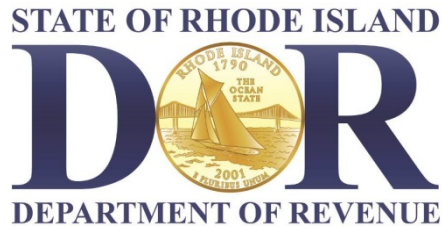


STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
GOVERNOR GINA M. RAIMONDO



Office of Revenue Analysis

**State of Rhode Island Revenue Brief
Special Report on Preliminary FY 2018 Revenues**

This special edition of the State of Rhode Island Revenue Brief is the traditional fiscal year-end report on preliminary revenues. This special report assesses the current fiscal year revenues on an accrual basis. That is, it considers total fiscal year revenues, which are equal to cash collections plus the net accrual between consecutive fiscal years. This report's focus is on preliminary FY 2018 revenues and the fiscal year revenue estimates as adopted in the final enacted FY 2018 budget. Finally, the growth rates cited refer to preliminary FY 2018 revenues compared to final enacted fiscal year revenue estimates or compared to audited FY 2017 revenues.

The data contained in this report is drawn from two sources, the Division of Taxation and the Office of Accounts and Controls. This report makes minimal adjustments to the data that is reported and only to ensure that the Division of Taxation's data is consistent with Office of Accounts and Controls' data.

This report includes three tables. The first table, *Preliminary FY 2018 to Final Enacted FY 2018*, displays the amounts, difference, and variance of preliminary FY 2018 revenues to final enacted FY 2018 revenues. The second table, *Preliminary FY 2018 to Audited FY 2017*, displays the amounts, difference, and year-over-year growth of preliminary FY 2018 revenues to final audited FY 2017 revenues. The last table, *Final Enacted FY 2018 to Audited FY 2017*, displays the amounts, difference, and variance of final enacted FY 2018 revenues to final audited FY 2017 revenues.

STATE OF RHODE ISLAND SPECIAL REPORT ON PRELIMINARY REVENUES 2
Preliminary FY 2018 vs. Final Enacted FY 2018

	Preliminary Revenues FY 2018	Final Enacted Revenues FY 2018	Difference	Variance
Personal Income Tax	\$ 1,345,272,113	\$ 1,357,200,000	\$ (11,927,887)	-0.9%
General Business Taxes				
Business Corporations	127,674,418	139,500,000	(11,825,582)	-8.5%
Public Utilities Gross Earnings	109,594,153	100,000,000	9,594,153	9.6%
Financial Institutions	29,176,929	21,700,000	7,476,929	34.5%
Insurance Companies	130,261,721	132,000,000	(1,738,279)	-1.3%
Bank Deposits	1,638,592	2,700,000	(1,061,408)	-39.3%
Health Care Provider Assessment	44,099,790	44,400,000	(300,210)	-0.7%
Excise Taxes				
Sales and Use *	1,057,189,921	1,051,500,000	5,689,921	0.5%
Motor Vehicle	20,821,761	20,800,000	21,761	0.1%
Motor Carrier Fuel Use	-	-	-	n/a
Cigarettes	146,877,686	143,100,000	3,777,686	2.6%
Alcohol	19,928,711	20,300,000	(371,289)	-1.8%
Controlled Substances *	15,466	-	15,466	n/a
Other Taxes				
Estate and Transfer	51,401,550	52,200,000	(798,450)	-1.5%
Racing and Athletics	1,081,031	1,100,000	(18,969)	-1.7%
Realty Transfer	12,841,566	13,500,000	(658,434)	-4.9%
Total Taxes	\$ 3,097,875,409	\$ 3,100,000,000	\$ (2,124,591)	-0.1%
Departmental Receipts	\$ 397,579,143	\$ 396,500,000	\$ 1,079,143	0.3%
Taxes and Departmentals	\$ 3,495,454,552	\$ 3,496,500,000	\$ (1,045,448)	0.0%
Other General Revenue Sources				
Other Miscellaneous Revenues	37,054,016	38,450,339	(1,396,323)	-3.6%
Lottery Transfer	364,974,286	364,612,793	361,493	0.1%
Unclaimed Property	10,901,582	10,900,000	1,582	0.0%
Total Other Sources	\$ 412,929,884	\$ 413,963,132	\$ (1,033,248)	-0.2%
Total General Revenues	\$ 3,908,384,436	\$ 3,910,463,132	\$ (2,078,696)	-0.1%

* The Controller's Audited General Fund Revenue Report for FY 2018 includes Controlled Substances Revenues in Sales and Use Tax Revenues. This report treats these revenue sources separately.

PIT Component	Preliminary FY 2018	Final Enacted FY 2018	Difference	Variance
Estimated payments	\$ 261,971,435	\$ 270,800,000	\$ (8,828,565)	-3.3%
Final payments	217,412,479	215,000,000	2,412,479	1.1%
Withholding	1,189,333,441	1,187,000,000	2,333,441	0.2%
Refunds	(339,565,661)	(330,000,000)	(9,565,661)	2.9%
<i>Net Accrual</i>	<i>16,120,420</i>	<i>14,400,000</i>	<i>1,720,420</i>	<i>11.9%</i>
Total	\$ 1,345,272,113	\$ 1,357,200,000	\$ (11,927,887)	-0.9%

STATE OF RHODE ISLAND SPECIAL REPORT ON PRELIMINARY REVENUES 3
Preliminary FY 2018 vs. Audited FY 2017

	Preliminary Revenues FY 2018	Audited Revenues FY 2017	Difference	Year-over-Year Growth
Personal Income Tax	\$ 1,345,272,113	\$ 1,243,807,056	\$ 101,465,057	8.2%
General Business Taxes				
Business Corporations	127,674,418	119,289,609	8,384,809	7.0%
Public Utilities Gross Earnings	109,594,153	90,404,661	19,189,492	21.2%
Financial Institutions	29,176,929	22,188,601	6,988,328	31.5%
Insurance Companies	130,261,721	121,094,221	9,167,500	7.6%
Bank Deposits	1,638,592	2,971,562	(1,332,970)	-44.9%
Health Care Provider Assessment	44,099,790	43,485,799	613,992	1.4%
Excise Taxes				
Sales and Use *	1,057,189,921	998,193,789	58,996,133	5.9%
Motor Vehicle	20,821,761	26,023,771	(5,202,010)	-20.0%
Motor Carrier Fuel Use	-	101,153	(101,153)	-100.0%
Cigarettes	146,877,686	140,263,281	6,614,404	4.7%
Alcohol	19,928,711	19,740,536	188,175	1.0%
Controlled Substances *	15,466	2,778	12,688	456.7%
Other Taxes				
Estate and Transfer	51,401,550	85,428,550	(34,027,000)	-39.8%
Racing and Athletics	1,081,031	1,163,304	(82,273)	-7.1%
Realty Transfer	12,841,566	12,589,268	252,298	2.0%
Total Taxes	\$ 3,097,875,409	\$ 2,926,747,939	\$ 171,127,470	5.8%
Departmental Receipts	397,579,143	370,065,817	27,513,326	7.4%
Taxes and Departmentals	\$ 3,495,454,552	\$ 3,296,813,756	\$ 198,640,796	6.0%
Other General Revenue Sources				
Other Miscellaneous Revenues	37,054,016	12,122,198	24,931,818	205.7%
Lottery Transfer	364,974,286	362,696,628	2,277,658	0.6%
Unclaimed Property	10,901,582	12,725,037	(1,823,455)	-14.3%
Total Other Sources	\$ 412,929,884	\$ 387,543,863	\$ 25,386,021	6.6%
Total General Revenues	\$ 3,908,384,436	\$ 3,684,357,619	\$ 224,026,817	6.1%

* The Controller's Audited General Fund Revenue Reports for FY 2018 and FY 2017 include Controlled Substances Revenues in Sales and Use Tax Revenues. This report treats these revenue sources separately.

PIT Component	Preliminary FY 2018	Audited FY 2017	Difference	Year-over-Year Growth
Estimated payments	\$ 261,971,435	\$ 234,157,498	\$ 27,813,936	11.9%
Final payments	217,412,479	187,635,908	29,776,571	15.9%
Withholding	1,189,333,441	1,137,240,933	52,092,508	4.6%
Refunds	(339,565,661)	(326,325,947)	(13,239,714)	4.1%
<i>Net Accrual</i>	<i>16,120,420</i>	<i>11,098,664</i>	<i>5,021,756</i>	<i>45.2%</i>
Total	\$ 1,345,272,113	\$ 1,243,807,056	\$ 101,465,057	8.2%

Final Enacted FY 2018 vs. Audited FY 2017

	Final Enacted Revenues FY 2018	Audited Revenues FY 2017	Difference	Variance
Personal Income Tax	\$ 1,357,200,000	\$ 1,243,807,056	\$ 113,392,944	9.1%
General Business Taxes				
Business Corporations	139,500,000	119,289,609	20,210,391	16.9%
Public Utilities Gross Earnings	100,000,000	90,404,661	9,595,339	10.6%
Financial Institutions	21,700,000	22,188,601	(488,601)	-2.2%
Insurance Companies	132,000,000	121,094,221	10,905,779	9.0%
Bank Deposits	2,700,000	2,971,562	(271,562)	-9.1%
Health Care Provider Assessment	44,400,000	43,485,799	914,201	2.1%
Excise Taxes				
Sales and Use *	1,051,500,000	998,193,789	53,306,211	5.3%
Motor Vehicle	20,800,000	26,023,771	(5,223,771)	-20.1%
Motor Carrier Fuel Use	-	101,153	(101,153)	-100.0%
Cigarettes	143,100,000	140,263,281	2,836,719	2.0%
Alcohol	20,300,000	19,740,536	559,464	2.8%
Controlled Substances *	-	2,778	(2,778)	n/a
Other Taxes				
Estate and Transfer	52,200,000	85,428,550	(33,228,550)	-38.9%
Racing and Athletics	1,100,000	1,163,304	(63,304)	-5.4%
Realty Transfer	13,500,000	12,589,268	910,732	7.2%
Total Taxes	\$ 3,100,000,000	\$ 2,926,747,939	\$ 173,252,061	5.9%
Departmental Receipts	396,500,000	370,065,817	26,434,183	7.1%
Taxes and Departmentals	\$ 3,496,500,000	\$ 3,296,813,756	\$ 199,686,244	6.1%
Other General Revenue Sources				
Other Miscellaneous Revenues	38,450,339	12,122,198	26,328,141	217.2%
Lottery Transfer	364,612,793	362,696,628	1,916,165	0.5%
Unclaimed Property	10,900,000	12,725,037	(1,825,037)	-14.3%
Total Other Sources	\$ 413,963,132	\$ 387,543,863	\$ 26,419,269	6.8%
Total General Revenues	\$ 3,910,463,132	\$ 3,684,357,619	\$ 226,105,513	6.1%

* The Controller's Audited General Fund Revenue Reports for FY 2018 and FY 2017 include Controlled Substances Revenues in Sales and Use Tax Revenues. This report treats these revenue sources separately.

PIT Component	Final Enacted FY 2018	Audited FY 2017	Difference	Variance
Estimated payments	\$ 270,800,000	\$ 234,157,498	\$ 36,642,502	15.6%
Final payments	215,000,000	187,635,908	27,364,092	14.6%
Withholding	1,187,000,000	1,137,240,933	49,759,067	4.4%
Refunds	(330,000,000)	(326,325,947)	(3,674,053)	1.1%
Net Accrual	14,400,000	11,098,664	3,301,336	29.7%
Total	\$ 1,357,200,000	\$ 1,243,807,056	\$ 113,392,944	9.1%

Total General Revenues

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 3,908,384,436	\$ 3,910,463,132	\$ (2,078,696)
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	6.1%	6.1 %	-0.1 %

The State of Rhode Island Department of Revenue reports that preliminary FY 2018 total general revenues were 0.1 percent less than the final enacted FY 2018 total general revenue estimate of \$3.910 billion, a deficit of \$2.1 million.

Preliminary FY 2018 total general revenues of \$3.908 billion were up \$224.0 million compared to audited FY 2017 total general revenues of \$3.684 billion, which translates into a growth rate of 6.1 percent.

The General Assembly's final enacted FY 2018 total general revenue estimate was \$226.1 million or 6.1 percent more than audited FY 2017 total general revenues.

Total Taxes and Departmental Receipts

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 3,495,454,552	\$ 3,496,500,000	\$ (1,045,448)
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	6.0 %	6.1 %	-0.03 %

Preliminary FY 2018 total taxes and departmental receipts were 0.03 percent less than the final enacted FY 2018 estimate of \$3.497 billion, a deficit of \$1.0 million.

Preliminary FY 2018 total taxes and departmental receipts of \$3.495 billion were up \$198.6 million compared to audited FY 2017 total taxes and departmental receipts of \$3.297 billion, which translates into a growth rate of 6.0 percent.

The final enacted FY 2018 total taxes and departmental receipts estimate was \$199.7 million or 6.1 percent above audited FY 2017 total taxes and departmental receipts.

Other General Revenue Sources

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 412,929,884	\$ 413,963,132	\$ (1,033,248)
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	6.6 %	6.8 %	-0.2 %

Preliminary FY 2018 other general revenue sources were 0.2 percent less than the final enacted FY 2018 estimate of \$414.0 million, a shortage of \$1.0 million.

Preliminary FY 2018 other general revenue sources of \$412.9 million were up \$25.4 million compared to audited FY 2017 other general revenue sources of \$387.5 million, which translates into a growth rate of 6.6 percent.

The final enacted FY 2018 other general revenue sources estimate was \$26.4 million, or a 6.8 percent, more than audited FY 2017 other general revenue sources.

Total Taxes

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 3,097,875,409	\$ 3,100,000,000	\$ (2,124,591)
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	5.8 %	5.9 %	-0.1 %

Preliminary FY 2018 revenues for total taxes were 0.1 percent less than the final enacted FY 2018 estimate of \$3.1 billion, a deficit of \$2.1 million.

Preliminary FY 2018 total taxes revenues of \$3.098 billion were up \$171.1 million compared to audited FY 2017 total taxes revenues of \$2.927 billion, which translates into a growth rate of 5.8 percent.

The final enacted FY 2018 total taxes estimate was \$173.3 million or 5.9 percent above audited FY 2017 total tax revenues.

Historic Structures Tax Credit Reimbursements

In FY 2018, total historic structure tax credit redemptions/reimbursements for all taxes totaled \$25.2 million versus \$13.7 million in FY 2017, an increase of \$11.5 million or a growth rate of 84.7 percent.

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

Historic Structures Tax Credit Reimbursements by Tax Type				
Tax Type	FY 2018	FY 2017	Difference	% Change
Personal Income	\$ 5,474,538	\$ 7,813,837	\$ (2,339,299)	-29.9 %
Business Corporation	504,080	116,104	387,976	334.2 %
Financial Institutions	0	0	0	n/a
Insurance	11,913,240	750,000	11,163,240	1,488.4 %
Insurance/HMOs	3,247,837	0	3,247,837	n/a
Non-Profit Partner Refund	4,049,067	4,996,264	(947,197)	-19.0 %
Total	\$ 25,188,761	\$ 13,676,205	\$ 11,512,556	84.2 %

Personal Income Taxes

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 1,345,272,113	\$ 1,357,200,000	\$ (11,927,887)
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	8.2 %	9.1 %	-0.9 %

According to the Controller's Preliminary General Fund Revenue Report, FY 2018 personal income tax revenues were 0.9 percent less than the final enacted FY 2018 estimate of \$1.357 billion, a shortfall of \$11.9 million.

Preliminary FY 2018 personal income tax revenues of \$1.345 billion were up \$101.5 million compared to audited FY 2017 personal income tax revenues of \$1.244 billion, which translates into a growth rate of 8.2 percent.

The final enacted FY 2018 personal income tax revenue estimate was \$113.4 million or 9.1 percent more than audited FY 2017 personal income tax revenues.

The table below provides the component breakdown of the preliminary FY 2018 personal income tax revenues, as provided by the Division of Taxation, and the final enacted FY 2018 estimates for personal income tax revenues:

Component	FY 2018 Preliminary Close	FY 2018 Final Enacted	Variance	Percentage Change
Estimated Payments	\$ 261,971,435	\$ 270,800,000	\$ (8,828,565)	-3.3 %
Final Payments	217,412,479	215,000,000	2,412,479	1.1 %
Withholding	1,189,333,441	1,187,000,000	2,333,441	0.2 %
Refunds/Adjustments	(339,565,661)	(330,000,000)	(9,565,661)	2.9 %
Net Accrual	16,120,420	14,400,000	1,720,420	11.9 %
Total	\$ 1,345,272,113	\$ 1,357,200,000	\$ (11,927,887)	-0.9 %

The table below provides the component breakdown of personal income tax revenues, as provided by the Division of Taxation, and compares preliminary FY 2018 revenues to audited FY 2017 revenues:

Component	FY 2018 Preliminary	FY 2017 Audited	Nominal Difference	Percent Difference
Estimated Payments	\$ 261,971,435	\$ 234,157,498	\$ 27,813,396	11.9 %
Final Payments *	217,412,479	187,635,108	29,776,571	15.9 %
Withholding	1,189,333,441	1,137,240,933	52,092,508	4.6 %
Refunds/Adjustments	(339,565,661)	(326,325,947)	(13,239,714)	4.1 %
Net Accrual †	16,120,420	11,098,664	5,021,756	45.2 %
Total	\$ 1,345,272,113	\$ 1,243,807,056	\$ 101,465,057	8.2 %
* Final payments include historic structures tax credit (HSTC) reimbursements of \$5,474,538 in preliminary FY 2018 and \$7,813,837 in audited FY 2017.				
† Net Accrual figures are from the Office of the Controller's Preliminary General Fund Revenue Report for FY 2018 and the Final General Fund Revenue Report for FY 2017.				

It should be noted that the FY 2017 audited net accrual includes adjustments of \$(6,300,000) for the exemption of the first \$15,000 of pension and annuity income for certain taxpayers from personal income tax and \$(2,700,000) for the increase in the Rhode Island earned income tax credit (EITC) to 15.0 percent of the federal EITC amount both of which were effective January 1, 2017.

Business Corporation Taxes

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 127,674,418	\$ 139,500,000	\$ (11,825,582)
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	7.0 %	16.9 %	-8.5 %

Rhode Island business corporation tax revenues are comprised of taxes collected from the corporate income tax and taxes on nonresident contractors and political organizations. Preliminary FY 2018 business corporation tax revenues were 8.5 percent less than the final enacted FY 2018 estimate of \$139.5 million, a shortfall of \$11.8 million.

Preliminary FY 2018 business corporation tax revenues of \$127.7 million were up \$8.4 million compared to audited FY 2017 business corporation tax revenues of \$119.3 million, which translates into a growth rate of 7.0 percent.

The final enacted FY 2018 business corporation tax revenue estimate was \$20.2 million or 16.9 percent more than audited FY 2017 business corporation tax revenues.

The table below provides the component breakdown of corporate income tax revenues, as provided by the Division of Taxation, and compares preliminary FY 2018 revenues to audited FY 2017 revenues:

Component	FY 2018 Preliminary	FY 2017 Audited	Nominal Difference	Percent Difference
Estimated Payments	\$ 86,035,859	\$ 100,339,916	\$ (14,304,056)	-14.3 %
Final Payments *	63,815,415	60,945,608	2,869,807	4.7 %
Refunds	(40,037,773)	(9,580,384)	(30,457,088)	317.9 %
Adjustments	(14,323,806)	(12,741,569)	(1,582,237)	12.4 %
Net Accrual †	32,104,351	(19,803,370)	51,907,721	-262.1 %
Total	\$ 127,594,046	\$ 119,160,201	\$ (15,564,070)	-11.6 %
* Final payments include historic structures tax credit (HSTC) reimbursements of \$504,080 in preliminary FY 2018 and \$116,104 in audited FY 2017.				
† Net Accrual figures are from the Controller's Preliminary General Fund Revenue Report for FY 2018 and Final General Fund Revenue Report for FY 2017.				

It should be noted that the preliminary FY 2018 net accrual includes refunds payable in the amount of \$34.3 million, a decrease of \$5.7 million from the audited FY 2017 refunds payable of \$40.0 million.

Public Utilities Gross Earnings Taxes

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 109,594,153	\$ 100,000,000	\$ 9,594,103
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	21.2 %	10.6 %	9.6 %

Preliminary FY 2018 public utilities gross earnings tax revenues were 9.6 percent more than the final enacted FY 2018 public utilities gross earnings tax revenue estimate of \$100.0 million, a surplus of \$9.6 million.

Preliminary FY 2018 public utilities gross earnings tax revenues of \$109.6 million were up \$19.2 million compared to audited FY 2017 public utilities gross earnings tax revenues of \$90.4 million, which translates into a growth rate of 21.2 percent. Preliminary FY 2018 public utilities gross earnings tax revenues include cash collections of \$59.7 million and a net accrual of \$49.9 million. FY 2018 public utilities gross earnings tax cash collections decreased by \$30.6 million from audited FY 2017 cash collections. The public utilities gross earnings tax net accrual increased by \$49.8 million over the FY 2017 net accrual of \$128,681, which represents a growth rate of 38,611.3 percent.

The final enacted FY 2018 public utilities gross earnings tax revenue estimate was \$9.6 million, or 10.6 percent above audited FY 2017 public utilities gross earnings tax revenues.

Financial Institution Taxes

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 29,176,929	\$ 21,700,000	\$ 7,476,929
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	31.5 %	-2.2 %	34.5 %

Preliminary FY 2018 financial institution tax revenues were 34.5 percent more than the final enacted FY 2018 estimate of \$21.7 million, an excess of \$7.5 million.

Preliminary FY 2018 financial institution tax revenues of \$29.2 million were up \$7.0 million compared to audited FY 2017 financial institution tax revenues of \$22.2 million, which translates into a growth rate of 31.5 percent. Neither preliminary FY 2018 financial institution tax revenues nor audited FY 2017 financial institution tax revenues include any historic structures tax credit (HSTC) reimbursements. Preliminary FY 2018 financial institution tax revenues include cash collections of \$22.5 million and a FY 2018 adjusted net accrual of \$6.6 million. FY 2018 financial institution tax cash collections decreased by \$3.9 million from FY 2017 cash collections. The preliminary FY 2018 adjusted net accrual increased by \$10.9 million from the audited FY 2017 adjusted net accrual of \$(4.2 million).

The final enacted FY 2018 financial institutions tax revenue estimate was \$21.7 million, a decrease of \$488,601, or a -2.2 percent, from audited FY 2017 financial institutions tax revenues of \$22.2 million.

Insurance Company Gross Premiums Taxes

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Other Insurance	\$ 78,021,426	\$ 71,600,000	\$ 6,421,426
Health Insurance	52,240,295	60,400,000	(8,159,705)
Total Revenues	\$ 130,261,721	\$ 132,000,000	\$ (1,738,279)
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	7.6 %	9.0 %	-1.3 %

Preliminary FY 2018 insurance company gross premiums tax revenues were 1.3 percent less than the final enacted FY 2018 estimate of \$132.0 million, a deficit of \$1.7 million.

Preliminary FY 2018 insurance company gross premiums tax revenues of \$130.3 million were up \$9.2 million compared to audited FY 2017 insurance company gross premiums tax revenues of \$121.1 million, which translates into a growth rate of 7.6 percent. Preliminary FY 2018 insurance company gross premiums tax revenues include \$14.4 million of historic structures tax credit (HSTC) reimbursements and audited FY 2017 insurance company gross premiums tax revenues included \$750,000 of HSTC reimbursements. An additional \$1.3 million of HSTC reimbursements received in July 2017 for a tax liability incurred in FY 2017 were included as part of the audited FY 2017 adjusted net accrual.

The final enacted FY 2018 insurance company gross premiums tax revenue estimate was \$10.9 million or 9.0 percent above audited FY 2017 insurance company gross premiums tax revenues.

The table below provides the component breakdown of insurance company gross premiums tax revenues, as provided in the Controller's Preliminary General Fund Revenue Report for FY 2018 and Final General Fund Revenue Report for FY 2017, and compares preliminary FY 2018 revenues to audited FY 2017 revenues:

Component	FY 2018 Preliminary	FY 2017 Audited	Nominal Difference	Percent Difference
<u>Other Insurance</u>				
Cash	\$ 48,801,698	\$ 69,599,032	\$ (20,797,334)	-29.9 %
Net Accrual	29,219,728	(9,297,673)	38,517,401	-414.3 %
Total	\$ 78,021,426	\$ 60,301,359	\$ 17,720,067	29.4 %
<u>Health Insurance</u>				
Cash	\$ 32,716,683	\$ 67,917,471	\$ (35,200,788)	-51.8 %
Net Accrual	19,523,432	(7,124,609)	26,648,041	-374.0 %
Total	\$ 52,240,115	\$ 60,792,862	\$ (8,552,747)	-14.1 %

Bank Deposit Taxes

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 1,638,592	\$ 2,700,000	\$ (1,061,408)
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	-44.9 %	-9.1 %	-39.3 %

Preliminary FY 2018 bank deposit tax revenues were 39.3 percent less than the final enacted FY 2018 estimate of \$2.7 million, a shortfall of \$1.1 million.

Preliminary FY 2018 bank deposit tax revenues of \$1.6 million were down \$1.3 million compared to audited FY 2017 bank deposit tax revenues of \$3.0 million, which translates into a growth rate of -44.9 percent. The preliminary FY 2018 net accrual was \$(541) vs. an audited FY 2017 net accrual of \$(11,061).

The final enacted FY 2018 bank deposit tax revenue estimate was projected to decrease by \$271,562 or -39.3 percent from audited FY 2017 bank deposit tax revenues.

Health Care Provider Assessment

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 44,099,790	\$ 44,400,000	\$ (300,210)
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	1.4 %	2.1 %	-0.7 %

Preliminary FY 2018 health care provider assessment revenues were 0.7 percent less than the final enacted FY 2018 estimate, a deficit of \$300,210.

Preliminary FY 2018 health care provider assessment revenues of \$44.1 million were up \$613,992 compared to audited FY 2017 health care provider assessment revenues of \$43.5 million, a growth rate of 1.4 percent. Preliminary FY 2018 health care provider assessment revenues include cash collections of \$44.4 million and a net accrual of \$(329,668). FY 2018 health care provider assessment cash collections increased by \$1.5 million from FY 2017 cash collections. The FY 2018 net accrual decreased by \$873,662 compared to the FY 2017 net accrual of \$543,995, a growth rate of -260.6 percent.

The final enacted FY 2018 health care provider assessment revenue estimate was \$44.4 million, an increase of \$914,201, or 2.1 percent, from audited FY 2017 health care provider assessment revenues.

Sales and Use Taxes

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 1,057,189,921	\$ 1,051,500,000	\$ 5,689,921
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	5.9 %	5.3 %	0.5 %

Preliminary FY 2018 sales and use tax revenues were 0.5 percent more than the final enacted FY 2018 estimate of \$1.052 billion, an overage of \$5.7 million.

Preliminary FY 2018 sales and use tax revenues of \$1.057 billion were up \$59.0 million compared to audited FY 2017 sales and use tax revenues of \$998.2 million, a growth rate of 5.9 percent.

The final enacted FY 2018 sales and use tax revenue estimate was \$53.3 million or 5.3 percent over audited FY 2017 sales and use tax revenues.

The table below provides the component breakdown for sales and use tax revenues, as provided by the Division of Taxation, and compares preliminary FY 2017 revenues to audited FY 2016 revenues:

Component	Preliminary FY 2018	Audited FY 2017	Nominal Difference	Percent Difference
Net Taxation *	\$ 920,685,775	\$ 871,884,596	\$ 48,807,202	5.6 %
Registry	113,807,022	111,903,313	1,903,709	1.7 %
Providence Place Mall	14,458,448	13,714,203	744,245	5.4 %
Net Accrual †	8,238,676	691,677	7,546,999	1,091.1 %
Total	\$ 1,057,189,921	\$ 998,193,789	\$ 58,996,133	5.9 %
* The net Taxation component includes receipts from non-sufficient funds checks of \$18,584 in preliminary FY 2018 and \$106,733 in audited FY 2017.				
† Net Accrual figures are from the Controller's Preliminary General Fund Revenue Report for FY 2018 and Final General Fund Revenue Report for FY 2017.				

Motor Vehicle License and Fees

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 20,821,761	\$ 20,800,000	\$ 21,761
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	-20.0%	-20.1 %	0.1 %

Preliminary FY 2018 motor vehicle operator license and vehicle registration fee revenues were 0.1 percent more than the final enacted FY 2018 estimate of \$20.8 million, an overage of \$21,761.

Preliminary FY 2018 motor vehicle operator license and vehicle registration fee revenues of \$20.8 million were down \$5.2 million compared to audited FY 2017 motor vehicle operator license and vehicle registration fee revenues of \$26.0 million, which translates into a growth rate of -20.0 percent. Effective July 1, 2017, 60 percent of the revenues collected from motor vehicle license and registration fees were transferred from general revenues to the Rhode Island Highway Maintenance Account (RIHMA) in the Intermodal Surface Transportation Fund. The comparable RIHMA transfer from audited FY 2017 motor vehicle operator license and vehicle registration fee revenues was 50.0 percent.

Preliminary FY 2018 license and registration fees were \$20.8 million, which includes cash collections of \$20.75 million and a net accrual of \$67,170. FY 2018 cash collections were down \$5.2 million, or 20.1 percent compared to FY 2017 cash collections. The audited FY 2018 net accrual is 29.7 percent above the FY 2017 net accrual of \$51,806.

The final enacted FY 2018 motor vehicle operator license and vehicle registration fee revenues estimate was \$5.2 million or 20.1 percent less than audited FY 2017 motor vehicle operator license and vehicle registration fee revenues.

Motor Carrier Fuel Use Taxes

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 0	\$ 0	\$ 0
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	-100.0 %	n/a	n/a

Preliminary FY 2018 motor carrier fuel use tax revenues were equal to the final enacted FY 2018 estimate of \$0.

Preliminary FY 2018 motor carrier fuel use tax revenues were down \$101,153 compared to audited FY 2017 motor carrier fuel use tax revenues, which translates into a growth rate of -100.0 percent. Preliminary FY 2018 motor carrier fuel use tax revenues include no cash collections and a net accrual of \$0. FY 2017 motor carrier fuel use tax cash collections were also zero. Effectively, the change in motor carrier fuel use tax collections between preliminary FY 2018 and audited FY 2017 were the result of changes in the net accrual between the two periods.

The final enacted FY 2018 motor carrier fuel use tax revenue estimate decreased by \$101,153 over audited FY 2017 motor carrier fuel use tax revenues.

Cigarettes Taxes

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Cigarettes, w/ Floor Stock	\$ 137,896,271	\$ 134,200,000	\$ 3,696,271
Other Tobacco Products	8,981,415	8,900,000	81,415
Total Revenues	\$ 146,877,686	\$ 143,100,000	\$ 3,777,686
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	4.7 %	2.0 %	2.6 %

Rhode Island cigarettes tax revenues are made up of excise taxes collected on the sale of cigarettes, a tax on the wholesale price of other tobacco products such as cigars, pipe tobacco, and smokeless tobacco, and a cigarette floor stock tax, which is imposed when the cigarette excise tax rate is increased. The state's cigarette excise tax was raised from \$3.75 per pack of 20 cigarettes to \$4.25 per pack of 20 cigarettes on August 16, 2017. Preliminary FY 2018 cigarettes tax revenues, including other tobacco products and any cigarette floor stock taxes, were up \$3.8 million or 2.6 percent over the final enacted FY 2018 estimate of \$143.1million.

Preliminary FY 2018 cigarettes tax revenues of \$146.9 million were up \$6.6 million compared to audited FY 2017 cigarettes tax revenues of \$140.3 million, a growth rate of 4.7 percent. Effective August 16, 2017, the cigarette excise tax rate was increased from \$3.75 to \$4.25 per pack of 20 cigarettes.

The final enacted FY 2018 cigarettes tax revenue estimate was \$2.8 million or 2.0 percent more than audited FY 2017 cigarettes tax revenues.

The table below provides the component breakdown for cigarettes tax revenues, as provided in the Controller's Preliminary General Fund Revenue Report for FY 2017 and Final General Fund Revenue Report for FY 2016, and compares preliminary FY 2017 revenues to audited FY 2016 revenues:

Component	FY 2018 Preliminary	FY 2017 Audited	Nominal Difference	Percent Difference
<u>Cigarettes, including Floor Stock</u>				
Cash	\$ 137,822,804	\$ 133,647,053	\$ 4,175,341	3.1 %
Net Accrual	73,467	(1,398,617)	1,472,083	-105.3 %
Total Cigarettes	\$ 137,896,271	\$ 132,248,836	\$ 5,647,435	4.3 %
<u>Other Tobacco Products</u>				
Cash	\$ 8,868,215	\$ 7,873,842	\$ 994,373	12.6 %
Net Accrual	113,200	143,603	(27,403)	-19.1 %
Total Other Tobacco	\$ 8,981,415	\$ 8,014,445	\$ 966,970	12.1 %

Finally, the change in Rhode Island cigarette sales between preliminary FY 2018 and audited FY 2017 is determined by netting out the value of cigarette floor stock tax and other tobacco products tax revenues in each fiscal year. After netting out these receipts, it is determined that the sale of packs of cigarettes in Rhode Island fell by 7.4 percent in FY 2018.

Alcohol Taxes

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 19,928,711	\$ 20,300,000	\$ (371,289)
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	1.0 %	2.8 %	-1.8 %

Preliminary FY 2018 alcohol excise tax revenues were 1.8 percent less than the final enacted FY 2018 estimate, a deficit of \$371,289.

Preliminary FY 2018 alcohol tax revenues of \$19.9 million were up \$188,175 compared to audited FY 2017 alcohol excise tax revenues, a growth rate of 1.0 percent. Preliminary FY 2018 alcohol excise tax revenues include cash collections of \$19.9 million and a net accrual of \$10,248. FY 2018 alcohol tax cash collections increased by \$298,013 over FY 2017 cash collections. The FY 2018 alcohol excise tax preliminary net accrual is 91.5 percent or \$109,838 less than the audited FY 2017 net accrual of \$120,086.

The final enacted FY 2018 alcohol excise tax revenue estimate was \$20.3 million, an increase of \$559,464 or 2.8 percent from audited FY 2017 alcohol tax revenues of \$19.7 million.

Controlled Substances

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 15,466	\$ 0	\$ 15,466
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	456.7 %	n/a	n/a

Preliminary FY 2018 controlled substances revenues consist of \$14,529 in cash collections and a net accrual of \$937, which represents a growth rate of 456.7 percent over the audited FY 2017 net accrual of \$2,778. Preliminary FY 2018 marks the first year in many years that controlled substances cash receipts have been generated. There was no final enacted FY 2018 controlled substances revenue estimate.

Estate and Transfer Taxes

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 51,401,550	\$ 52,200,000	\$ (798,450)
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	-39.8 %	-38.9 %	-1.5 %

Preliminary FY 2018 estate and transfer tax revenues were 1.5 percent less than the final enacted FY 2018 estimate of \$52.2 million, a shortfall of \$798,450.

Preliminary FY 2018 estate and transfer tax revenues of \$51.4 million were down \$34.0 million compared to audited FY 2017 estate and transfer tax revenues of \$85.4 million, a growth rate of -39.8 percent. Preliminary FY 2018 estate and transfer tax revenues include cash collections of \$103.0 million and a net accrual of \$(51.6 million). FY 2018 estate and transfer tax cash collections increased by \$78.4 million from FY 2017 cash collections and the preliminary FY 2018 estate and transfer tax net accrual decreased by \$112.5 million over the audited FY 2017 net accrual of \$60.8, which is a variance of -184.9 percent.

The final enacted FY 2018 estate and transfer tax revenue estimate was \$33.2 million, or 38.9 percent, less than audited FY 2017 estate and transfer tax revenues.

Racing and Athletics Taxes

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 1,081,031	\$ 1,100,000	\$ (18,969)
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	-7.1 %	-5.4 %	-1.7 %

Preliminary FY 2018 racing and athletics tax revenues were 1.7 percent less than the final enacted FY 2018 estimate of \$1.10 million, a deficit of \$18,969.

Preliminary FY 2018 racing and athletics tax revenues of \$1.08 million were down \$82,273 compared to audited FY 2017 racing and athletics tax revenues of \$1.16 million, which translates

into a growth rate of -7.1 percent. Preliminary FY 2018 racing and athletics tax revenues include cash collections of \$1.07 million and a net accrual of \$7,167. FY 2018 racing and athletics tax cash collections are \$82,629 less than FY 2017 cash collections. The preliminary FY 2018 racing and athletics tax net accrual increased by \$356 over the audited FY 2017 net accrual of \$6,811, a variance of 5.2 percent.

The final enacted FY 2018 racing and athletics tax revenue estimate was \$63,304 or 5.4 percent below audited FY 2017 racing and athletics tax revenues.

Realty Transfer Taxes

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 12,841,566	\$ 13,500,000	\$ (658,434)
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	2.0 %	7.2 %	-4.9 %

Preliminary FY 2018 realty transfer tax revenues were 4.9 percent less than the final enacted FY 2018 estimate of \$13.5 million, a deficit of \$658,434.

Preliminary FY 2018 realty transfer tax revenues of \$12.8 million were up \$252,298 compared to audited FY 2017 realty transfer tax revenues of \$12.6 million, which translates into a growth rate of 2.0 percent. Preliminary FY 2018 realty transfer tax revenues include cash collections of \$12.8 million and a net accrual of \$89,899. FY 2018 realty transfer tax cash collections increased by \$573,340 over FY 2017 cash collections. The preliminary FY 2018 realty transfer tax net accrual decreased by \$322,042 from the audited FY 2017 net accrual of \$411,941, which translates to a growth rate of -78.2 percent.

The final enacted FY 2018 realty transfer tax revenue estimate was \$910,732 or 7.2 percent more than audited FY 2017 realty transfer tax revenues.

Total Departmental Receipts

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 397,579,143	\$ 396,500,000	\$ 1,079,143
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	7.4 %	7.1 %	0.3 %

Preliminary FY 2018 total departmental receipts were 0.3 percent more than the final enacted FY 2018 estimate of \$396.5 million, a surplus of \$1.1 million.

Preliminary FY 2018 total departmental receipts of \$397.6 million were up \$27.5 million compared to audited FY 2017 total departmental receipts of \$370.1 million, which translates into a growth rate of 7.4 percent.

The final enacted FY 2018 total departmental receipts estimate was \$26.4 million or 7.1 percent above audited FY 2017 total departmental receipts.

The table below provides the breakdown of total departmental receipts by category, as provided in the Controller's Preliminary General Fund Revenue Report for FY 2018 and Final General Fund Revenue Report for FY 2017, and compares preliminary FY 2018 revenues to audited FY 2017 revenues:

Category	FY 2018 Preliminary	FY 2017 Audited	Nominal Difference	Percent Difference
<u>Licenses and Fees</u>				
Cash	\$ 301,843,053	\$ 290,719,069	\$ 11,123,984	3.8 %
Net Accrual	12,305,647	(289,077)	12,594,724	-4,356.9 %
Total Licenses and Fees	\$ 314,148,700	\$ 290,429,992	\$ 23,718,708	8.2 %
<u>Fines and Penalties</u>				
Cash	\$ 46,108,806	\$ 36,715,208	\$ 9,393,598	25.6 %
Net Accrual	660,168	(1,252,616)	1,912,784	-152.7 %
Total Fines and Penalties	\$ 46,768,974	\$ 35,462,592	\$ 11,306,382	31.9 %
<u>Sales and Services</u>				
Cash	\$ 10,775,310	\$ 11,252,955	\$ (477,645)	-4.2 %
Net Accrual	(92,008)	66,060	(158,068)	-239.3 %
Total Sales and Services	\$ 10,683,302	\$ 11,319,015	\$ (635,713)	-5.6 %
<u>Miscellaneous Departmental Receipts</u>				
Cash	\$ 25,962,017	\$ 32,891,778	\$ (6,929,761)	-21.1 %
Net Accrual	16,150	(37,560)	53,710	-142.7 %
Total Misc. Dept. Receipts	\$ 25,978,167	\$ 32,854,218	\$ (6,876,061)	-20.9 %

It should be noted that, in the licenses and fees component of departmental receipts, the hospital licensing fee rate decreased from 5.652 percent of hospital FY 2015 net patient revenues in FY 2017 to 5.570 percent of hospital FY 2016 net patient revenues in FY 2018. As a result, FY 2018 hospital licensing fee revenues were \$182.0 million, an increase of \$13.1 million from FY 2017 hospital licensing fee revenues of \$168.8 million. The preliminary FY 2018 hospital licensing fee receivable was \$175.2 million and the audited FY 2017 hospital licensing fee receivable was \$162.3 million, which translates into a hospital licensing fee net accrual of \$12.9 million in FY 2018.

Per Penny Motor Fuel Tax Yield

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>ORA Estimated</u>	<u>Variance</u>
Revenues	\$ 4,493,241	\$ 4,499,764	\$ (6,523)
	From FY 2017 Audited	From ORA Estimated	
Percentage Change	1.7 %	1.9 %	-0.1 %

The State's \$0.33 per gallon motor fuel tax is dedicated to the funding of transportation. The State's motor fuel tax is allocated to the Rhode Island Department of Transportation which receives \$0.1925 of the \$0.33 per gallon motor fuel tax, the Rhode Island Public Transit Authority which receives \$0.0925 of the \$0.33 per gallon motor fuel tax, the Department of Human Services which receives \$0.01 of the \$0.33 per gallon motor fuel tax for its elderly transportation program and the Rhode Island Turnpike and Bridge Authority which receives \$0.035 of the \$0.33 per gallon motor fuel tax for the maintenance and repair of the Jamestown Verrazano Bridge, the Mount Hope Bridge, the Newport Pell Bridge, and the Sakonnet River Bridge. The ORA Estimated figure above is the Office of Revenue Analysis' projection of the motor fuel tax per penny yield as it was computed in May 2018.

Based on information provided by the Office of Accounts and Controls, the preliminary FY 2018 per penny yield of the State's motor fuel tax was \$4.493 million, a decrease of \$6,523 from the Office of Revenue Analysis' projection of the per penny yield. This decrease translates into a -0.1 percent growth rate. The preliminary FY 2018 per penny yield was up \$75,828, or 1.7 percent, compared to the audited FY 2017 per penny yield. The projected per penny yield of \$4.499 million was \$82,351 more than the audited FY 2017 motor fuel tax per penny yield of \$4.417 million, or a growth rate of 1.9 percent.

Other Miscellaneous Revenues

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 37,054,016	\$ 38,450,339	\$ (1,396,323)
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	205.7 %	217.2 %	-3.6 %

Preliminary FY 2018 other miscellaneous revenues were 3.6 percent less than the final enacted FY 2018 estimate of \$38.5 million, a shortfall of \$1.4 million. Part of the difference between the preliminary FY 2018 other miscellaneous revenues and the final enacted FY 2018 other miscellaneous revenues was the inclusion of \$2.0 million from Twin River due to the expected later than originally budgeted opening of the Tiverton Hotel and Casino. In lieu of this \$2.0 million payment, Twin River agreed to work to open the facility two months earlier, on September 1, 2018 rather than the expected December 1, 2018 date. The two months earlier opening of the Tiverton Hotel and Casino allows the State to receive more than \$2.0 million in gaming revenues, albeit in FY 2019 rather than FY 2018.

Preliminary FY 2018 other miscellaneous revenues of \$37.1 million were up \$24.9 million compared to audited FY 2017 other miscellaneous revenues of \$12.1 million, a growth rate of 205.7 percent. Preliminary FY 2018 other miscellaneous revenues include approximately \$31.6 million in non-recurring revenue transfers vs. \$10.4 million in audited FY 2017.

The final enacted FY 2018 other miscellaneous revenue estimate was \$26.3 million or 217.2 percent more than audited FY 2017 other miscellaneous revenues.

Lottery Transfer

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Traditional Games	\$ 58,003,661	\$ 59,612,793	\$ (1,609,132)
VLT	288,412,153	286,900,000	1,512,153
Table Games	18,558,472	18,100,000	458,472
Revenues	\$ 364,974,286	\$ 364,612,793	\$ 361,493
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	0.6 %	0.5 %	0.1 %

The preliminary FY 2018 lottery transfer to the State's general fund was up 0.1 percent compared to the final enacted FY 2018 estimate of \$364.6 million, a surplus of \$361,493. Within the components of the lottery transfer, as provided by the Division of Lottery, the preliminary FY 2018 transfer from instant and monitor games was down 2.7 percent over the final enacted FY 2018 instant and monitor games transfer estimate of \$59.6 million, a shortfall of \$1.6 million. With respect to the State's share of video lottery net terminal income (NTI), the preliminary FY 2018 video lottery transfer was 0.5 percent more than the final enacted FY 2018 video lottery transfer estimate of \$286.9 million, a surplus of \$1.5 million. The preliminary FY 2018 table games transfer was up 2.5 percent over the final enacted FY 2018 table games transfer estimate of \$18.1 million, a surplus of \$458,472.

The table below provides the component breakdown of revenues from the lottery transfer, as provided by the Division of Lottery, and compares preliminary FY 2018 revenues to audited FY 2017 revenues:

Component	FY 2018 Preliminary	FY 2017 Audited	Nominal Difference	Percent Difference
Traditional Games	\$ 58,003,661	\$ 55,922,165	\$ 2,081,496	3.7 %
VLT	288,412,153	289,006,099	(593,946)	-0.2 %
Table Games	18,558,472	17,768,364	790,108	4.4 %
Total	\$ 364,974,286	\$ 362,696,968	\$ 2,277,658	0.6 %

The preliminary FY 2018 lottery transfer was \$365.0 million, \$2.3 million more than the audited FY 2017 lottery transfer of \$362.7 million, which translates into a growth rate of 0.6 percent. The preliminary FY 2018 lottery transfer includes cash collections of \$368.4 million and a net accrual of \$(3.4 million). The FY 2018 lottery transfer cash collections increased by \$6.2 million from FY 2017 cash collections. The preliminary FY 2018 lottery transfer net accrual is 775.8 percent less than the audited FY 2017 net accrual of \$501,862.

Unclaimed Property Transfer

<u>FY 2018</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 10,901,582	\$10,900,000	1,582
	<u>From FY 2017 Audited</u>		<u>From Final Enacted</u>
Percentage Change	-14.3 %	-14.3 %	0.0 %

According to the Controller's Preliminary General Fund Revenue Report, the FY 2018 unclaimed property transfer was 0.01 percent more than the final enacted FY 2018 estimate of \$10.9 million, an excess of \$1,582.

The unclaimed property transfer of \$10.9 million for preliminary FY 2018 was down 14.3 percent or \$1.8 million compared to the audited FY 2017 unclaimed property transfer of \$12.7 million.

The final enacted FY 2018 unclaimed property transfer estimate was \$1.8 million, or a 14.3 percent less than the audited FY 2017 unclaimed property transfer.

Mark A. Furcolo, Director
Department of Revenue

September 12, 2018