY 2017 YTD November	FY 2016 YTD November	Nominal Difference	Change
<u>Personal Income Tax</u>	\$ 501,243,232	\$ 492,321,652	\$ 8,921,580	1.8%
<u>General Business Taxes</u>				
Business Corporations	30,823,905	28,893,517	1,930,388	6.7%
Public Utilities Gross Earnings	1,652,306	1,491,491	160,815	10.8%
Financial Institutions	534,679	494,272	40,407	8.2%
Insurance Companies	19,142,014	6,582,179	12,559,835	190.8%
Bank Deposits	(176)	28,802	(28,978)	-100.6%
Health Care Provider Assessment	17,155,887	18,469,394	(1,313,507)	-7.1%
<u>Excise Taxes</u>				
Sales and Use	440,370,573	431,359,224	9,011,349	2.1%
Motor Vehicle	4,227,767	12,748,780	(8,521,013)	-66.8%
Motor Carrier Fuel Use	-	86,282	(86,282)	-
Cigarettes	62,068,312	62,351,436	(283,124)	-0.5%
Alcohol	8,331,627	8,341,330	(9,703)	-0.1%
<u>Other Taxes</u>				
Estate and Transfer	12,754,620	16,860,978	(4,106,358)	-24.4%
Racing and Athletics	489,897	434,384	55,513	12.8%
Realty Transfer	5,155,063	4,642,092	512,971	11.1%
Total Taxes	\$ 1,103,949,706	\$ 1,085,105,813	\$ 18,843,893	1.7%
<u>Departmental Receipts</u>				
Licenses and Fees	\$ 199,798,778	\$ 189,645,360	\$ 10,153,418	5.4%
Fines and Penalties	11,086,964	7,490,822	3,596,142	48.0%
Sales and Services	4,295,936	4,384,228	(88,292)	-2.0%
Miscellaneous	9,519,688	7,496,882	2,022,806	27.0%
Total Departmental Receipts	\$ 224,701,366	\$ 209,017,292	\$ 15,684,074	7.5%
Taxes and Departmentals	\$ 1,328,651,072	\$ 1,294,123,105	\$ 34,527,967	2.7%
<u>Other General Revenue Sources</u>				
Other Miscellaneous Revenues	\$ 104,587	\$ 111,964	\$ (7,377)	-6.6%
Lottery Transfer	121,208,571	121,245,667	(37,096)	0.0%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 121,313,158	\$ 121,357,631	\$ (44,473)	0.0%
Total General Revenues	\$ 1,449,964,230	\$ 1,415,480,736	\$ 34,483,494	2.4%

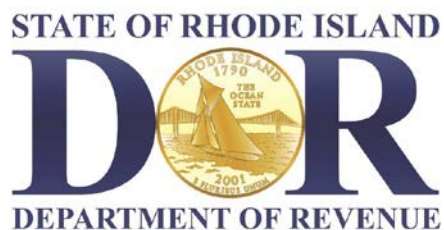
STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS

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Month of November

	FY 2017 Month of November	FY 2016 Month of November	Nominal Difference	% Change
<u>Personal Income Tax</u>	\$ 96,097,490	\$ 94,652,585	\$ 1,444,905	1.5%
<u>General Business Taxes</u>				
Business Corporations	3,208,153	8,016	3,200,137	39921.9%
Public Utilities Gross Earnings	237,554	148,945	88,609	59.5%
Financial Institutions	-	-	-	-
Insurance Companies	318,601	269,848	48,753	18.1%
Bank Deposits	603	95	508	534.7%
Health Care Provider Assessment	3,239,150	3,758,104	(518,954)	-13.8%
<u>Excise Taxes</u>				
Sales and Use	81,689,061	80,030,024	1,659,037	2.1%
Motor Vehicle	772,992	2,227,856	(1,454,864)	-65.3%
Motor Carrier Fuel Use	-	175,288	(175,288)	-
Cigarettes	12,521,676	10,411,869	2,109,807	20.3%
Alcohol	1,620,801	1,680,666	(59,865)	-3.6%
<u>Other Taxes</u>				
Estate and Transfer	1,275,156	6,851,410	(5,576,254)	-81.4%
Racing and Athletics	106,458	81,126	25,332	31.2%
Realty Transfer	755,661	1,090,065	(334,404)	-30.7%
Total Taxes	\$ 201,843,356	\$ 201,385,897	\$ 457,459	0.2%
<u>Departmental Receipts</u>				
Licenses and Fees	\$ 9,335,455	\$ 8,179,306	\$ 1,156,149	14.1%
Fines and Penalties	1,060,574	148,509	912,065	614.1%
Sales and Services	733,638	722,457	11,181	1.5%
Miscellaneous	2,263,839	(2,835,676)	5,099,515	-179.8%
Total Departmental Receipts	\$ 13,393,506	\$ 6,214,596	\$ 7,178,910	115.5%
Taxes and Departmentals	\$ 215,236,862	\$ 207,600,493	\$ 7,636,369	3.7%
<u>Other General Revenue Sources</u>				
Other Miscellaneous Revenues	\$ 56,560	\$ 102,260	\$ (45,700)	-44.7%
Lottery Transfer	29,082,326	31,380,217	(2,297,891)	-7.3%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 29,138,886	\$ 31,482,477	\$ (2,343,591)	-7.4%
Total General Revenues	\$ 244,375,748	\$ 239,082,970	\$ 5,292,778	2.2%

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



Office of Revenue Analysis

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

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 personal income tax estimated payments cash collections include large payments totaling \$2.6 million received in November 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 November include \$(66,506) 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 November 2016 transfer that will occur in December 2016.
- For the fiscal year-to-date period through November, hospital licensing fee cash collections were \$9.2 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 November 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 \$423,744 more in FY 2017 through November compared to FY 2016 through November. 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 November were up by \$246,353 compared to FY 2016 through November. 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.
- Miscellaneous department receipts in year-to-date FY 2017 include \$161,901 in indirect cost recovery cash collections as a result of the transfer in refund check write-offs to unclaimed property in October 2016.
- The FY 2017 year-to-date lottery transfer includes receipts of \$1.4 million that accrued back to FY 2016.

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 November of FY 2016 were greater by \$8.5 million compared to motor vehicle license and registration fees through November 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 \$12.7 million, an increase of \$8.4 million compared to the 25 percent transfer in the same period of FY 2016 of \$4.2 million.
- FY 2016 through November motor carrier fuel use tax cash collections were greater by \$86,282 compared to collections in FY 2017 through November. Effective July 1, 2016, motor carrier fuel use tax cash collections are transferred from general revenues to other funds.
- Miscellaneous departmental receipts in FY 2016 through November include the transfer of \$4.8 million of refunds written off by the Office of the Treasurer and the Division of Taxation to unclaimed property that occurred in November 2015.
- Miscellaneous department receipts in year-to-date FY 2016 include \$484,394 in indirect cost recovery cash collections as a result of the transfer in refund check write-offs to unclaimed property in November 2015.
- Miscellaneous departmental receipts in FY 2016 through November 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 FY 2016 year-to-date lottery transfer includes receipts of \$1.1 million that accrued back to FY 2015.

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

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 in Aug. 2016	\$3,333,842	\$0
Personal Income Tax	Large estimated payments in Nov. 2016	\$2,640,671	\$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
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	\$8,521,013
Motor Carrier Fuel Use	Transfer to other funds	\$0	\$86,282
Realty Transfer	Delayed transfer to Housing Resources Comm.	\$(66,506)	\$0
Departmental Receipts	Hospital licensing fee difference	\$9,153,479	\$0
Departmental Receipts	Late beach parking fee payments	\$276,946	\$0
Departmental Receipts	End of traffic tribunal delayed posting	\$423,744	\$0
Departmental Receipts	Health cost recovery deposit change	\$246,353	\$0
Departmental Receipts	Transfer of refund checks to Unclaimed Prop	\$(1,619,009)	\$(4,843,938)
Departmental Receipts	Cost recovery exemption/unclaimed property	\$161,901	\$484,394
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	\$1,062,175

Month of November:

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

November 2016

- November 2016 personal income tax estimated payments cash collections include large payments totaling \$2.6 million.
- November 2016 realty transfer tax cash collections include \$(89,369) of funds designated for the Housing Resources Commission (HRC). The amount reflects the difference between the October 2016 transfer that occurred in November 2016 and the November 2016 transfer that will occur in December 2016.
- November 2016 hospital licensing fee cash collections were \$324,630 more than collections in November 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.
- November 2016 licenses and fees cash collections include a deposit of \$117,059 from the local building permit ADA (Americans with Disabilities Act) surcharge that was collected by cities and towns in October 2016.
- In miscellaneous departmental receipts, collections from a Department of Health cost recovery account in November 2016 were up \$723,320 compared to November 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.

November 2015

- November 2015 motor vehicle license and registration fees are greater by \$1.5 million compared to motor vehicle license and registration fees in November 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 November 2016, the 75 percent transfer to RIHMA reduced motor vehicle license and registration fees by \$2.3 million, an increase of \$1.6 million compared to the 25 percent transfer in November 2015 of \$742,619.
- November 2015 motor carrier fuel use tax cash collections are greater by \$175,288 compared to November 2016. Effective July 1, 2016, motor carrier fuel use tax cash collections are transferred from general revenues to other funds.
- Departmental receipts are understated by \$1.3 million in November 2015 for various court-related fines and fees posted by the Judiciary that were posted in October but should have been posted in November.
- The November 2015 lottery transfer includes receipts of \$1.1 million that accrued back to FY 2015. The comparable lottery transfer in FY 2017 was completed in October 2016.

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

Revenue Source	Cash Flow Differences	November 2016	November 2015
Personal Income Tax	Large estimated payments	\$2,640,671	\$0
MV License & Reg Fees	25% RIHMA transfer increase to 75%	\$0	\$1,504,864
Motor Carrier Fuel Use	Transfer to Other Funds	\$0	\$175,288
Realty Transfer Tax	Delayed transfer to Housing Resources Commission	\$(89,369)	\$0
Departmental Receipts	Hospital licensing fee difference	\$324,630	\$0
Departmental Receipts	Late ADA surcharge deposit	\$117,059	\$0
Departmental Receipts	Health cost recovery deposit change	\$723,320	\$0
Departmental Receipts	Early posting of court fines and fees	\$0	\$(1,311,010)
Lottery Transfer	Receipt of prior year revenues	\$0	\$1,062,175

Historic Structures Tax Credit Reimbursements:

FY 2017 total Historic Structures Tax Credit (HSTC) redemptions/reimbursements for all taxes through November were \$9.2 million compared to \$4.9 million reimbursed in FY 2016 through November, an increase of 86.5 percent. November 2016 total redemptions/reimbursements for all taxes were \$1.3 million compared to \$186,934 in November 2015, an increase of 575.2 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	November 2016	November 2015
Personal Income	\$ 6,870,738	\$ 2,962,500	\$ 1,262,258	\$ 186,934
Business Corporations	103,411	432,162	0	0
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	\$ 9,192,130	\$ 4,927,637	\$ 1,262,258	\$ 186,934

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 November:

Component	FY 2017	FY 2016	Difference	% Change
Estimated Payments *	\$ 67,411,313	\$ 63,529,639	\$ 3,881,674	6.1 %
Final Payments ^	30,593,140	23,965,173	6,627,967	27.7 %
Refunds/Adjustments †	(43,220,962)	(16,611,950)	(26,609,012)	160.2 %
Withholding Tax Payments ‡	446,459,741	421,444,784	25,014,958	5.9 %
* Estimated Payments include large payments totaling \$2.6 million received in November 2016.				
^ Final Payments include Historic Structures Tax Credit (HSTC) reimbursements of \$6,870,738 in year-to-date FY 2017 and \$2,962,500 in year-to-date FY 2016.				
† FY 2017 YTD refunds and adjustments include \$9,297,000 in refunds paid out in July and August 2016 but accrued back to FY 2016. FY 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.				
‡ Withholding tax payments include a large payment of \$3,333,842 received in August 2016.				

Month of November:

Component	November 2016	November 2015	Difference	% Change
Estimated Payments *	\$ 6,334,828	\$ 2,274,695	\$ 4,060,133	178.5 %
Final Payments ^	4,333,292	2,597,406	1,735,886	66.8 %
Refunds/Adjustments	(8,147,991)	(3,915,740)	(4,232,251)	108.1 %
Withholding Tax Payments	93,577,360	93,694,549	(117,188)	-0.1 %
* Estimated payments include large payments of \$2.6 million received in November 2016.				
^ Final Payments include \$1,262,258 in historic structures tax credit (HSTC) reimbursements in November 2016 and \$186,934 in November 2015 HSTC reimbursements.				

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 November:

Component	FY 2017	FY 2016	Difference	% Change
Net Taxation *	\$ 390,548,712	\$ 379,530,118	\$ 11,018,595	2.9 %
Registry Receipts	44,513,007	46,066,110	(1,553,103)	-3.4 %
Providence Place Mall	5,489,118	5,714,354	(225,237)	-3.9 %

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

Month of November:

Component	November 2016	November 2015	Difference	% Change
Net Taxation	\$ 72,242,062	\$ 70,036,194	\$ 2,205,867	3.1 %
Registry Receipts	8,507,631	8,604,344	(96,713)	-1.1 %
Providence Place Mall	1,118,690	1,199,030	(80,340)	-6.7 %

General Business Taxes

November	FY 2017	FY 2016	Difference	% Change
Fiscal YTD	\$ 69.3 million	\$ 56.0 million	\$ 13.3 million	23.9 %
Month	\$ 7.0 million	\$ 4.2 million	\$ 2.8 million	67.4 %

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 November:

General business taxes collected through November of FY 2017 increased by 23.9 percent over general business taxes collected through November of FY 2016. FY 2017 general business taxes collected through November were \$69.3 million compared to \$56.0 million collected for the same period in FY 2016, an increase of \$13.3 million.

FY 2017 business corporations tax cash collections through November were \$30.8 million, \$1.9 million above the \$28.9 million of business corporations tax cash collections received in FY 2016 through November, which is an increase of 6.7 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 November 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. It should be noted that legislation enacted by the General Assembly in the 2014 session established mandatory unitary combined reporting, single sales factor apportionment, and market-based sourcing for business corporations tax filers for tax years beginning on or after January 1, 2015. In order to account for this change, calendar filers who normally would have had a filing due date of March 15, 2016 for TY 2015 were granted an extended due date of October 15, 2016. Further, prior to the implementation of a new system by the Division of Taxation in October 2016, the Division of Taxation's Corporate Tax Section increased the number of business corporations tax refunds that were processed and paid out in order to reduce the backlog of returns. Additionally, previously issued business corporations tax refunds were returned to the Division of Taxation in November 2016 in order to be converted to a carry-forward amount. In FY 2016 through November, 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 November were \$534,679, \$40,407 more than the \$494,272 collected in FY 2016 through November, 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 November increased by \$12.6 million or 190.8 percent over the \$6.6 million collected through November of FY 2016. It should be noted that insurance companies gross premiums tax cash collections for FY 2017 through November 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 November include \$4.5 million of reimbursed HSTCs that were recorded in July 2015 but accrued back to FY 2015.

Finally, the FY 2017 year-to-date through November health care provider assessment cash collections are \$1.3 million less than in the same period last year. This is a decrease of 7.1 percent on a fiscal year-to-date-over-fiscal year-to-date basis.

Month of November:

General business taxes collected in November 2016 increased 67.4 percent over general business taxes collected in November 2015. November 2016 general business taxes collected were \$7.0 million compared to \$4.2 million collected during the same period last fiscal year, an increase of \$2.8 million. November 2016 business corporations tax cash collections were \$3.2 million, \$3.2 million more than the \$8,016 of business corporations tax cash collections in November 2015. It should be noted that in November 2016 previously issued business corporations tax refunds were returned to the Division of Taxation in order to be converted to a carry-forward amount.

The remaining components of the general business taxes category do not show significant year-over-year differences except for the health care provider assessment. For the month of November, the health care provider assessment is \$518,954 less in 2016 than in 2015, a variance of -13.8 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 November:

Component	FY 2017	FY 2016	Difference	% Change
Estimated Payments	\$ 24,559,994	\$ 23,550,328	\$ 1,009,666	4.3 %
Final Payments *	14,657,109	14,223,161	433,949	3.1 %
Refunds/Adjustments	(8,430,759)	(9,010,461)	579,702	-6.4 %
* 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.				

Month of November:

Component	November 2016	November 2015	Difference	% Change
Estimated Payments	\$ 2,161,672	\$ 1,139,872	\$ 1,021,799	89.6 %
Final Payments	1,027,177	1,583,744	(556,567)	-35.1 %
Refunds/Adjustments *	19,304	(2,719,714)	2,739,017	-100.7 %
* Previously issued refunds were returned to the Division of Taxation and converted to a carry-forward amount in November 2016.				

Excise Taxes Other Than the Sales and Use Tax

November	FY 2017	FY 2016	Difference	% Change
Fiscal YTD	\$ 74.6 million	\$ 83.5 million	\$ (8.9 million)	-10.7 %
Month	\$ 14.9 million	\$ 14.5 million	\$ 419,790	2.9 %

Fiscal Year-to-Date through November:

Excise taxes other than sales and use taxes collected in FY 2017 through November decreased by 10.7 percent from excise taxes other than sales and use taxes collected through November of FY 2016. FY 2017 excise taxes other than sales and use taxes collected through November were \$74.6 million compared to \$83.5 million collected for the same period last fiscal year, a decrease of \$8.9 million. Motor vehicle license and registration fees were \$4.2 million in FY 2017 through November, down \$8.5 million compared to FY 2016 through November, a decrease of 66.8 percent. 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 \$12.7 million, \$8.4 million more than the transfer of \$4.2 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 \$86,282 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 November of FY 2017 were \$62.1 million, down \$283,124 compared to the \$62.4 million collected for the same period last fiscal year, a decrease of 0.5 percent. 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 November of FY 2017, Rhode Island cigarette sales decreased 3.1 percent compared to the same period last fiscal year.

Month of November:

Excise taxes other than sales and use taxes collected in November 2016 increased 2.9 percent over excise taxes other than sales and use taxes collected in November 2015. November 2016 excise taxes other than sales and use taxes collected totaled \$14.9 million compared to \$14.5 million collected in November 2015, an increase of \$419,790. Motor vehicle license and registration fees are down \$1.5 million in November 2016 compared to November 2015. The November 2016 transfer to RIHMA from motor vehicle operator license and registration fees totaled \$2.3 million, \$1.6 million more than the transfer of \$742,619 made in November 2015.

November 2016 cigarette excise tax receipts were \$12.5 million, an increase of \$2.1 million or 20.3 percent from the \$10.4 million collected in November 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 November 2016, Rhode Island cigarette sales increased by 20.4 percent compared to November 2015.

Other Taxes

November	FY 2017	FY 2016	Difference	% Change
Fiscal YTD	\$ 18.4 million	\$ 21.9 million	\$ (3.5 million)	-16.1 %
Month	\$ 2.1 million	\$ 8.0 million	\$ (5.9 million)	-73.4 %

Fiscal Year-to-Date through November:

Other taxes collected in FY 2017 through November decreased -16.1 percent from other taxes collected through November of FY 2016. FY 2017 other taxes collected through November were \$18.4 million compared to the \$21.9 million collected in the same period last fiscal year, a decrease of \$3.5 million. FY 2017 estate and transfer taxes collected through November were \$12.8 million, down \$4.1 million compared to the same period in FY 2016, a decrease of 24.4 percent.

FY 2017 realty transfer taxes collected through November were \$5.2 million, up \$512,971 or 11.1 percent compared to the same period last fiscal year. It should be noted that fiscal year-to-date realty transfer tax cash collections through November include \$(66,506) 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 November 2016 transfer that will occur in December of 2016.

Month of November:

Other taxes collected in November 2016 decreased 73.4 percent from other taxes collected in November 2015. November 2016 other taxes collected totaled \$2.1 million compared to \$8.0 million collected in November 2015, a decrease of \$5.9 million. November 2016 estate and transfer tax cash collections were \$1.3 million, down \$5.6 million from the \$6.9 million collected in November 2015, a decrease of 81.4 percent.

November 2016 realty transfer tax cash collections were \$755,661, down \$334,404 in November 2016 compared to November 2015, a decrease of 30.7 percent. It should be noted that November 2016 realty transfer tax includes \$(89,369) of receipts designated for the HRC. The amount reflects the difference between the October 2016 transfer that occurred in November 2016 and the November 2016 transfer that will occur in December 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 November:

Component	FY 2017	FY 2016	Difference	% Change
Licenses and Fees *	\$ 199,798,778	\$ 189,645,360	\$ 10,153,418	5.4 %
Fines and Penalties	11,086,964	7,490,822	3,596,142	48.0 %
Sales and Services	4,295,936	4,384,228	(88,292)	-2.0 %
Miscellaneous	9,519,688	7,496,882	2,022,806	27.0 %
Total	\$ 224,701,366	\$ 209,017,292	\$ 15,684,074	7.5 %
* Licenses and fees cash collections include hospital licensing fees of \$156,377,328 in year-to-date FY 2017 and \$147,223,849 in year-to-date FY 2016.				

Total departmental receipts in FY 2017 through November increased by 7.5 percent compared to total departmental receipts in FY 2016 through November. Fiscal year-to-date total departmental receipts collected in FY 2017 were \$224.7 million compared to \$209.0 million collected for the same period last year, an increase of \$15.7 million.

The licenses and fees category of departmental receipts through November of FY 2017 was up 5.4 percent or \$10.2 million over the \$189.6 million collected through November 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 November, hospital licensing fee cash collections are \$9.2 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 \$1.7 million in FY 2017 through November compared to the same period last fiscal year. Physician licensing fees were also up \$268,241 in year-to-date FY 2017 compared to year-to-date FY 2016.

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 were down \$765,565 in FY 2017 through November compared to FY 2016 through November. It should be noted that FY 2017 through November 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 November of FY 2017 was up \$3.6 million or 48.0 percent over the \$7.5 million collected through November 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 November compared to FY 2016 through November. Receipts from insurance verification license reinstatement fees are also up

\$444,824 in year-to-date FY 2017 compared to year-to-date FY 2016. Traffic tribunal cash collections were up \$423,744 in FY 2017 through November compared to FY 2016 through November. Part of this increase in traffic tribunal receipts 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.

The sales and services category of departmental receipts through November of FY 2017 was down \$88,292 from the \$4.4 million collected through November of FY 2016, a decrease of 2.0 percent.

FY 2017 miscellaneous departmental receipts through November were up \$2.0 million or 27.0 percent compared to cash collections through November 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 compared to \$4.8 million in refunds and other checks written off that were transferred in November 2015. As a result of the transfers to unclaimed property there were indirect cost recovery cash collections of \$161,901 in November 2016 versus \$484,394 collected in November 2015. Additionally, miscellaneous departmental receipts for Office of the Attorney General in FY 2017 through November were down \$1.1 million compared to FY 2016 through November. Included in the FY 2016 through November 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, \$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.

The Department of Health's cost recovery account was down \$246,353 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.

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 November compared to the same period last fiscal year.

Month of November:

Component	November 2016	November 2015	Difference	% Change
Licenses and Fees *	\$ 9,335,455	\$ 8,179,306	\$ 1,156,149	14.1 %
Fines and Penalties	1,060,574	148,509	912,065	614.1 %
Sales and Services	733,638	722,457	11,181	1.5 %
Miscellaneous	2,263,839	(2,835,676)	5,099,515	-179.8 %
Total	\$ 13,393,506	\$ 6,214,596	\$ 7,178,910	115.5 %
* Licenses and fees include hospital licensing fees of \$833,409 in November 2016 and \$508,779 in November 2015.				

Total departmental receipts in November 2016 increased 115.5 percent from total departmental receipts in November 2015. November 2016 total departmental receipts collected were \$13.4 million compared to \$6.2 million collected in November 2015, an increase of \$7.2 million.

The licenses and fees category of departmental receipts for November 2016 was up 14.1 percent or \$1.2 million from the \$8.2 million collected in November 2015. In licenses and fees, hospital licensing fees were up \$324,630 compared to November 2015. Also in licenses and fees, the October 2016 local building permit ADA surcharge collections deposit was completed in November resulting in receipts for this account to be \$117,059 compared to no receipts in November 2015. Additionally, November 2015 licenses and fees cash collections were understated 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. Banking license fees were up \$189,640 in November 2016 compared to November 2015. Fees for health facilities licensure were also up \$182,713 in November 2016 compared to November 2015.

The fines and penalties category of departmental receipts for November 2016 was up \$912,065 or 614.1 percent from the \$148,509 collected in November 2015. November 2015 fines and penalties were understated 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 November 2016, the sales and services category of departmental receipts was up \$11,181 compared to the \$722,457 collected in November 2015, an increase of 1.5 percent. November 2015 sales and services were understated 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.

November 2015 miscellaneous departmental receipts were up \$5.1 million compared to cash collections of \$(2.8 million) in November of 2015. Much of this can be accounted for by \$4.8 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 November 2015. The comparable transfer of \$1.6 million in FY 2017 was completed in October 2016. As a result of the transfers to unclaimed property there were receipts of \$484,394 in indirect cost recovery cash collections in November 2015. Additionally, a Department of Health cost recovery account was up

\$723,320 in November 2016 compared to November 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. It should be noted that November 2015 miscellaneous departmental receipts were understated 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

November	FY 2017	FY 2016	Difference	% Change
Fiscal YTD	\$ 1.90 million	\$ 1.89 million	\$ 10,957	0.6 %
Month	\$ 337,487	\$ 389,931	\$ (52,444)	-13.4 %

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 November:

The per penny yield of the state's motor fuel tax collected in FY 2017 through November was \$10,957 more than in FY 2016 through November. This represents an increase of 0.6 percent between the two fiscal year-to-date periods. For FY 2017 through November, the per penny yield was \$1.90 million versus \$1.89 million for FY 2016 through November.

Month of November:

The per penny yield of the State's motor fuel tax collected in November 2016 totaled \$337,487, a decrease of 13.4 percent or \$52,444 percent from the \$389,931 collected in November 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 November:

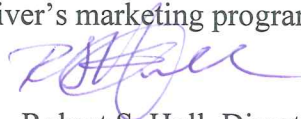
Component	FY 2017	FY 2016	Difference	% Change
Traditional Games	\$ 11,941,572	\$ 12,493,337	\$ (551,765)	-4.4 %
Keno	5,905,502	6,121,664	(216,162)	-3.5 %
Twin River VLTs	88,122,677	89,416,553	(1,293,876)	-1.4 %
Twin River Traditional Table Games	5,284,983	4,546,133	738,850	16.3 %
Twin River Poker Tables	299,299	0	299,299	n/a
Newport Grand VLTs	9,862,342	9,185,705	676,637	7.4 %

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 87 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 19 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 November:

Component	November 2016	November 2015	Difference	% Change
Traditional Games	\$ 2,570,495	\$ 3,106,651	\$ (536,156)	-17.3 %
Keno	1,494,035	1,653,844	(159,809)	-9.7 %
Twin River VLTs	21,549,761	22,459,187	(909,426)	-4.0 %
Twin River Traditional Table Games	1,426,029	1,187,857	238,172	20.1 %
Twin River Poker Tables	81,858	0	81,858	n/a
Newport Grand VLTs	2,346,463	2,287,805	58,658	2.6 %

In November 2016, Twin River operated a maximum of 92 traditional table games and 16 poker tables. In November 2015, Twin River operated a maximum of 92 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 13 fewer VLTs operating in November 2016 compared to November 2015. 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
December 27, 2016