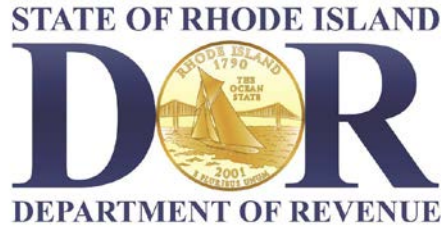


STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
GOVERNOR GINA M. RAIMONDO



Office of Revenue Analysis

FY 2020 Cash Collections Report as of July 2019 Summary

Fiscal Year-to-Date through July:

FY 2020 total general revenue cash collections through July were \$410.0 million, down \$28.3 million, or 6.5 percent, from the same period in FY 2019. The breakdown by major revenue components is as follows:

Component	FY 2020	FY 2019	Difference	% Change
Personal Income Tax	\$ 95,906,450	\$ 95,071,859	\$ 834,591	0.9 %
Sales and Use Taxes	105,040,523	101,301,088	3,739,435	3.7 %
Departmental Receipts	178,761,827	182,987,546	(4,225,719)	-2.3 %
Lottery Transfer *	0	31,000,000	(31,000,000)	-100.0 %
All Other Revenues	30,300,496	27,923,331	2,377,165	8.5 %
Total General Revenues	\$ 410,009,296	\$ 438,283,824	\$ (28,274,528)	-6.5%

* The Lottery Transfer, in general, commences in August of the fiscal year. Net of the unusual lottery transfer in FY 2019, the difference and percent change in the total general revenues is \$2,725,472 and 0.7 %, respectively.

Month of July:

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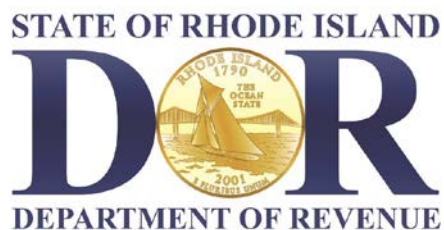
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STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
July 2019 and Fiscal Year To Date

	FY 2020 Month of and YTD July	FY 2019 Month of and YTD July	Nominal Difference	Percentage Change
<u>Personal Income Tax</u>	\$ 95,906,450	\$ 95,071,859	\$ 834,591	0.9%
<u>General Business Taxes</u>				
Business Corporation	7,056,674	6,190,483	866,191	14.0%
Public Utilities Gross Earnings	587,582	387,865	199,717	51.5%
Financial Institutions	133,413	-	133,413	-
Insurance Companies	(724,848)	(796,136)	71,288	-9.0%
Bank Deposits	262,380	-	262,380	-
Health Care Provider Assessment	3,737,206	3,733,870	3,336	0.1%
<u>Excise Taxes</u>				
Sales and Use	105,040,523	101,301,088	3,739,435	3.7%
Motor Vehicle	196,375	91,512	104,863	114.6%
Cigarettes	13,121,446	12,541,704	579,742	4.6%
Alcohol	1,856,596	2,146,196	(289,600)	-13.5%
Controlled Substances	-	500	(500)	-100.0%
<u>Other Taxes</u>				
Estate and Transfer	2,278,340	2,172,118	106,222	4.9%
Racing and Athletics	93,594	94,324	(730)	-0.8%
Realty Transfer	1,685,760	1,360,287	325,473	23.9%
Total Taxes	\$ 231,231,491	\$ 224,295,670	\$ 6,935,821	3.1%
<u>Departmental Receipts</u>				
Licenses and Fees	\$ 176,062,254	\$ 179,241,585	\$ (3,179,331)	-1.8%
Fines and Penalties	980,551	928,356	52,195	5.6%
Sales and Services	654,085	694,152	(40,067)	-5.8%
Miscellaneous	1,064,937	2,123,453	(1,058,516)	-49.8%
Total Departmental Receipts	\$ 178,761,827	\$ 182,987,546	\$ (4,225,719)	-2.3%
Taxes and Departmentals	\$ 409,993,318	\$ 407,283,216	\$ 2,710,102	0.7%
<u>Other General Revenue Sources</u>				
Other Miscellaneous Revenues	\$ 15,978	\$ 608	\$ 15,370	2,528.0%
Lottery Transfer	-	31,000,000	(31,000,000)	-100.0%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 15,978	\$ 31,000,608	\$ (30,984,630)	-99.9%
Total General Revenues	\$ 410,009,296	\$ 438,283,824	\$ (28,274,528)	-6.5%

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



Office of Revenue Analysis

FY 2020 State of Rhode Island Cash Collections Report
July 2019 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

The Office of Revenue Analysis (ORA) has provided a detailed written explanation of each item listed in the following fiscal year-to-date cash flow differences table. These explanations have been placed into the individual revenue item sections. For example, cash flow differences for personal income tax are listed under the personal income tax by component table. ORA has provided a linked page number in the cash flow differences tables to assist readers in finding these disaggregated cash flow differences sections within the body of the report.

Fiscal Year-To-Date through July:

The following table displays the differences in cash flows for FY 2020 through July and FY 2019 through July:

Page Number	Revenue Source	Cash Flow Differences	YTD FY 2020	YTD FY 2019
<u>6</u>	Personal Income Tax	FY 2020 correction for prior period payment(s) transferred to bus corp tax	\$(519,000)	\$0
<u>7</u>	Business Corp Tax	FY 2020 correction for prior period payment(s) transferred from per inc tax	\$519,000	\$0
<u>8</u>	Bank Deposits Tax	Late payment(s) received in July 2019 and accrued to FY 2019	\$262,500	\$0
<u>9</u>	MV License & Reg Fees	State's share of Jun 2019 receivable	\$94,500	\$0
<u>9</u>	MV License & Reg Fees	Difference between a Jun 2018 receivable & an error in the RIHMA transfer	\$0	\$11,522
<u>10 / 10</u>	Realty Transfer Tax	Transfer to the Housing Resources Commission	\$424,131	\$(27,941)
<u>11</u>	Departmental Receipts	Hospital licensing fee incr. from 5.856% to 6.000% and advance base *	\$(2,743,849)	\$0
<u>11</u>	Departmental Receipts	Late beach parking fee payment accrued to FY 2019	\$514,668	\$0
<u>13</u>	Lottery Transfer	Advanced payment	\$0	\$31,000,000
* Memorial Hospital was closed in FY 2018, and, as a result, no hospital licensing fee payment was received for FY 2019.				

Month of July:

Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

Historic Structures Tax Credit Reimbursements:

FY 2020 total Historic Structures Tax Credit (HSTC) redemptions/reimbursements for all taxes through July were \$8,652 compared to \$333,883 reimbursed in FY 2019 through July, a decrease of 97.4 percent. Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

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

Tax Type	Year-to-Date		Monthly	
	FY 2020	FY 2019	July 2019	July 2018
Personal Income	\$ 8,652	\$ 130,504	\$ 8,652	\$ 130,504
Business Corporation	0	0	0	0
Financial Institutions	0	0	0	0
Insurance/Non-HMOs	0	0	0	0
Insurance/HMOs	0	0	0	0
Non-Profit Refund	0	203,379	0	203,379
Total	\$ 8,652	\$ 333,883	\$ 8,652	\$ 333,883

Personal Income Tax Cash Collections by Component

The table below is based on data provided by the Division of Taxation and breaks down personal income tax cash collections by component on a fiscal year-to-date 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. Please see the cash flow differences table below for information on cash flow anomalies between year-to-date FY 2020 and year-to-date FY 2019.

Fiscal Year-to-Date through July:

Component	FY 2020	FY 2019	Difference	% Change
Estimated Payments	\$ 5,515,900	\$ 4,009,350	\$ 1,506,550	37.6 %
Final Payments *	5,510,857	3,680,496	1,830,361	49.7 %
Refunds/Adjustments	(12,845,102)	(7,718,400)	(5,126,701)	66.4 %
Withholding Tax Payments	97,724,794	95,100,413	2,624,381	2.8 %
* Includes HSTC reimbursements of \$8,652 in FY 2020 YTD and \$130,504 in FY 2019 YTD.				

Cash Flow Differences:

FY 2020

- Refunds and adjustments include \$519,000 for a transfer from personal income tax to business corporation tax to correct for payment(s) received in March 2017.

Month of July:

Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

Sales and Use Tax Cash Collections by Component

The table below is based on data provided by the Division of Taxation and breaks down sales and use tax cash collections by component on a fiscal year-to-date 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 July:

Component	FY 2020	FY 2019	Difference	% Change
Net Taxation *	\$ 94,765,291	\$ 91,867,773	\$ 2,897,518	3.2 %
Providence Place Mall *	1,074,046	1,045,786	28,260	2.7 %
Total Non-Motor Vehicle (MV)	\$ 95,839,337	\$ 92,913,559	\$ 2,925,778	3.1 %
Meals and Beverage (M&B)	20,813,482	18,896,369	1,917,113	10.1 %
Total Non-MV Less M&B	\$ 75,025,855	\$ 74,017,190	\$ 1,008,665	1.4 %
Motor Vehicle Use Tax Receipts	\$ 9,182,463	\$ 8,451,550	\$ 730,914	8.6 %
* FY 2019 Net Taxation receipts do not include \$89,138 of receipts that were incorrectly paid as Providence Place Mall receipts.				

Month of July:

Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

Business Corporation Tax Cash Collections by Component:

Businesses with Rhode Island tax liabilities make estimated payments equal to 25 percent of their expected tax year liabilities in April, June, September, and December.

The table below is based on data provided by the Division of Taxation and breaks down business corporation tax cash collections by component on a fiscal year-to-date 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. Please see the

cash flow differences table below for information on cash flow anomalies between year-to-date FY 2020 and year-to-date FY 2019.

Fiscal Year-to-Date through July:

Component	FY 2020	FY 2019	Difference	% Change
Estimated Payments	\$ 7,855,818	\$ 4,077,732	\$ 3,778,086	92.7 %
Final Payments	3,246,833	2,743,101	503,732	18.4 %
Refunds/Adjustments	(4,052,537)	(639,852)	(3,412,685)	533.4 %

Cash Flow Differences:

FY 2020

- Refunds and adjustments include \$519,000 for a transfer from personal income tax to business corporation tax to correct for payment(s) received in March 2017.

Month of July:

Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

General Business Taxes Other than Business Corporation Tax

July	FY 2020	FY 2019	Difference	% Change
Fiscal YTD	\$ 3,995,733	\$ 3,325,599	\$ 670,134	20.2 %
Month	\$ 3,995,733	\$ 3,325,599	\$ 670,134	20.2 %

Businesses with Rhode Island tax liabilities make estimated payments equal to 25 percent of their expected tax year liabilities by the 15th day of the fourth, sixth, ninth, and twelfth months of their tax year. For calendar tax year corporations, this equates to April, June, September, and December. There is one exception to this payment pattern, namely the health care provider assessment, payments of which are made on a monthly basis. As a result, health care provider assessments flow more evenly into the general fund over the course of a fiscal year. Please see the cash flow differences table below for information on cash flow anomalies between year-to-date FY 2020 and year-to-date FY 2019.

Fiscal Year-to-Date through July:

General business taxes other than business corporation tax collected through July of FY 2020 increased by 20.2 percent over general business taxes other than business corporation tax collected through July of FY 2019. FY 2020 general business taxes other than business corporation tax collected through July were \$4.0 million compared to \$3.3 million collected for the same period in FY 2019, an increase of \$670,134.

Public utilities gross earnings tax cash collections of \$587,582 were \$199,717, or 51.5 percent, more than the \$387,865 collected in FY 2019 through July. Financial institutions tax cash collections were \$133,413 in year-to-date FY 2020 compared to no cash collections in year-to-date FY 2019. Insurance company gross premiums tax net cash collections of \$(724,848) were \$71,288 more than the net \$(796,136) received on a year-to-date basis in FY 2019, a difference of -9.0 percent. Bank deposits tax cash collections were \$262,380 in year-to-date FY 2020 compared to no cash collections in year-to-date FY 2019.

FY 2020 year-to-date through July health care provider assessment cash collections did not show a significant difference on a year-to-date over year-to-date basis.

Cash Flow Differences:

FY 2020

- Bank deposits tax cash collections include \$262,500 in late payment(s) received in July 2019 but accrued back to FY 2019.

Month of July:

Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

Excise Taxes Other Than the Sales and Use Tax

July	FY 2020	FY 2019	Difference	% Change
Fiscal YTD	\$ 15,174,417	\$ 14,779,912	\$ 394,505	2.7 %
Month	\$ 15,174,417	\$ 14,779,912	\$ 394,505	2.7 %

Fiscal Year-to-Date through July:

Excise taxes other than sales and use taxes collected in FY 2020 through July increased by 2.7 percent over excise taxes other than sales and use taxes collected through July of FY 2019. FY 2020 excise taxes other than sales and use taxes collected through July were \$15.2 million compared to the \$14.8 million collected for the same period last fiscal year, an increase of \$394,505.

Motor vehicle license and registration fees were \$196,375 in FY 2020 through July, which is \$104,863, or 114.6 percent, more than motor vehicle license and registration fees in FY 2019 through July of \$91,512. Except for adjustments, motor vehicle license and registration fees in FY 2020 year-to-date include only duplicate license and license update fees.

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 and other tobacco products (OTP) excise tax

cash receipts through July of FY 2020 were \$13.1 million, up \$579,742 compared to the \$12.5 million collected for the same period last fiscal year, an increase of 4.6 percent. Included in year-to-date FY 2020 cigarette and OTP excise tax cash collections is \$3,684 in cigarette floor stock receipts and \$867,674 of OTP taxes. In year-to-date FY 2019, these amounts were \$21,411 and \$799,931, respectively.

Finally, the change in Rhode Island cigarette sales is determined. Cigarette floor stock tax, OTP tax cash collections, and Tax Amnesty receipts are netted out of the cigarettes tax cash receipts data, yielding only cigarette excise tax cash collections. Through July of FY 2020, Rhode Island cigarette sales increased 4.5 percent compared to the same period last fiscal year.

Alcohol excise tax cash collections in FY 2020 through July decreased \$289,600, or 13.5 percent, from collections in FY 2019 through July.

Cash Flow Differences:

FY 2020

- Motor vehicle license and registration fees include \$94,500 from a June 2019 receivable that will be transferred to the Rhode Island Highway Maintenance Account (RIHMA) in August 2019.

FY 2019

- Motor vehicle license and registration fees include a net \$11,522 in FY 2019 year-to-date due to anomalies in the posting of funds in July 2018. This figure is the difference of the following two items:
 - \$91,512 is included in the motor vehicle license and registration fees cash collections from a June 2018 receivable. The portion of the receivable due to RIHMA was transferred in September 2018, at the final enacted rate of 60.0 percent of FY 2018 motor vehicle license and registration fees, leaving \$36,568 due to the general fund at that time;
 - Not included is \$79,990 in duplicate license and license update fees, which were transferred to RIHMA in July 2018 in error. This was corrected for in September 2018.

Month of July:

Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

Other Taxes

July	FY 2020	FY 2019	Difference	% Change
Fiscal YTD	\$ 4,057,694	\$ 3,626,729	\$ 430,965	11.9 %
Month	\$ 4,057,694	\$ 3,626,729	\$ 430,965	11.9 %

Fiscal Year-to-Date through July:

Other taxes collected in FY 2020 through July increased 11.9 percent over other taxes collected through July of FY 2019. FY 2020 other taxes collected through July were \$4.1 million compared to the \$3.6 million collected in the same period last fiscal year, an increase of \$430,965. FY 2020 estate and transfer taxes collected through July were \$2.3 million, up \$106,222 compared to the same period in FY 2019, an increase of 4.9 percent. FY 2020 realty transfer taxes collected through July were \$1.7 million, up \$325,473, or 23.9 percent, compared to the same period last fiscal year.

Cash Flow Differences:

FY 2020

- Included in realty transfer tax cash collections is the transfer to the Housing Resources Commission (HRC) of \$424,131 based on activity in July 2019 that was completed in August 2019.

FY 2019

- Included in realty transfer tax cash collections is a net \$27,941 for the transfer to HRC. This figure is the difference of the following items:
 - \$335,862 was transferred to HRC in July 2018 for realty transfer tax activity that occurred in June 2018;
 - \$307,922 was transferred to HRC in August 2018 for realty transfer tax activity that occurred in July 2018.

Month of July:

Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

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. *For all accounts noted by an asterisk (*), please see the departmental receipts fiscal year-to-date cash flow differences section for more information on cash flow anomalies between the two fiscal periods.*

Fiscal Year-to-Date through July:

As is apparent from the *State of Rhode Island Monthly Cash Collections: July 2019 and Fiscal Year-to-Date* table, total departmental receipts in FY 2020 through July decreased by 2.3 percent compared to total departmental receipts in FY 2019 through July. Fiscal year-to-date total departmental receipts collected in FY 2020 were \$178.8 million compared to \$183.0 million collected for the same period last year, a decrease of \$4.2 million.

The *licenses and fees* category of departmental receipts through July of FY 2020 was down \$3.2 million, or 1.8 percent, from the \$179.2 million collected through July of FY 2019. The three accounts with the largest nominal increases / decreases greater than \$100,000 in year-to-date FY 2020 versus year-to-date FY 2019 are listed below:

Licenses and Fees	Nominal Increase / Decrease
Insurance claim adjusters license fees	\$ 422,110
Recreation activities fund – Parks and Recreation	411,727
Beach parking fees *	289,571
Hospital licensing fee *	(2,743,849)
Expense recovery account – Public Utilities	(1,791,828)
Fire safety fees	(368,530)

Cash Flow Differences:

FY 2020

- In licenses and fees, cash collections from the hospital licensing fee were \$2.7 million less in year-to-date FY 2020 compared to year-to-date FY 2019. In general, the prior fiscal year hospital licensing fee is received in July of the current year. The Memorial Hospital closed in FY 2018, and, as a result, no hospital licensing fee payment was received for FY 2019 from that hospital. The FY 2018 hospital license fee, received in July 2018, was assessed at the rate of 5.856% on hospital fiscal year 2016 net patient revenues. The FY 2019 hospital licensing fee, received in July 2019, was assessed at 6.000% on hospital fiscal year 2017 net patient revenues.
- FY 2020 license and fees cash collections include \$514,668 in late beach parking fee payments that were paid in July 2019 but accrued back to FY 2019.

The *finer and penalties* category of departmental receipts through July of FY 2020 was up \$52,195, or 5.6 percent, over the \$928,356 collected through July of FY 2019. In the fines and penalties category, no accounts had nominal increases / decreases greater than \$100,000 in year-to-date FY 2020 compared to year-to-date FY 2019.

The *sales and services* category of departmental receipts through July of FY 2020 was down \$40,067 from the \$694,152 collected through July of FY 2019, a decrease of 5.8 percent. No sales and services accounts had nominal increases / decreases greater than \$100,000 on a fiscal year-to-date over fiscal year-to-date basis.

Miscellaneous departmental receipts through July of FY 2020 were down \$1.1 million, or 49.8 percent, from the \$2.1 million collected through July of FY 2019. No miscellaneous departmental receipts accounts had a nominal increase greater than \$100,000 for year-to-date FY 2020 versus year-to-date FY 2019. The three accounts with nominal decreases greater than \$100,000 for year-to-date FY 2020 versus year-to-date FY 2019 are listed below:

Miscellaneous Departmental Receipts	Nominal Decrease
Miscellaneous revenues – Office of the Attorney General	\$ (798,023)
Insurance examination fees	(162,157)
Cost recovery account – Department of Health	(153,760)

Month of July:

Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

Motor Fuel Tax, Per Penny Yield

July	FY 2020	FY 2019	Difference	% Change
Fiscal YTD	\$ 366,476	\$ 391,870	\$ (25,394)	-6.5 %
Month	\$ 366,476	\$ 391,870	\$ (25,394)	-6.5 %

In FY 2019, the State’s motor fuel tax consisted 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. The State’s motor fuel excise tax rate increased to \$0.34 per gallon on July 1, 2019. The increased revenues from this tax rate increase will be realized in August 2019 and thereafter. This change in the tax rate is accounted for in the use of the per penny yield. 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 July:

The per penny yield of the state’s motor fuel tax collected in FY 2020 through July was \$25,394 less than in FY 2019 through July. This represents a decrease of 6.5 percent between the two fiscal year-to-date periods. For FY 2020 through July, the per-penny yield was \$366,476 versus \$391,870 for FY 2019 through July.

Month of July:

Given that July is the first month of the fiscal year there are no differences between fiscal year-to-date and monthly cash collections.

Lottery Transfer Cash Collections by Component

The lottery transfer to the general fund does not typically commence until August of each fiscal year when July lottery receipts are transferred. In FY 2019, however, advanced transfers were made in July.

Cash Flow Differences:

FY 2019

- The Division of Lottery transferred \$31.0 million in July 2018. These funds would normally have been included in the amount transferred in August 2018.



Mark A. Furcolo, Director
Rhode Island Department of Revenue
August 23, 2019