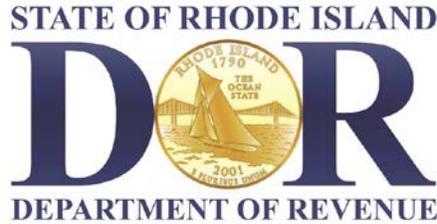


STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
GOVERNOR GINA M. RAIMONDO



Office of Revenue Analysis

FY 2020 Cash Collections Report as of August 2019 Summary

Fiscal Year-to-Date through August:

FY 2020 total general revenue cash collections through August were \$688.4 million, down \$19.8 million, or 2.8 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	\$ 191,730,231	\$ 187,415,956	\$ 4,314,275	2.3 %
Sales and Use Taxes	214,643,054	201,647,709	12,995,345	6.4 %
Departmental Receipts	194,411,284	196,820,548	(2,409,264)	-1.2 %
Lottery Transfer	30,793,748	64,100,000	(33,306,252)	-52.0 %
All Other Revenues	56,840,474	58,190,391	(1,349,917)	-2.3 %
Total General Revenues	\$ 688,418,791	\$ 708,174,604	\$ (19,755,813)	-2.8%

Month of August:

August 2019 total general revenue cash collections were \$278.4 million, up \$8.5 million, or 3.2 percent, from August 2018. The breakdown by major revenue components is as follows:

Component	August 2019	August 2018	Difference	% Change
Personal Income Tax	\$ 95,823,781	\$ 92,344,097	\$3,479,684	3.8 %
Sales and Use Taxes	109,602,531	100,346,621	9,255,910	9.2 %
Departmental Receipts	15,649,457	13,833,002	1,816,455	13.1 %
Lottery Transfer	30,793,748	33,100,000	(2,306,252)	-7.0 %
All Other Revenues	26,539,978	30,267,060	(3,727,082)	-12.3 %
Total General Revenues	\$ 278,409,495	\$ 269,890,780	\$ 8,518,715	3.2 %

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Fiscal Year To Date

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	FY 2020 YTD August		FY 2019 YTD August	Nominal Difference	Change
<u>Personal Income Tax</u>	\$ 191,730,231		\$ 187,415,956	\$ 4,314,275	2.3%
<u>General Business Taxes</u>					
Business Corporation	11,842,483		8,294,478	3,548,005	42.8%
Public Utilities Gross Earnings	556,944		578,755	(21,811)	-3.8%
Financial Institutions	163,285		881,568	(718,283)	-81.5%
Insurance Companies	316,798		31,358	285,440	910.3%
Bank Deposits	286,382		(11,602)	297,984	-2,568.4%
Health Care Provider Assessment	7,392,502		7,719,192	(326,690)	-4.2%
<u>Excise Taxes</u>					
Sales and Use	214,643,054		201,647,709	12,995,345	6.4%
Motor Vehicle	210,625		91,041	119,584	131.4%
Cigarettes	25,950,117		26,541,731	(591,614)	-2.2%
Alcohol	3,349,382		3,692,770	(343,388)	-9.3%
Controlled Substances	500		1,000	(500)	-50.0%
<u>Other Taxes</u>					
Estate and Transfer	3,345,382		4,265,859	(920,477)	-21.6%
Racing and Athletics	208,446		185,759	22,687	12.2%
Realty Transfer	3,186,181		5,917,433	(2,731,252)	-46.2%
Total Taxes	\$ 463,182,312		\$ 447,253,007	\$ 15,929,305	3.6%
<u>Departmental Receipts</u>					
Licenses and Fees	\$ 187,021,664		\$ 188,354,604	\$ (1,332,940)	-0.7%
Fines and Penalties	1,979,777		1,955,107	24,670	1.3%
Sales and Services	1,745,289		1,446,591	298,698	20.6%
Miscellaneous	3,664,554		5,064,246	(1,399,692)	-27.6%
Total Departmental Receipts	\$ 194,411,284		\$ 196,820,548	\$ (2,409,264)	-1.2%
Taxes and Departmentals	\$ 657,593,596		\$ 644,073,555	\$ 13,520,041	2.1%
<u>Other General Revenue Sources</u>					
Other Miscellaneous Revenues	\$ 31,447		\$ 1,049	\$ 30,398	2,897.8%
Lottery Transfer	30,793,748		64,100,000	(33,306,252)	-52.0%
Unclaimed Property	-		-	-	-
Total Other Sources	\$ 30,825,195		\$ 64,101,049	\$ (33,275,854)	-51.9%
Total General Revenues	\$ 688,418,791		\$ 708,174,604	\$ (19,755,813)	-2.8%

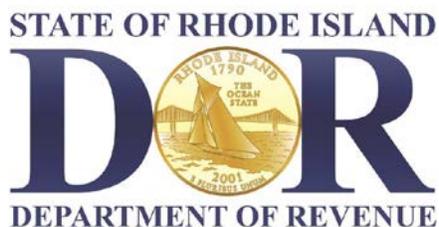
STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS

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Month of August

	FY 2020 Month of August	FY 2019 Month of August	Nominal Difference	% Change
<u>Personal Income Tax</u>	\$ 95,823,781	\$ 92,344,097	\$ 3,479,684	3.8%
<u>General Business Taxes</u>				
Business Corporation	4,785,809	2,103,995	2,681,814	127.5%
Public Utilities Gross Earnings	(30,638)	190,890	(221,528)	-116.0%
Financial Institutions	29,872	881,568	(851,696)	-96.6%
Insurance Companies	1,041,646	827,494	214,152	25.9%
Bank Deposits	24,002	(11,602)	35,604	-306.9%
Health Care Provider Assessment	3,655,296	3,985,322	(330,026)	-8.3%
<u>Excise Taxes</u>				
Sales and Use	109,602,531	100,346,621	9,255,910	9.2%
Motor Vehicle	14,250	(471)	14,721	-3,125.5%
Cigarettes	12,828,671	14,000,027	(1,171,356)	-8.4%
Alcohol	1,492,786	1,546,574	(53,788)	-3.5%
Controlled Substances	500	500	-	0.0%
<u>Other Taxes</u>				
Estate and Transfer	1,067,042	2,093,741	(1,026,699)	-49.0%
Racing and Athletics	114,852	91,435	23,417	25.6%
Realty Transfer	1,500,421	4,557,146	(3,056,725)	-67.1%
Total Taxes	\$ 231,950,821	\$ 222,957,337	\$ 8,993,484	4.0%
<u>Departmental Receipts</u>				
Licenses and Fees	\$ 10,959,410	\$ 9,113,019	\$ 1,846,391	20.3%
Fines and Penalties	999,226	1,026,751	(27,525)	-2.7%
Sales and Services	1,091,204	752,439	338,765	45.0%
Miscellaneous	2,599,617	2,940,793	(341,176)	-11.6%
Total Departmental Receipts	\$ 15,649,457	\$ 13,833,002	\$ 1,816,455	13.1%
Taxes and Departmentals	\$ 247,600,278	\$ 236,790,339	\$ 10,809,939	4.6%
<u>Other General Revenue Sources</u>				
Other Miscellaneous Revenues	\$ 15,469	\$ 441	\$ 15,028	3,407.7%
Lottery Transfer	30,793,748	33,100,000	(2,306,252)	-7.0%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 30,809,217	\$ 33,100,441	\$ (2,291,224)	-6.9%
Total General Revenues	\$ 278,409,495	\$ 269,890,780	\$ 8,518,715	3.2%

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



Office of Revenue Analysis

FY 2020 State of Rhode Island Cash Collections Report
August 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 August:

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

Page Number	Revenue Source	Cash Flow Differences	YTD FY 2020	YTD FY 2019
<u>8</u>	Personal Income Tax	FY 2020 correction for prior period payment(s) transferred to bus corp tax	\$(519,000)	\$0
<u>9</u>	Business Corp Tax	FY 2020 correction for prior period payment(s) transferred from per inc tax	\$519,000	\$0
<u>9</u>	Business Corp Tax	FY 2019 correction for Jan 18 payment(s) transferred to financial inst tax	\$0	\$(800,000)
<u>11</u>	Financial Inst Tax	FY 2019 correction for Jan 18 payment(s) transferred from bus corp tax	\$0	\$800,000
<u>11</u>	Bank Deposits Tax	Late payment(s) received in July 2019 and accrued to FY 2019	\$262,500	\$0
<u>12</u>	MV License & Reg Fees	Difference between a Jun 2018 receivable & errors in the RIHMA transfer	\$0	\$(82,528)
<u>14 / 14</u>	Realty Transfer Tax	Transfer to the Housing Resources Commission	\$490,702	\$633,181
<u>14</u>	Realty Transfer Tax	Large, infrequent controlling interest payment(s) received in Aug 2018		\$2,982,227
<u>16</u>	Departmental Receipts	Hospital licensing fee incr. from 5.856% to 6.000% and advance base *	\$(2,743,849)	\$0
<u>16</u>	Departmental Receipts	Late beach parking fee payment accrued to FY 2019	\$514,668	\$0
<u>16</u>	Departmental Receipts	Payment made to Providence in Aug 2018 that accrued to FY 2018	\$0	\$(537,270)

Page Number	Revenue Source	Cash Flow Differences	YTD FY 2020	YTD FY 2019
16 / 17	Departmental Receipts	Posting of cash received in Jul and Aug 2018 in Sep 2018	\$0	\$(2,090,766)
20	Lottery Transfer	Advanced payment	\$0	\$33,100,000
20	Lottery Transfer	Reduced transfer to offset payable owed by the general fund to Lottery	\$0	\$(784,726)
* Memorial Hospital was closed in FY 2018, and, as a result, no hospital licensing fee payment was received for FY 2019.				

Month of August:

The following table displays the differences in cash flows for August 2019 and August 2018:

Page Number	Revenue Source	Cash Flow Differences	August 2019	August 2018
10	Business Corp Tax	Aug 2018 correction for Jan 18 payment(s) transferred to financial inst tax	\$0	\$(800,000)
11	Financial Inst Tax	Aug 2018 correction for Jan 18 payment(s) transferred from bus corp tax	\$0	\$800,000
13 / 13	MV License & Reg Fees	Error in the RIHMA transfer	\$(94,500)	\$(94,050)
14 / 15	Realty Transfer Tax	Transfer to the Housing Resources Commission	\$66,571	\$661,122
15	Realty Transfer Tax	Large, infrequent controlling interest payment(s) received in Aug 2018	\$0	\$2,982,227
17	Departmental Receipts	Late payment for recreation activities fund that was posted in Aug 2018	\$0	\$211,350
17	Departmental Receipts	Payment made to Providence in Aug 2018 that accrued to FY 2018	\$0	\$(537,270)
17 / 18	Departmental Receipts	Posting of cash received in Aug 2018 in Sep 2018	\$0	\$(1,578,003)
20	Lottery Transfer	Net advanced payments	\$0	\$1,315,274

Historic Structures Tax Credit Reimbursements:

FY 2020 total Historic Structures Tax Credit (HSTC) redemptions/reimbursements for all taxes through August were \$8,652 compared to \$344,883 reimbursed in FY 2019 through August, a decrease of 97.5 percent. August 2019 had no HSTC redemptions/reimbursements compared to \$11,000 reimbursed in August 2018.

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	August 2019	August 2018
Personal Income	\$ 8,652	\$ 141,504	\$ 0	\$ 11,000
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	0
Total	\$ 8,652	\$ 344,883	\$ 0	\$ 11,000

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 August:

Component	FY 2020	FY 2019	Difference	% Change
Estimated Payments	\$ 10,418,771	\$ 8,919,442	\$ 1,499,329	16.8 %
Final Payments *	9,767,631	7,191,655	2,575,977	35.8 %
Refunds/Adjustments	(18,831,892)	(13,357,932)	(5,473,960)	41.0 %
Withholding Tax Payments	190,375,720	184,662,792	5,712,929	3.1 %
* Includes HSTC reimbursements of \$8,652 in FY 2020 YTD and \$141,504 in FY 2019 YTD.				

Cash Flow Differences:

FY 2020

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

Month of August:

Component	August 2019	August 2018	Difference	% Change
Estimated Payments	\$ 4,902,870	\$ 4,910,092	\$ (7,221)	-0.1 %
Final Payments *	4,256,774	3,511,158	745,616	21.2 %
Refunds/Adjustments	(5,986,790)	(5,639,532)	(347,258)	6.2 %
Withholding Tax Payments	92,650,926	89,562,378	3,088,548	3.4 %
* Includes HSTC reimbursements of \$11,000 in August 2018.				

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 August:

Component	FY 2020	FY 2019	Difference	% Change
Net Taxation *	\$ 191,800,408	\$ 179,734,770	\$ 12,065,639	6.7 %
Providence Place Mall *	2,048,314	2,432,525	(384,212)	-15.8 %
Total Non-Motor Vehicle (MV)	\$ 193,848,722	\$ 182,167,295	\$ 11,681,427	6.4 %
Meals and Beverage (M&B)	41,838,669	39,418,533	2,420,136	6.1 %
Total Non-MV Less M&B	\$ 152,010,053	\$ 142,748,762	\$ 9,261,291	6.5 %
Motor Vehicle Use Tax Receipts	\$ 20,769,156	\$ 19,479,750	\$ 1,289,406	6.6 %
* FY 2019 Net Taxation receipts do not include \$345,781 of receipts that were incorrectly paid as Providence Place Mall receipts.				

Month of August:

Component	August 2019	August 2018	Difference	% Change
Net Taxation *	\$ 97,035,117	\$ 87,866,997	\$ 9,168,121	10.4 %
Providence Place Mall *	974,267	1,386,739	(412,472)	-29.7 %
Total Non-Motor Vehicle (MV)	\$ 98,009,385	\$ 89,253,736	\$ 8,755,649	9.8 %
Meals and Beverage (M&B)	21,025,187	20,522,165	503,022	2.5 %
Total Non-MV Less M&B	\$ 76,984,198	\$ 68,731,571	\$ 8,252,626	12.0 %
Motor Vehicle Use Tax Receipts	\$ 11,586,692	\$ 11,028,200	\$ 558,492	5.1 %
* FY 2019 Net Taxation receipts do not include \$256,643 of receipts that were incorrectly paid as Providence Place Mall receipts.				

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 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.

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 August:

Component	FY 2020	FY 2019	Difference	% Change
Estimated Payments	\$ 10,683,901	\$ 5,065,930	\$ 5,617,971	110.9 %
Final Payments	5,572,539	5,146,108	426,431	8.3 %
Refunds/Adjustments	(4,420,536)	(1,929,463)	(2,491,074)	129.1 %

Cash Flow Differences:**FY 2020**

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

FY 2019

- Refunds and adjustments include a transfer of \$800,000 to financial institutions tax for payment(s) received in January 2018.

Month of August:

Component	August 2019	August 2018	Difference	% Change
Estimated Payments	\$ 2,828,083	\$ 988,198	\$ 1,839,885	186.2 %
Final Payments	2,325,706	2,403,007	(77,301)	-3.2 %
Refunds/Adjustments	(367,999)	(1,289,610)	921,611	-71.5 %

Cash Flow Differences:

August 2018

- Refunds and adjustments include a transfer of \$800,000 to financial institutions tax for payment(s) received in January 2018.

General Business Taxes Other than Business Corporation Tax

August	FY 2020	FY 2019	Difference	% Change
Fiscal YTD	\$ 8,715,911	\$ 9,199,271	\$ (483,360)	-5.3 %
Month	\$ 4,720,178	\$ 5,873,672	\$ (1,153,494)	-19.6 %

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 August:

General business taxes other than business corporation tax collected through August of FY 2020 decreased by 5.3 percent from general business taxes other than business corporation tax collected through August of FY 2019. FY 2020 general business taxes other than business corporation tax collected through August were \$8.7 million compared to \$9.2 million collected for the same period in FY 2019, a decrease of \$483,360.

Public utilities gross earnings tax cash collections of \$556,944 were \$21,811, or 3.8 percent, less than the \$578,755 collected in FY 2019 through August. Financial institutions tax cash collections of \$163,285 in year-to-date FY 2020 were down \$718,283, or 81.5 percent, compared to the \$881,568 collected in year-to-date FY 2019. Insurance company gross premiums tax cash collections of \$316,798 were \$285,440 more than the \$31,358 received on a year-to-date basis in FY 2019, a difference of 910.3 percent. Bank deposits tax cash collections of \$286,382 in year-to-date FY 2020 were up \$297,984 compared to net \$(11,602) collected in year-to-date FY 2019.

FY 2020 year-to-date through August health care provider assessment cash collections of \$7.4 million were down \$326,690, or 4.2 percent, from the \$7.7 million received on a year-to-date basis in FY 2019.

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.

FY 2019

- Financial institutions tax cash collections include a transfer of \$800,000 from business corporation tax for payment(s) received in January 2018.

Month of August:

General business taxes other than business corporation tax collected in August 2019 decreased by 19.6 percent from general business taxes other than business corporation tax collected in August 2018. August 2019 general business taxes other than business corporation tax collected were \$4.7 million compared to \$5.9 million collected for the same period in FY 2019, a decrease of \$1.2 million.

Public utilities gross earnings net tax cash collections of \$(30,638) were \$221,528, or 116.0 percent, lower than the \$190,890 collected in August 2018. Financial institutions tax cash collections were \$29,872 in August 2019 compared to \$881,568 received in August 2018. Insurance company gross premiums tax cash collections of \$1.0 million were \$214,152 more than the \$827,494 received in August 2018, a difference of 25.9 percent. Bank deposits tax cash collections were \$24,002 in August 2019 compared to net cash collections of \$(11,602) in August 2018.

August 2019 health care provider assessment cash collections declined \$330,026, or 8.3 percent, on a year-over-year basis.

Cash Flow Differences:

August 2018

- Financial institutions tax cash collections include a transfer of \$800,000 from business corporation tax for payment(s) received in January 2018.

Excise Taxes Other Than the Sales and Use Tax

August	FY 2020	FY 2019	Difference	% Change
Fiscal YTD	\$ 29,510,624	\$ 30,326,542	\$ (815,918)	-2.7 %
Month	\$ 14,336,207	\$ 15,546,630	\$ (1,210,423)	-7.8 %

Fiscal Year-to-Date through August:

Excise taxes other than sales and use taxes collected in FY 2020 through August decreased by 2.7 percent from excise taxes other than sales and use taxes collected through August of FY 2019. FY 2020 excise taxes other than sales and use taxes collected through August were \$29.5 million compared to the \$30.3 million collected for the same period last fiscal year, a decrease of \$815,918.

Motor vehicle license and registration fees were \$210,625 in FY 2020 through August, which is \$119,584, or 131.4 percent, more than motor vehicle license and registration fees in FY 2019 through August of \$91,041. 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 August of FY 2020 were \$26.0 million, down \$591,614 compared to the \$26.5 million collected for the same period last fiscal year, a decrease of 2.2 percent. Included in year-to-date FY 2020 cigarette and OTP excise tax cash collections is \$6,855 in cigarette floor stock receipts and \$1.8 million of OTP taxes. In year-to-date FY 2019, these amounts were \$28,107 and \$1.6 million, 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 August of FY 2020, Rhode Island cigarette sales decreased 2.9 percent compared to the same period last fiscal year.

Alcohol excise tax cash collections in FY 2020 through August decreased \$343,388, or 9.3 percent, from collections in FY 2019 through August.

Cash Flow Differences:

FY 2019

- Motor vehicle license and registration fees include a net \$(82,528) in FY 2019 year-to-date due to anomalies in the posting of funds. 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 \$174,040 in duplicate license and license update fees, which were transferred to RIHMA in July and August 2018 in error. This was corrected for in September 2018.

Month of August:

Excise taxes other than sales and use taxes collected in August 2019 decreased by 7.8 percent over excise taxes other than sales and use taxes collected in August 2018. August 2019 excise taxes other than sales and use taxes collected were \$14.3 million compared to the \$15.5 million collected for the same period last fiscal year, a decrease of \$1.2 million.

Motor vehicle license and registration fees were \$14,250 in August 2019, which is \$14,721 more than motor vehicle license and registration fees in August 2018 of \$(471), or -3,125.5 percent. Except for adjustments, motor vehicle license and registration fees in August 2019 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 August 2019 were \$12.8 million, down \$1.2 million compared to the \$14.0 million collected for the same period last fiscal year, a decrease of 8.4 percent. Included in August 2019 cigarette and OTP excise tax cash collections were \$3,171 in cigarette floor stock receipts and \$900,006 of OTP taxes. In August 2018, these amounts were \$6,696 and \$819,190, 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. In August 2019, Rhode Island cigarette sales decreased 9.5 percent compared to the same period last fiscal year.

Alcohol excise tax cash collections in August 2019 decreased \$53,788, or 3.5 percent, from collections in August 2019.

Cash Flow Differences:**August 2019**

- Included in motor vehicle license and registration fees is a transfer of \$94,500 of funds designated for RIHMA that were accrued back to FY 2019.

August 2018

- Not included in motor vehicle license and registration fees is \$94,050 in duplicate license and license update fees, which were transferred to RIHMA in August 2018 in error. This was corrected for in September 2018.

Other Taxes

August	FY 2020	FY 2019	Difference	% Change
Fiscal YTD	\$ 6,740,010	\$ 10,369,051	\$ (3,629,041)	-35.0 %
Month	\$ 2,682,316	\$ 6,742,322	\$ (4,060,006)	-60.2 %

Fiscal Year-to-Date through August:

Other taxes collected in FY 2020 through August decreased 35.0 percent from other taxes collected through August of FY 2019. FY 2020 other taxes collected through August were \$6.7 million compared to the \$10.4 million collected in the same period last fiscal year, a decrease of \$3.6 million. FY 2020 estate and transfer taxes collected through August were \$3.3 million, down \$920,477 compared to the same period in FY 2019, a decrease of 21.6 percent. FY 2020 realty transfer taxes collected through August were \$3.2 million, down \$2.7 million, or 46.2 percent, compared to the same period last fiscal year.

Cash Flow Differences:

FY 2020

- Included in realty transfer tax cash collections is \$490,702 of funds designated for the Housing Resources Commission (HRC). This figure is the amount that will be transferred to HRC in September 2019 for realty transfer tax activity that occurred in August 2019.

FY 2019

- Included in realty transfer tax cash collections is \$633,181 of funds designated for HRC. This figure is the difference of the following items:
 - \$335,862 that was transferred to HRC in August 2018 for realty transfer tax activity that occurred in July 2018;
 - \$969,044 that was transferred to HRC in July 2018 for realty transfer tax activity that occurred in June 2018.
- FY 2019 year-to-date realty transfer tax cash collections include large, infrequently occurring controlling interest payment(s) of \$3.0 million. Of this \$3.0 million, \$1.8 million was transferred to the municipalit(ies) and to HRC in September 2018.

Month of August:

Other taxes collected in August 2019 decreased 60.2 percent from other taxes collected in August 2018. August 2019 other taxes collected were \$2.7 million compared to the \$6.7 million collected in the same period last fiscal year, a decrease of \$4.1 million. August 2019 estate and transfer taxes collected were \$1.1 million, down \$1.0 million compared to the same period in FY 2019, a decrease of 49.0 percent. Realty transfer taxes collected in August 2019 were \$1.5 million, down \$3.1 million, or 67.1 percent, compared to the same period last fiscal year.

Cash Flow Differences:

August 2019

- Included in realty transfer tax cash collections is \$66,571 of funds designated for the Housing Resources Commission (HRC). This figure is the difference of the following items:
 - \$424,131 that was transferred to HRC in August 2019 for realty transfer tax activity that occurred in July 2019;

- \$490,702 that will be transferred to HRC in September 2019 for realty transfer tax activity that occurred in August 2019.

August 2018

- Included in realty transfer tax cash collections is \$661,122 of funds designated for the Housing Resources Commission (HRC). This figure is the difference of the following items:
 - \$307,922 that was transferred to HRC in August 2018 for realty transfer tax activity that occurred in July 2018;
 - \$969,044 that was transferred to HRC in September 2018 for realty transfer tax activity that occurred in August 2018.
- Realty transfer tax cash collections include large, infrequently occurring controlling interest payment(s) of \$3.0 million. Of this \$3.0 million, \$1.8 million was transferred to the municipalit(ies) and to HRC in September 2018.

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 August:

As is apparent from the *State of Rhode Island Monthly Cash Collections: Fiscal Year-to-Date* table, total departmental receipts in FY 2020 through August decreased by 1.2 percent compared to total departmental receipts in FY 2019 through August. Fiscal year-to-date total departmental receipts collected in FY 2020 were \$194.4 million compared to \$196.8 million collected for the same period last year, a decrease of \$2.4 million.

The *licenses and fees* category of departmental receipts through August of FY 2020 was down \$1.3 million, or 0.7 percent, from the \$188.4 million collected through August 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 claims adjuster license fees *	\$ 1,270,205
Building permits – State properties	1,013,789
Insurance agents license fees *	660,760
Hospital licensing fee *	(2,743,849)
Expense recovery account – Public Utilities	(1,795,939)
Fire safety fees	(440,210)

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.

FY 2019

- Licenses and fees include a payment of \$537,270 to the City of Providence for the city's share of the Wexford Innovation Center building permit fees that was made in August 2018 but accrued back to FY 2018.
- Licenses and fees were \$2.0 million less in FY 2019 year-to-date due to late postings in September 2018 of cash payments received in July and August 2018. These payments included, but were not limited to, insurance agents license fees and insurance claims adjuster license fees.

The finer and penalties category of departmental receipts through August of FY 2020 was up \$24,670, or 1.3 percent, over the \$2.0 million collected through August 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 August of FY 2020 was up \$298,698 over the \$1.4 million collected through August of FY 2019, an increase of 20.6 percent. Only one sales and services account had a nominal increase greater than \$100,000 for year-to-date FY 2020 versus year-to-date FY 2019. Clinical testing was up \$218,933 on a fiscal year-to-date over fiscal year-to-date basis. No sales and services accounts had a nominal decrease greater than \$100,000 on a fiscal year-to-date over fiscal year-to-date basis.

Miscellaneous departmental receipts through August of FY 2020 were down \$1.4 million, or 27.6 percent, from the \$5.1 million collected through August of FY 2019. The one account that had a nominal increase and three accounts that had nominal decreases greater than \$100,000 on a fiscal year-to-date over fiscal year-to-date basis were:

Miscellaneous Departmental Receipts	Nominal Increase / Decrease
U.S. Marshall Service	\$ 101,952
Miscellaneous revenues – Office of the Attorney General	(798,000)
Central Falls Repayment	(600,000)
Miscellaneous refunds – Treasury Department	(145,794)

Cash Flow Differences:

FY 2019

- Miscellaneous departmental receipts were \$94,385 less in FY 2019 year-to-date due to late postings in September 2018 of cash payments received in July and August 2018.

Month of August:

As is apparent from the *State of Rhode Island Monthly Cash Collections: Month of August* table, total departmental receipts in August 2019 increased by 13.1 percent compared to total departmental receipts in August 2018. Total departmental receipts collected in August 2019 were \$15.6 million compared to \$13.8 million collected for the same period last year, an increase of \$1.8 million.

The *licenses and fees* category of departmental receipts in August 2019 was up \$1.8 million, or 20.3 percent, from the \$9.1 million collected in August 2018. The three accounts with the largest nominal increases and two accounts with nominal decreases greater than \$100,000 on a year-over-year basis are listed below:

Licenses and Fees	Nominal Increase / Decrease
Insurance claims adjuster license fees *	\$ 848,095
Building permits – State properties	817,202
Insurance agents license fees *	455,530
Registration fees for securities *	(393,020)
Recreations activities fund – Parks and Recreation	(135,679)

Cash Flow Differences:

August 2018

- Licenses and fees include a late payment of \$211,350 made by Parks and Recreation to the recreation activities fund that was posted in August 2018 but should have been posted in July 2018.
- Licenses and fees include a payment of \$537,270 to the City of Providence for the city's share of the Wexford Innovation Center building permit fees that was made in August 2018 but accrued back to FY 2018.
- Licenses and fees were \$1.4 million less in August 2018 due to late postings in September 2018 of cash payments received in August 2018. These payments included, but were not limited to, insurance agents license fees and insurance claims adjuster license fees.

The *finances and penalties* category of departmental receipts in August 2019 was down \$27,525, or 2.7 percent, from the \$1.0 million collected in August 2018. In the fines and penalties category, no accounts had nominal increases / decreases greater than \$100,000 on a year-over-year basis.

The *sales and services* category of departmental receipts in August 2019 was up \$338,765 over the \$752,439 collected in August 2018, an increase of 45.0 percent. Only one sales and services

account had a nominal increase greater than \$100,000 for year-to-date FY 2020 versus year-to-date FY 2019. Clinical testing was up \$282,653 in August 2019 compared to the same period in the previous fiscal year. No sales and services accounts had nominal decreases greater than \$100,000 on a year-over-year basis.

Miscellaneous departmental receipts in August 2019 were down \$341,176, or 11.6 percent, from the \$2.9 million collected in August 2018. The three accounts that had nominal increases greater than \$100,000 and the two accounts with nominal decreases greater than \$100,000 on a year-over-year basis are listed below:

Miscellaneous Departmental Receipts	Nominal Increase / Decrease
Insurance examination fees	\$ 130,806
Cost recovery account – Department of Health	112,091
U.S. Marshall Service	101,952
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Central Falls repayment	(600,000)
Miscellaneous refunds – Treasury Department	(169,509)

Cash Flow Differences:

August 2018

- Miscellaneous departmental receipts were \$210,163 less in August 2018 due to late postings in September 2018 of cash payments received in August 2018.

Motor Fuel Tax, Per Penny Yield

August	FY 2020	FY 2019	Difference	% Change
Fiscal YTD	\$ 775,165	\$ 794,875	\$ (19,710)	-2.5 %
Month	\$ 408,689	\$ 403,005	\$ 5,684	1.4 %

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 August:

The per penny yield of the state’s motor fuel tax collected in FY 2020 through August was \$19,710 less than in FY 2019 through August. This represents a decrease of 2.5 percent between the two fiscal year-to-date periods. For FY 2020 through August, the per-penny yield was \$775,165 versus \$794,875 for FY 2019 through August.

Month of August:

The per penny yield of the state's motor fuel tax collected in August 2019 was \$5,684 more than in August 2018. This represents an increase of 1.4 percent between the two monthly periods. For August 2019, the per-penny yield was \$408,689 versus \$403,005 for August 2018.

Lottery Transfer Cash Collections by Component

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

Fiscal Year-to-Date through August (Gaming Activity through July):

Component	FY 2020	FY 2019	Difference	% Change
Traditional Games	\$ 3,109,341	\$ 3,393,004	\$ (283,663)	-8.4 %
Keno	1,404,304	1,375,869	28,435	2.1 %
<u>Twin River Casino Hotel</u>				
VLTs	19,557,951	23,491,538	(3,933,587)	-16.7 %
Sports Betting *	313,318	0	313,318	n/a
Traditional Table Games	845,877	1,308,313	(462,436)	-35.3 %
Poker Tables	54,248	85,895	(31,647)	-36.8 %
<u>Newport Grand/Tiverton Casino Hotel ^</u>				
VLTs	5,121,496	2,547,670	2,573,826	101.0 %
Sports Betting *	100,901	0	100,901	n/a
Traditional Table Games	104,494	0	104,494	n/a
* Sports betting began on November 26, 2018 at the Twin River Casino Hotel and on December 3, 2018 at the Tiverton Casino Hotel.				
^ Newport Grand ceased operations on August 28, 2018, and Tiverton Casino Hotel commenced operations on August 29, 2018.				

In fiscal year-to-date 2020, Twin River operated a maximum of 102 traditional table games and 23 poker tables. In the same period in FY 2019, Twin River operated a maximum of 97 traditional table games and 22 poker tables. In fiscal year-to-date FY 2020, Tiverton Casino Hotel operated a maximum of 32 traditional table games. Twin River Casino Hotel operated 113 less VLTs in year-to-date FY 2020 compared to the same period last fiscal year. Tiverton Casino Hotel operated 96 less VLTs than Newport Grand on a fiscal year-to-date over fiscal year-to-date basis. Both Twin River Casino Hotel and Newport Grand/Tiverton Casino Hotel VLT cash collections do not reflect unclaimed prizes, distressed communities relief program

receipts, or the State's payment to either Newport Grand/Tiverton Casino Hotel's or Twin River Casino Hotel's marketing program.

Cash Flow Differences:

FY 2019

- The Division of Lottery transferred \$33.1 million to the general fund in August 2018. These funds normally would have been transferred in September 2018.
- In July 2018, the Division of Lottery advanced \$31,000,000 of the August 2018 lottery transfer to the general fund. The Division of Lottery determined that the actual total August 2018 lottery transfer was \$31,784,726, or a difference of \$784,726. At the end of FY 2018, the general fund owed the Division of Lottery \$1,480,823. In July 2018, the Division of Lottery advanced \$31,000,000 of the August 2018 lottery transfer to the general fund. The Division of Lottery withheld \$784,726 of the August lottery transfer to offset a portion of the general fund's outstanding payable.

Month of August:

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

Cash Flow Differences:

August 2018

- The August 2018 lottery transfer includes a net \$1,315,274 from an advanced payment and an adjustment in the lottery transfer for a FY 2018 payable. This figure is comprised of the following items:
 - Based on July 2018 lottery activity, the August 2018 lottery transfer should have been \$31,784,726. However, the Division of Lottery paid the general fund an advanced payment in July 2018 of \$31,000,000.
 - At the end of FY 2018, the general fund owed the Division of Lottery \$1,480,823. The Division of Lottery withheld the additional \$784,726 due to the general fund based on July 2018 lottery activity from the August lottery transfer to offset a portion of the general fund's outstanding payable.
 - Additionally, in August 2018, the Division of Lottery paid the general fund an advanced estimated payment of \$33,100,000 for August 2018 lottery activity that normally would have been paid in September 2018.



Mark A. Furcolo, Director
Rhode Island Department of Revenue
September 26, 2019