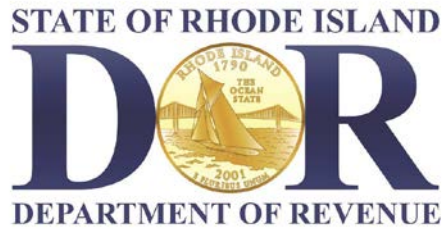


STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
GOVERNOR GINA M. RAIMONDO



Office of Revenue Analysis

FY 2020 Cash Collections Report as of February 2020 Summary

Fiscal Year-to-Date through February:

FY 2020 total general revenue cash collections through February were \$2.69 billion, up \$156.1 million, or 6.2%, over 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 | \$ 875,440,622 | \$ 840,697,995 | \$ 34,742,627 | 4.1 % |
| Sales and Use Taxes | 817,126,142 | 756,039,850 | 61,086,292 | 8.1 % |
| Departmental Receipts | 329,605,623 | 316,996,656 | 12,608,967 | 4.0 % |
| Lottery Transfer | 218,548,645 | 251,574,437 | (33,025,792) | -13.1 % |
| All Other Revenues | 447,643,377 | 366,923,696 | 80,719,681 | 22.0 % |
| Total General Revenues | \$ 2,688,364,409 | \$ 2,532,232,634 | \$ 156,131,775 | 6.2 % |

Month of February:

February 2020 total general revenue cash collections were \$180.0 million, up \$9.5 million, or 5.6%, over February 2019. The breakdown by major revenue components is as follows:

| Component | February 2020 | February 2019 | Difference | % Change |
|-------------------------------|-----------------------|-----------------------|---------------------|-----------------|
| Personal Income Tax | \$ 8,433,950 | \$ 18,607,528 | \$ (10,173,578) | -54.7 % |
| Sales and Use Taxes | 87,647,347 | 79,074,127 | 8,573,220 | 10.8 % |
| Departmental Receipts | 14,906,443 | 17,835,261 | (2,928,818) | -16.4 % |
| Lottery Transfer | 32,037,745 | 28,612,578 | 3,425,167 | 12.0 % |
| All Other Revenues | 36,985,240 | 26,382,736 | 10,602,504 | 40.2 % |
| Total General Revenues | \$ 180,010,725 | \$ 170,512,230 | \$ 9,498,495 | 5.6 % |

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Fiscal Year To Date

2

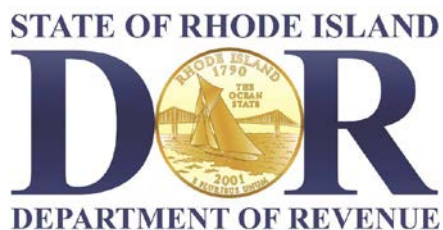
| | FY 2020 YTD February | FY 2019 YTD February | Nominal Difference | Change |
|---|----------------------------|----------------------------|------------------------|--------------|
| <u>Personal Income Tax</u> | \$ 875,440,622 | \$ 840,697,995 | \$ 34,742,627 | 4.1% |
| <u>General Business Taxes</u> | | | | |
| Business Corporation | 106,322,606 | 85,912,363 | 20,410,243 | 23.8% |
| Public Utilities Gross Earnings | 51,438,026 | 45,541,435 | 5,896,591 | 12.9% |
| Financial Institutions | 20,276,512 | 6,980,929 | 13,295,583 | 190.5% |
| Insurance Companies | 64,760,189 | 45,285,913 | 19,474,276 | 43.0% |
| Bank Deposits | 1,992,719 | 1,340,678 | 652,041 | 48.6% |
| Health Care Provider Assessment | 28,139,185 | 29,528,707 | (1,389,522) | -4.7% |
| <u>Excise Taxes</u> | | | | |
| Sales and Use | 817,126,142 | 756,039,850 | 61,086,292 | 8.1% |
| Motor Vehicle | 911,750 | 693,079 | 218,671 | 31.6% |
| Cigarettes | 91,177,829 | 94,262,962 | (3,085,133) | -3.3% |
| Alcohol | 13,439,510 | 14,014,345 | (574,835) | -4.1% |
| Controlled Substances | 3,000 | 4,000 | (1,000) | -25.0% |
| <u>Other Taxes</u> | | | | |
| Estate and Transfer | 47,753,347 | 30,857,381 | 16,895,966 | 54.8% |
| Racing and Athletics | 789,741 | 709,392 | 80,349 | 11.3% |
| Realty Transfer | 10,708,272 | 10,896,616 | (188,344) | -1.7% |
| Total Taxes | \$ 2,130,279,450 | \$ 1,962,765,645 | \$ 167,513,805 | 8.5% |
| <u>Departmental Receipts</u> | | | | |
| Licenses and Fees | \$ 270,458,247 | \$ 269,076,248 | \$ 1,381,999 | 0.5% |
| Fines and Penalties | 27,501,320 | 24,314,681 | 3,186,639 | 13.1% |
| Sales and Services | 7,364,757 | 6,660,711 | 704,046 | 10.6% |
| Miscellaneous | 24,281,299 | 16,945,016 | 7,336,283 | 43.3% |
| Total Departmental Receipts | \$ 329,605,623 | \$ 316,996,656 | \$ 12,608,967 | 4.0% |
| Taxes and Departmentals | \$ 2,459,885,073 | \$ 2,279,762,301 | \$ 180,122,772 | 7.9% |
| <u>Other General Revenue Sources</u> | | | | |
| Other Miscellaneous Revenues | \$ 9,930,691 | \$ 895,896 | \$ 9,034,795 | 1,008.5% |
| Lottery Transfer | 218,548,645 | 251,574,437 | (33,025,792) | -13.1% |
| Unclaimed Property | - | - | - | - |
| Total Other Sources | \$ 228,479,336 | \$ 252,470,333 | \$ (23,990,997) | -9.5% |
| Total General Revenues | \$ 2,688,364,409 | \$ 2,532,232,634 | \$ 156,131,775 | 6.2% |

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Month of February

3

| | FY 2020 Month of February | | FY 2019 Month of February | Nominal Difference | % Change |
|---|---------------------------------|--|---------------------------------|-----------------------|---------------|
| <u>Personal Income Tax</u> | \$ 8,433,950 | | \$ 18,607,528 | \$ (10,173,578) | -54.7% |
| <u>General Business Taxes</u> | | | | | |
| Business Corporation | 7,179,077 | | 5,856,774 | 1,322,303 | 22.6% |
| Public Utilities Gross Earnings | 142,201 | | 472,433 | (330,232) | -69.9% |
| Financial Institutions | 12,961,807 | | 709,929 | 12,251,878 | 1,725.8% |
| Insurance Companies | 1,319,876 | | 826,083 | 493,793 | 59.8% |
| Bank Deposits | - | | (31,715) | 31,715 | - |
| Health Care Provider Assessment | 3,781,049 | | 3,580,489 | 200,560 | 5.6% |
| <u>Excise Taxes</u> | | | | | |
| Sales and Use | 87,647,347 | | 79,074,127 | 8,573,220 | 10.8% |
| Motor Vehicle | 137,675 | | 74,000 | 63,675 | 86.0% |
| Cigarettes | 7,745,389 | | 8,654,905 | (909,516) | -10.5% |
| Alcohol | 1,464,211 | | 1,480,238 | (16,027) | -1.1% |
| Controlled Substances | - | | 1,000 | (1,000) | - |
| <u>Other Taxes</u> | | | | | |
| Estate and Transfer | 602,684 | | 3,687,411 | (3,084,727) | -83.7% |
| Racing and Athletics | 84,145 | | 89,914 | (5,769) | -6.4% |
| Realty Transfer | 1,161,992 | | 935,143 | 226,849 | 24.3% |
| Total Taxes | \$ 132,661,403 | | \$ 124,018,259 | \$ 8,643,144 | 7.0% |
| <u>Departmental Receipts</u> | | | | | |
| Licenses and Fees | \$ 9,998,408 | | \$ 13,410,156 | \$ (3,411,748) | -25.4% |
| Fines and Penalties | 1,627,541 | | 1,403,773 | 223,768 | 15.9% |
| Sales and Services | 669,377 | | 547,959 | 121,418 | 22.2% |
| Miscellaneous | 2,611,117 | | 2,473,373 | 137,744 | 5.6% |
| Total Departmental Receipts | \$ 14,906,443 | | \$ 17,835,261 | \$ (2,928,818) | -16.4% |
| Taxes and Departmentals | \$ 147,567,846 | | \$ 141,853,520 | \$ 5,714,326 | 4.0% |
| <u>Other General Revenue Sources</u> | | | | | |
| Other Miscellaneous Revenues | \$ 405,134 | | \$ 46,132 | \$ 359,002 | 778.2% |
| Lottery Transfer | 32,037,745 | | 28,612,578 | 3,425,167 | 12.0% |
| Unclaimed Property | - | | - | - | - |
| Total Other Sources | \$ 32,442,879 | | \$ 28,658,710 | \$ 3,784,169 | 13.2% |
| Total General Revenues | \$ 180,010,725 | | \$ 170,512,230 | \$ 9,498,495 | 5.6% |

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



Office of Revenue Analysis

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

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

| Page Number | Revenue Source | Cash Flow Differences | YTD FY 2020 | YTD FY 2019 |
|-------------------------|------------------------|--|------------------------|------------------------|
| 9 / 9 | Personal Income Tax | FY 2020 adj for prior period payments transferred from bus corp tax | \$4,146,628 | \$(3,027,918) |
| 9 / 9 | Personal Income Tax | FY 2020 adj for Jan 2019 payment(s) transferred from sales and use tax | \$112,500 | \$(112,500) |
| 9 | Personal Income Tax | FY 2019 adj for prior period payments transferred from bus corp tax | \$0 | \$3,486,675 |
| 10 | Personal Income Tax | Large withholding payment(s) | \$0 | \$5,772,127 |
| 12 / 13 | Business Corp Tax | FY 2020 adj for prior period payments transferred to per inc tax | \$(4,146,628) | \$3,027,918 |
| 13 | Business Corp Tax | Pass-through entity income tax payment(s) for shareholders | \$27,659,645 | \$0 |
| 13 | Business Corp Tax | FY 2019 adj for prior period payments transferred to per inc tax | \$0 | \$(3,486,675) |
| 13 | Business Corp Tax | FY 2019 adj for prior period payments transferred to fin inst tax | \$0 | \$(2,950,000) |
| 13 | Business Corp Tax | FY 2019 adj for prior period payment(s) transferred to ins gross prem tax | \$0 | \$(164,000) |
| 15 | Public Utilities | FY 2020 adj for prior period payment(s) transferred from sales and use tax | \$1,590,000 | \$0 |
| 15 | Financial Inst Tax | FY 2019 adj for prior period payments transferred from bus corp tax | \$0 | \$2,950,000 |
| 15 | Ins Gross Premiums Tax | FY 2019 adj for prior period payment(s) transferred from bus corp tax | \$0 | \$164,000 |
| 15 | Bank Deposits Tax | Late payment(s) received in July 2019 and accrued to FY 2019 | \$262,500 | \$0 |
| 11 | Sales and Use Tax | FY 2020 adj for prior period payment(s) transferred to public utilities | \$(1,590,000) | \$0 |

| Page Number | Revenue Source | Cash Flow Differences | YTD FY 2020 | YTD FY 2019 |
|--|-----------------------|---|------------------------|------------------------|
| 11 / 11 | Sales and Use Tax | FY 2020 adj for Jan 2019 payment(s) transferred to personal income tax | \$(112,500) | \$112,500 |
| 11 | Sales and Use Tax | Oct 2018 transfer(s) from meals and beverage tax due to prior period audits | \$0 | \$535,423 |
| 16 | MV License & Reg Fees | State's share of June 2018 receivable | \$0 | \$36,568 |
| 18 / 18 | Estate and Transfer | Large, infrequent payment(s) received in fiscal year-to-date | \$25,800,000 | \$5,085,000 |
| 18 / 18 | Realty Transfer Tax | Transfer to the Housing Resources Commission | \$418,418 | \$86,669 |
| 18 | Realty Transfer Tax | Large, infrequent controlling interest payment(s) | \$0 | \$1,166,958 |
| 19 | Departmental Receipts | Hospital licensing fee incr. from 5.856% to 6.000% and advance base * | \$1,946,748 | \$0 |
| 20 | Departmental Receipts | Late beach parking fee payment accrued to FY 2019 | \$514,668 | \$0 |
| 20 | Departmental Receipts | Transfer of E-911 receipts to restricted receipts | \$(2,279,776) | \$0 |
| 20 | Departmental Receipts | Payment made to Providence in Aug 2018 that accrued to FY 2018 | \$0 | \$(537,270) |
| 24 | Lottery Transfer | Payment of FY 2019 revenues in October 2019 | \$2,048,319 | \$0 |
| 24 | Lottery Transfer | Difference from lottery activity to payments to the general fund | \$0 | \$25,319,344 |
| * Memorial Hospital was closed in FY 2018, and, as a result, no hospital licensing fee payment was received for FY 2019. | | | | |

Month of February:

The following table displays the differences in cash flows for February 2020 and February 2019:

| Page Number | Revenue Source | Cash Flow Differences | February 2020 | February 2019 |
|--------------------|-----------------------|---|--------------------------|--------------------------|
| 10 | Personal Income Tax | Feb 2020 adj for June 2018 payment(s) transferred to bus corp tax | \$(550,000) | \$0 |
| 10 | Personal Income Tax | Feb 2020 adj for Jan 2019 payment(s) transferred from sales and use tax | \$112,500 | \$0 |
| 14 | Business Corp Tax | Feb 2020 adj for Jan 2019 payment(s) transferred from personal income tax | \$550,000 | \$0 |
| 14 | Business Corp Tax | Pass-through entity income tax payment(s) for shareholders | \$156,900 | \$0 |

| Page Number | Revenue Source | Cash Flow Differences | February 2020 | February 2019 |
|-------------------------|-----------------------|---|----------------------|----------------------|
| 12 | Sales and Use Tax | Feb 2020 adj for Jan 2019 payment(s) transferred to personal income tax | \$(112,500) | \$0 |
| 18 / 19 | Realty Transfer Tax | Transfer to the Housing Resources Commission | \$62,745 | \$113,832 |
| 21 | Departmental Receipts | Hospital licensing fee | \$0 | \$767,251 |
| 21 | Departmental Receipts | Transfer of E-911 receipts to restricted receipts | \$(1,228,798) | \$0 |
| 22 | Departmental Receipts | Late payment(s) to child support enforcement collections | \$0 | \$290,284 |
| 25 | Lottery Transfer | Difference from lottery activity to payments to the general fund | \$0 | \$(1,852,083) |

Historic Structures Tax Credit Reimbursements:

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 | % Change | February 2020 | February 2019 | % Change |
| Personal Income | \$ 6,721,422 | \$2,714,539 | 147.6% | \$ 17,397 | \$12,120 | 43.5% |
| Business Corporation | 150,000 | 16,357 | 817.0% | 150,000 | 0 | – |
| Financial Institutions | 10,000,000 | 0 | – | 10,000,000 | 0 | – |
| Insurance/Non-HMOs | 791,159 | 0 | – | 0 | 0 | – |
| Insurance/HMOs | 2,370,107 | 0 | – | 0 | 0 | – |
| Non-Profit Refund | 3,257,801 | 203,379 | 1,501.8% | 3,257,801 | 0 | – |
| Total | \$23,290,489 | \$2,934,275 | 693.7% | \$13,425,198 | \$12,120 | 110,669.0% |

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 February:

| Component | FY 2020 | FY 2019 | Difference | % Change |
|-----------------------------------|----------------|----------------|---------------|----------|
| Estimated Payments [^] † | \$ 158,603,843 | \$ 139,574,764 | \$ 19,029,079 | 13.6 % |
| Final Payments * | 58,317,310 | 45,752,901 | 12,564,409 | 27.5 % |
| Refunds/Adjustments † | (169,069,724) | (147,745,478) | (21,324,247) | 14.4 % |
| Withholding Tax Payments † | 827,589,193 | 803,115,807 | 24,473,386 | 3.0 % |

[^] Estimated payments do not include payments of \$1.1 million received in September and October 2019 that were paid to business corporation tax. The FY 2020 YTD adjustments for these payment(s) is included in refunds/adjustments.

* Includes HSTC reimbursements of \$6.7 million in FY 2020 YTD and \$2.7 million in FY 2019 YTD. Final payments do not include payment(s) of \$154,531 received in September 2019 that were paid to business corporation tax. The October 2019 adjustments for these payment(s) is included in refunds/adjustments.

† Withholding payments include an adjustment of \$(1.3 million) to reclassify payments made in September 2018 and January 2019 to estimated payments. Refunds and adjustments include the offsetting adjustment of \$1.3 million.

For the January through February 2020 period, 152,867 income tax refunds were paid for TY 2019 at an average of \$676.04. For the same period in the prior year, 144,303 income tax refunds were paid for TY 2018 at an average of \$639.55.

Cash Flow Differences:

FY 2020

- Refunds and adjustments include \$4.1 million for net transfers between personal income tax and business corporation tax for payment(s) received in prior periods as listed below:
 - \$(519,000) for July 2019 transfer(s) to business corporation tax for payment(s) received in March 2017;
 - \$270,000 for September 2019 transfer(s) from business corporation tax for payment(s) received in March 2018;
 - \$2.9 million for October 2019 transfer(s) from business corporation tax for payment(s) received in January 2019;
 - \$1.9 million for November 2019 transfers from business corporation tax for payments received in prior periods;
 - \$137,610 for December 2019 transfer(s) from business corporation tax for payment(s) received in March 2019.
 - \$(550,000) for January 2020 transfers to business corporation tax from personal income tax for payment(s) received in June 2018.
- Refunds and adjustments include an adjustment of \$112,500 for a transfer from sales and use tax for payment(s) received in January 2019.

FY 2019

- Year-to-date FY 2019 estimated payments do not include \$3.0 million in payments incorrectly paid to business corporation tax instead of personal income tax as listed below:
 - \$2.9 million was not included in January 2019 estimated payments but was transferred from business corporation tax in October 2019;
 - \$140,000 was not included in December 2018 estimated payments but was transferred from business corporation tax in November 2019.
- Refunds and adjustments do not include \$112,500 in payment(s) incorrectly paid in sales and use tax instead of personal income tax in January 2019.
- Refunds and adjustments include \$3.5 million for net transfers between personal income tax and business corporation tax for payment(s) received in prior periods as listed below:
 - \$288,275 for payments received in September 2017 and March 2018 and transferred from business corporation tax in September 2018;
 - \$3.3 million for payments received in FY 2017 – FY 2018 and transferred from business corporation tax in October 2018;
 - \$(150,000) for December 2018 transfer(s) to business corporation tax for payment(s) received in March 2017.

- Withholding tax payments include \$5.8 million in large payment(s) received in January 2018.

Month of February:

| Component | February 2020 | February 2019 | Difference | % Change |
|--|----------------------|----------------------|-------------------|-----------------|
| Estimated Payments | \$ 3,231,592 | \$ 3,302,998 | \$ (71,406) | -2.2 % |
| Final Payments * | 6,129,480 | 5,462,632 | 666,847 | 12.2 % |
| Refunds/Adjustments | (99,344,502) | (90,514,847) | (8,829,654) | 9.8 % |
| Withholding Tax Payments | 98,417,380 | 100,356,745 | (1,939,365) | -1.9 % |
| * Includes HSTC reimbursements of \$17,397 in February 2020 and \$12,120 in February 2019. | | | | |

For the February 2020 period, 148,894 income tax refunds were paid for TY 2019 at an average of \$646.25. For the same period in the prior year, 140,519 income tax refunds were paid for TY 2018 at an average of \$625.37.

Cash Flow Differences:

February 2020

- Refunds and adjustments include an adjustment of \$(550,000) for a transfer to business corporation tax for payment(s) received in June 2018.
- Refunds and adjustments include an adjustment of \$112,500 for a transfer from sales and use tax for payment(s) received in January 2019.

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 February:

| Component | FY 2020 | FY 2019 | Difference | % Change |
|---|-----------------------|-----------------------|----------------------|-----------------|
| Net Taxation * ^ | \$ 734,512,929 | \$ 669,037,665 | \$ 65,475,265 | 9.8 % |
| Providence Place Mall (PPM) * ^ | 2,048,314 | 10,708,088 | (8,659,775) | -80.9 % |
| Total Non-Motor Vehicle (MV) | \$ 736,561,243 | \$ 679,745,753 | \$ 56,815,490 | 8.4 % |
| Meals and Beverage (M&B) | 146,493,001 | 137,078,492 | 9,414,508 | 6.9 % |
| Total Non-MV Less M&B | \$ 590,068,242 | \$ 542,667,261 | \$ 47,400,981 | 8.7 % |
| Motor Vehicle Use Tax Receipts | \$ 80,552,367 | \$ 76,292,538 | \$ 4,259,830 | 5.6 % |
| * For FY 2020 from September 2019 and going forward, PPM receipts will no longer be recorded separately from Net Taxation receipts. | | | | |
| ^ FY 2019 Net Taxation receipts do not include \$2.0 million of receipts that were incorrectly paid as PPM receipts. | | | | |

Cash Flow Differences:**FY 2020**

- Sales and use tax cash collections include an adjustment of \$(1.6 million) for a transfer to public utilities gross earnings tax for payment(s) received in June 2019.
- FY 2020 year-to-date sales and use tax cash collections include an adjustment of \$(112,500) for a transfer to personal income tax for payment(s) received in January 2019.

FY 2019

- Net taxation cash collections includes \$112,500 in payment(s) incorrectly paid to sales and use tax instead of personal income tax in January 2019.
- FY 2019 year-to-date sales and use tax cash collections include transfer(s) of \$535,423 from meals and beverage tax in October 2018 associated with prior year audit(s).

Month of February:

| Component | February 2020 | February 2019 | Difference | % Change |
|--|----------------------|----------------------|---------------------|-----------------|
| Net Taxation * ^ | \$ 78,647,356 | \$ 70,477,963 | \$ 8,169,392 | 11.6 % |
| Providence Place Mall (PPM) * ^ | 0 | 1,122,019 | (1,122,019) | -100.0 % |
| Total Non-Motor Vehicle (MV) | \$ 78,647,356 | \$ 71,599,982 | \$ 7,047,374 | 9.8 % |
| Meals and Beverage (M&B) | 13,996,626 | 12,049,267 | 1,947,359 | 16.2 % |
| Total Non-MV Less M&B | \$ 64,650,730 | \$ 59,550,715 | \$ 5,100,015 | 8.6 % |
| Motor Vehicle Use Tax Receipts | \$ 8,855,126 | \$ 7,446,592 | \$ 1,408,534 | 18.9 % |
| * For February 2020, PPM receipts are included in Net Taxation receipts. | | | | |
| ^ February 2019 Net Taxation receipts do not include \$299,662 of receipts that were incorrectly paid as PPM receipts. | | | | |

Cash Flow Differences:

FY 2020

- Sales and use tax cash collections include an adjustment of \$(112,500) for a transfer to personal income tax for payment(s) received in January 2019.

Business Corporation Tax Cash Collections by Component:

Businesses with Rhode Island tax liabilities make estimated payments equal to 25% 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 February:

| Component | FY 2020 | FY 2019 | Difference | % Change |
|-------------------------|----------------|----------------|-------------------|-----------------|
| Estimated Payments ^ | \$ 105,158,611 | \$ 65,748,539 | \$ 39,410,071 | 59.9 % |
| Final Payments * | 37,585,893 | 44,753,560 | (7,167,667) | -16.0 % |
| Refunds/Adjustments ^.* | (36,457,970) | (24,722,299) | (11,735,671) | 47.5 % |

^ Estimated payments include \$850,000 received in September 2019 that was transferred to personal income tax in FY 2020 YTD. The transfers are reflected as \$(850,000) in refunds and adjustments. FY 2020 YTD estimated payments also include duplicate payment(s) of \$1.3 million. The reversal of the duplicate payment(s) are reflected in refunds and adjustments as \$(1.3 million).

* FY 2020 YTD final payments include \$397,640 received in September and October 2019 that were transferred to personal income tax in October 2019. The transfer is reflected as \$(397,640) in refunds and adjustments. Additionally, final payments include reimbursed HSTCs of \$150,000 in FY 2020 YTD and \$16,357 in FY 2019 YTD.

Cash Flow Differences:

FY 2020

- Refunds and adjustments include \$(4.1 million) for net transfers between personal income tax and business corporation tax for payment(s) received in prior periods as listed below:
 - \$519,000 for payment(s) received in March 2017 and transferred from personal income tax in July 2019;
 - \$(270,000) for payment(s) received in March 2018 and transferred to personal income tax in September 2019;

- \$(2.9 million) for payment(s) received in January 2019 and transferred to personal income tax in October 2019;
 - \$(1.9 million) for payments received in prior periods and transferred to personal income tax in November 2019;
 - \$(137,610) for payment(s) received in March 2019 and transferred to personal income tax in December 2019.
 - \$550,000 for payment(s) received in June 2018 and transferred from personal income tax in February 2020.
- Estimated payments include \$27.7 million in elective pass-through entity estimated tax payment(s) received in January and February 2020 due to an enacted change in the FY 2020 budget, which allowed pass-through entities to pay the state income tax of shareholders, at a rate of 5.99%, and provide shareholders with a credit on their personal income tax returns for the income taxes paid on their behalf by the pass-through entities. Pass-through entities who elect to pay this tax are not required to withhold Rhode Island personal income tax for non-resident owners.

FY 2019

- Year-to-date FY 2019 estimated payments include \$3.0 million in payments incorrectly paid to business corporation tax instead of personal income tax as listed below:
- \$2.9 million was included in January 2019 estimated payments but was transferred to personal income tax in October 2019;
 - \$140,000 was included in December 2018 estimated payments but was transferred to personal income tax in November 2019.
- Refunds and adjustments include \$(3.5 million) for net transfers between personal income tax and business corporation tax for payment(s) received in prior periods as listed below:
- \$288,275 for payments received in September 2017 and March 2018 and transferred to personal income tax in September 2018;
 - \$(3.3 million) for payments received in FY 2017 – FY 2018 and transferred to personal income tax in October 2018;
 - \$(150,000) for payment(s) received in June 2015 and transferred from personal income tax in December 2018.
- Refunds and adjustments include a transfer of \$(3.0 million) to financial institutions tax for payments received in prior periods.
- Refunds and adjustments include a transfer of \$(164,000) to insurance company gross premiums tax for payments received in March 2017.

Month of February:

| Component | February 2020 | February 2019 | Difference | % Change |
|---------------------|----------------------|----------------------|-------------------|-----------------|
| Estimated Payments | \$ 1,433,703 | \$ 2,982,594 | \$ (1,548,890) | -51.9 % |
| Final Payments ^ | 7,342,460 | 4,018,365 | 3,324,095 | 82.7 % |
| Refunds/Adjustments | (1,613,366) | (1,148,428) | (464,937) | 40.5 % |

^ February 2020 final payments include \$150,000 in reimbursed HSTCs.

Cash Flow Differences:**February 2020**

- Refunds and adjustments include an adjustment of \$550,000 for a transfer from personal income tax for payment(s) received in June 2018.
- Estimated payments include \$156,900 in elective pass-through entity estimated tax payment(s) received in February 2020 due to an enacted change in the FY 2020 budget, which allowed pass-through entities to pay the state income tax of shareholders, at a rate of 5.99%, and provide shareholders with a credit on their personal income tax returns for the income taxes paid on their behalf by the pass-through entities. Pass-through entities who elect to pay this tax are not required to withhold Rhode Island personal income tax for non-resident owners.

General Business Taxes Other than Business Corporation Tax

| February | FY 2020 | FY 2019 | Difference | % Change |
|-----------------|----------------|----------------|-------------------|-----------------|
| Fiscal YTD | \$ 166,606,630 | \$ 128,677,662 | \$ 37,928,968 | 29.5 % |
| Month | \$ 18,204,933 | \$ 5,557,219 | \$ 12,647,714 | 227.6 % |

Businesses with Rhode Island tax liabilities make estimated payments equal to 25% 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 February:

General business taxes other than business corporation tax collected through February of FY 2020 increased by 29.5% over general business taxes other than business corporation tax collected through February of FY 2019. FY 2020 general business taxes other than business corporation tax collected through February were \$166.6 million compared to \$128.7 million collected for the same period in FY 2019, an increase of \$37.9 million.

Public utilities gross earnings tax cash collections of \$51.4 million were \$5.9 million, or 12.9%, more than the \$45.5 million collected in FY 2019 through February. Financial institutions tax cash collections of \$20.3 million in year-to-date FY 2020 were up \$13.3 million, or 190.5%, compared to the \$7.0 million collected in year-to-date FY 2019. FY 2020 year-to-date financial institutions tax cash collections include \$10.0 million in reimbursed HSTCs. Insurance company gross premiums tax cash collections of \$64.8 million were \$19.5 million more than the \$45.3 million received on a year-to-date basis in FY 2019, a difference of 43.0%. Included in FY 2020 year-to-date insurance company gross premiums tax cash collections is \$3.2 million in reimbursed HSTCs. Bank deposits tax cash collections of \$2.0 million in year-to-date FY 2020 were up \$652,041 compared to \$1.3 million collected in year-to-date FY 2019.

FY 2020 year-to-date through February health care provider assessment cash collections of \$28.1 million were down \$1.4 million, or 4.7%, from the \$29.5 million received on a year-to-date basis in FY 2019.

Cash Flow Differences:

FY 2020

- Public utilities gross earnings tax cash collections include a transfer of \$1.6 million from sales and use tax for payment(s) received in June 2019.
- 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 from business corporation tax of \$3.0 million for payment(s) received in prior periods.
- Insurance gross premiums tax cash collections include a transfer of \$164,000 from business corporation tax for payment(s) received in March 2017.

Month of February:

General business taxes other than business corporation tax collected in February 2020 increased by 227.6% from general business taxes other than business corporation tax collected in February 2019. February 2020 general business taxes other than business corporation tax collected were \$18.2 million compared to \$5.6 million collected for the same period in FY 2019, an increase of \$12.6 million.

Public utilities gross earnings tax cash collections of \$142,201 were \$330,232, or 69.9%, lower than the \$472,433 collected in February 2019. Financial institutions tax cash collections were \$13.0 million in February 2020 compared to cash collections of \$709,929 in February 2019. February 2020 financial institutions tax cash collections include \$10.0 million in reimbursed HSTCs. Insurance company gross premiums tax cash collections of \$1.3 million were \$493,793 more than the \$826,083 received in February 2019, a difference of 59.8%. Bank deposits tax did not receive significant cash collections in February 2020 or February 2019. February 2020 health care provider assessment cash collections increased \$200,560, or 5.6%, on a year-over-year basis.

Excise Taxes Other Than the Sales and Use Tax

| February | FY 2020 | FY 2019 | Difference | % Change |
|-----------------|----------------|----------------|-------------------|-----------------|
| Fiscal YTD | \$ 105,532,089 | \$ 108,974,386 | \$ (3,442,297) | -3.2 % |
| Month | \$ 9,347,275 | \$ 10,210,143 | \$ (862,868) | -8.5 % |

Fiscal Year-to-Date through February:

Excise taxes other than sales and use taxes collected in FY 2020 through February decreased 3.2% from excise taxes other than sales and use taxes collected through February of FY 2019. FY 2020 excise taxes other than sales and use taxes collected through February were \$105.5 million compared to the \$109.0 million collected for the same period last fiscal year, a decrease of \$3.4 million.

Motor vehicle license and registration fees were \$911,750 in FY 2020 through February, which is \$218,671, or 31.6%, more than motor vehicle license and registration fees in FY 2019 through February of \$693,079. Except for adjustments, motor vehicle license and registration fees 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 February of FY 2020 were \$91.2 million, down \$3.1 million compared to the \$94.3 million collected for the same period last fiscal year, a decrease of 3.3%. Included in year-to-date FY 2020 cigarette and OTP excise tax cash collections is \$17,513 in cigarette floor stock receipts and \$6.5 million of OTP taxes. In year-to-date FY 2019, these amounts were \$38,911 and \$6.4 million, respectively.

Finally, the change in Rhode Island cigarette sales is determined. Cigarette floor stock tax and OTP tax cash collections are netted out of the cigarettes tax cash receipts data, yielding only cigarette excise tax cash collections. Through February of FY 2020, Rhode Island cigarette sales decreased 3.6% compared to the same period last fiscal year.

Alcohol excise tax cash collections in FY 2020 through February decreased \$574,835, or 4.1%, from collections in FY 2019 through February.

Cash Flow Differences:

FY 2019

- Motor vehicle license and registration fees include \$36,568 from a June 2018 receivable. This figure is the portion due to the general fund at the final enacted transfer rate of 60.0% of FY 2018 motor vehicle license and registration fees.

Month of February:

Excise taxes other than sales and use taxes collected in February 2020 decreased 8.5% from excise taxes other than sales and use taxes collected in February 2019. February 2020 excise taxes other than sales and use taxes collected were \$9.3 million compared to the \$10.2 million collected for the same period last fiscal year, a decrease of \$862,868.

Motor vehicle license and registration fees were \$137,675 in February 2020, which is \$63,675, or 86.0%, more than motor vehicle license and registration fees of \$74,000 in February 2019. Except for adjustments, motor vehicle license and registration fees 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 in February 2020 were \$7.7 million, down \$909,516 compared to the \$8.7 million collected for the same period last fiscal year, a decrease of 10.5%. Included in February 2020 cigarette and OTP excise tax cash collections were \$4,012 in cigarette floor stock receipts and \$801,633 of OTP taxes. In February 2019, these amounts were \$(4,602) and \$816,807, respectively.

Finally, the change in Rhode Island cigarette sales is determined. Cigarette floor stock tax and OTP tax cash collections are netted out of the cigarettes tax cash receipts data, yielding only cigarette excise tax cash collections. In February 2020, Rhode Island cigarette sales decreased 11.5% compared to the same period last fiscal year.

Alcohol excise tax cash collections in February 2020 decreased \$16,027, or 1.1%, compared to collections in February 2019.

Other Taxes

| February | FY 2020 | FY 2019 | Difference | % Change |
|-----------------|----------------|----------------|-------------------|-----------------|
| Fiscal YTD | \$ 59,251,360 | \$ 42,463,389 | \$ 16,787,971 | 39.5 % |
| Month | \$ 1,848,821 | \$ 4,712,468 | \$ (2,863,647) | -60.8 % |

Fiscal Year-to-Date through February:

Other taxes collected in FY 2020 through February increased 39.5% over other taxes collected through February of FY 2019. FY 2020 other taxes collected through February were \$59.3 million compared to the \$42.5 million collected in the same period last fiscal year, an increase of \$16.8 million. FY 2020 estate and transfer taxes collected through February were \$47.8 million, up \$16.9 million compared to the same period in FY 2019, a variance of 54.8%. FY 2020 realty transfer taxes collected through February were \$10.7 million, down \$188,344, or 1.7%, compared to the same period last fiscal year.

Cash Flow Differences:

FY 2020

- Year-to-date FY 2020 estate and transfer tax cash collections include large, infrequently occurring payment(s) of \$25.8 million.
- Included in realty transfer tax cash collections is \$418,418 of funds designated for the Housing Resources Commission (HRC). This figure is the amount that will be transferred to HRC in March 2020 for realty transfer tax activity that occurred in February 2020.

FY 2019

- Year-to-date FY 2019 estate and transfer tax cash collections include large, infrequently occurring payment(s) of \$5.1 million.
- Included in realty transfer tax cash collections is \$86,669 of funds designated for HRC. This figure is the difference of the following items:
 - \$335,862 that was transferred to HRC in July 2018 for realty transfer tax activity that occurred in June 2018;
 - \$422,531 that was transferred to HRC in March 2019 for realty transfer tax activity that occurred in February 2019.
- FY 2019 year-to-date realty transfer tax cash collections include large, infrequently occurring controlling interest payment(s) of \$1.2 million.

Month of February:

Other taxes collected in February 2020 decreased 60.8% from other taxes collected in February 2019. February 2020 other taxes collected were \$1.8 million compared to the \$4.7 million collected in the same period last fiscal year, a decrease of \$2.9 million. February 2020 estate and transfer tax cash collections were \$602,684, down \$3.1 million compared to February 2019, a decrease of 83.7%. Realty transfer taxes collected in February 2020 were \$1.2 million, up \$226,849, or 24.3%, compared to February 2019.

Cash Flow Differences:

February 2020

- Included in realty transfer tax cash collections is \$(62,745) of funds designated for HRC. This figure is the difference of the following items:
 - \$481,163 that was transferred to HRC in February 2020 for realty transfer tax activity that occurred in January 2019;
 - \$418,418 that will be transferred to HRC in March 2020 for realty transfer tax activity that occurred in February 2019.

February 2019

- Included in realty transfer tax cash collections is \$113,832 of funds designated for the HRC. This figure is the difference of the following items:
 - \$308,699 that was transferred to HRC in February 2019 for realty transfer tax activity that occurred in January 2019;
 - \$422,531 that was transferred to HRC in March 2019 for realty transfer tax activity that occurred in February 2019.

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 February:

As is apparent from the *State of Rhode Island Monthly Cash Collections: Fiscal Year-to-Date* table, total departmental receipts in FY 2020 through February increased by 4.0% compared to total departmental receipts in FY 2019 through February. Fiscal year-to-date total departmental receipts collected in FY 2020 were \$329.6 million compared to \$317.0 million collected for the same period last year, an increase of \$12.6 million.

The *licenses and fees* category of departmental receipts through February of FY 2020 was up \$1.4 million, or 0.5%, over the \$269.1 million collected through February 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 |
|---|------------------------------------|
| Banking Licenses | \$ 2,165,768 |
| Hospital Licensing Fee * | 1,946,748 |
| Recreation activities fund – Parks and Recreation | 608,586 |
| E911 and First Response Surcharge * | (2,759,454) |
| Expense Recovered – Public Utility | (2,015,972) |
| Multi-State Brokerage Firm Settlements | (663,865) |

Cash Flow Differences:

FY 2020

- In licenses and fees, cash collections from the hospital licensing fee were \$1.9 million more 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. The final FY 2019 hospital licensing fee payment was completed in December 2019. The final FY 2018 hospital licensing fee payment was completed in June 2019.

- 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.
- Licenses and fees cash collections for FY 2020 through February include a transfer of \$2.3 million to restricted receipts due to a restructure of the state E-911 surcharge, effective October 1, 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.

The *finest and penalties* category of departmental receipts through February of FY 2020 was up \$3.2 million, or 13.1%, compared to the \$24.3 million collected through February of FY 2019. The three accounts each with nominal increases greater than \$100,000 and the one account with a nominal decrease greater than \$100,000 on a fiscal year-to-date over fiscal year-to-date basis are listed below:

| Fines and Penalties | Nominal Increase / Decrease |
|--|------------------------------------|
| Interest on overdue taxes | \$ 2,750,438 |
| Penalty on overdue taxes | 496,632 |
| Insurance verification license reinstatement fee | 116,450 |
| Insurance administration penalties | (179,517) |

The *sales and services* category of departmental receipts through February of FY 2020 was up \$704,046 over the \$6.7 million collected through February of FY 2019, an increase of 10.6%. The three accounts that had nominal increases greater than \$100,000 and the one account with a nominal decrease greater than \$100,000 are listed below:

| Sales and Services | Nominal Increase |
|--|-------------------------|
| Clinical testing | \$ 397,798 |
| Sales of motor vehicle number plates | 196,158 |
| Rentals and other receipts from Galilee and Point Judith | 148,859 |
| Rhode Island Veterans Home Board and Support | (187,494) |

Miscellaneous departmental receipts through February of FY 2020 were up \$7.3 million, or 43.3%, over the \$16.9 million collected through February 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:

| Miscellaneous Departmental Receipts | Nominal Increase / Decrease |
|--|------------------------------------|
| Miscellaneous revenues – Office of the Attorney General | \$ 6,563,556 |
| Income tax refund checks written off | 468,167 |
| Cost recovery account – Department of Health | 355,275 |
| <hr style="border-top: 1px dashed black;"/> | |
| Income on investments | (744,127) |
| Drinking Water Protection Fund | (260,362) |
| Cost recovery account – Department of Labor and Training | (200,867) |

Month of February:

As is apparent from the *State of Rhode Island Monthly Cash Collections: Month of February* table, total departmental receipts in February 2020 decreased by 16.4% compared to total departmental receipts in February 2019. Total departmental receipts collected in February 2020 were \$14.9 million compared to \$17.8 million collected for the same period last year, a decrease of \$2.9 million.

The *licenses and fees* category of departmental receipts in February 2020 was down \$3.4 million, or 25.4%, from the \$13.4 million collected in February 2019. The three accounts each with nominal increases / decreases greater than \$100,000 on a year-over-year basis are listed below:

| Licenses and Fees | Nominal Increase / Decrease |
|--|------------------------------------|
| Annual statements and certificates of compliance | \$ 204,832 |
| Real estate license fees | 164,785 |
| Local building permit levy ADA surcharge | 137,440 |
| <hr style="border-top: 1px dashed black;"/> | |
| E911 and First Response Surcharge * | (1,550,559) |
| Hospital license fee * | (767,251) |
| Divisible load permit fees | (496,688) |

Cash Flow Differences:

February 2020

- Licenses and fees cash collections for February 2020 include a transfer of \$1,228,798 to restricted receipts due to a restructure of the state E-911 surcharge, effective October 1, 2019. The February transfer includes \$630,843 for payments received in November 2019 through January 2020.

February 2019

- In licenses and fees, cash collections from the hospital licensing fee include \$767,251 in February 2019. The FY 2018 hospital license fee collections in February 2019 were assessed at the rate of 5.856% on hospital fiscal year 2016 net patient revenues. The final FY 2019 hospital licensing fee payment was completed in December 2019. The final FY 2018 hospital licensing fee payment was completed in June 2019.

The *finer and penalties* category of departmental receipts in February 2020 was up \$223,768, or 15.9%, over the \$1.4 million collected in February 2019. In the fines and penalties category, no accounts had a nominal increase / decrease greater than \$100,000 on a year-over-year basis.

The *sales and services* category of departmental receipts in February 2020 was up \$121,418 from the \$547,959 million collected in February 2019, an increase of 22.2%. The two sales and services accounts that had nominal increases greater than \$100,000 and the one account that had a nominal decrease greater than \$100,000 on a year-over-year basis are listed below:

| Sales and Services | Nominal Decrease |
|--|-------------------------|
| Clinical testing | \$ 228,605 |
| Rentals and other receipts from Galilee and Point Judith | 162,259 |
| Rhode Island Veterans Home Board and Support | (354,944) |

Miscellaneous departmental receipts in February 2020 were up \$137,744, or 5.6%, over the \$2.5 million collected in February 2019. The three accounts each with nominal increases greater than \$100,000 and the two accounts each 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 | \$ 244,232 |
| Indirect cost recovery account – Department of Public Safety | 133,391 |
| Indirect cost recovery account – Department of Health | 115,984 |
| Child support enforcement collections | (290,250) |
| Income on investments | (200,875) |

Cash Flow Differences:

February 2019

- Miscellaneous departmental receipts include payment(s) of \$290,284 to child support enforcement collections that should have been posted in January 2019 but were not posted until February 2019.

Motor Fuel Tax, Per Penny Yield

| February | FY 2020 | FY 2019 | Difference | % Change |
|-----------------|----------------|----------------|-------------------|-----------------|
| Fiscal YTD | \$ 3,058,468 | \$ 3,500,273 | \$ (441,805) | -12.6 % |
| Month | \$ 357,282 | \$ 338,700 | \$ 18,582 | 5.5 % |

In FY 2020, the State's motor fuel tax consisted of a \$0.34 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 by \$0.01 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 February:

The per penny yield of the state's motor fuel tax collected in FY 2020 through February was \$441,805 less than in FY 2019 through February. This represents a decrease of 12.6% between the two fiscal year-to-date periods. Much of this decrease is attributable to the receipt of large, infrequently occurring payment(s) of \$250,604 in October 2018. For FY 2020 through February, the per-penny yield was \$3.1 million versus \$3.5 million for FY 2019 through February.

Month of February:

The per penny yield of the state's motor fuel tax collected in February 2020 was \$18,582 more than in February 2019. This represents an increase of 5.5% between the two monthly periods. For February 2020, the per-penny yield was \$357,282 versus \$338,700 for February 2019.

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 February (Gaming Activity through January):

| Component | FY 2020 | FY 2019 | Difference | % Change |
|---------------------------------------|----------------|----------------|-------------------|-----------------|
| Traditional Games | \$ 21,854,808 | \$ 25,583,614 | \$ (3,728,806) | -14.6 % |
| Keno | 10,377,148 | 10,034,297 | 342,851 | 3.4 % |
| Remote Sports Betting * | 1,441,233 | 0 | 1,441,233 | n/a |
| <u>Twin River Casino Hotel</u> | | | | |
| VLTs | 134,134,233 | 152,183,205 | (18,048,972) | -11.9 % |
| On-site Sports Betting * | 5,019,874 | 456,544 | 4,563,330 | 999.5 % |
| Traditional Table Games | 5,982,351 | 10,161,613 | (4,179,262) | -41.1 % |
| Poker Tables | 386,881 | 653,140 | (266,259) | -40.8 % |

| Component | FY 2020 | FY 2019 | Difference | % Change |
|---|------------|------------|------------|-----------|
| <u>Newport Grand/Tiverton Casino Hotel ^</u> | | | | |
| VLTs | 36,875,852 | 29,077,314 | 7,798,538 | 26.8 % |
| On-site Sports Betting * | 1,199,073 | (38,275) | 1,237,348 | 3,232.8 % |
| Traditional Table Games | 819,730 | 601,904 | 217,826 | 36.2 % |
| * Sports betting began on November 26, 2018 at the Twin River Casino Hotel and on December 3, 2018 at the Tiverton Casino Hotel. Remote sports betting began in the state on September 4, 2019. | | | | |
| ^ 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 95 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 and FY 2019, Tiverton Casino Hotel operated a maximum of 32 traditional table games. Twin River Casino Hotel operated 98 less VLTs in year-to-date FY 2020 compared to the same period last fiscal year. Tiverton Casino Hotel operated 15 less VLTs than Newport Grand/Tiverton Casino Hotel 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 2020

- The FY 2020 lottery transfer includes receipts of \$2,048,319 received in October 2019 that were accrued back to FY 2019.

FY 2019

- In year-to-date FY 2019, Division of Lottery overpaid the general fund \$25.3 million. This overpayment is made up of two components:
 - Total lottery transfers in year-to-date FY 2019 were \$251,574,437. Based on lottery activity, the transfers normally would have been \$226,255,093, which is a difference of \$25,319,344.
 - At the end of FY 2018, the general fund owed the Division of Lottery \$1,480,823. Not included in the overpayment is \$784,726 that the Division of Lottery withheld of the August lottery transfer to offset the general fund's outstanding payable, reducing it to \$696,097.

Month of February (January Gaming Activity):

| Component | February 2020 | February 2019 | Difference | % Change |
|---|--------------------------|--------------------------|-------------------|-----------------|
| Traditional Games | \$ 3,263,476 | \$ 3,298,784 | \$ (35,308) | -1.1 % |
| Keno | 1,482,197 | 1,457,126 | 25,071 | 1.7 % |
| Remote Sports Betting * | 394,146 | 0 | 394,146 | n/a |
| <u>Twin River Casino Hotel</u> | | | | |
| VLTs | 19,548,313 | 19,752,263 | (203,950) | -1.0 % |
| On-site Sports Betting * | 1,087,855 | 87,594 | 1,000,261 | 1,141.9 % |
| Traditional Table Games | 817,232 | 1,587,226 | (769,994) | -48.5 % |
| Poker Tables | 57,322 | 100,009 | (42,687) | -42.7 % |
| <u>Tiverton Casino Hotel</u> | | | | |
| VLTs | 5,452,431 | 4,471,401 | 981,030 | 21.9 % |
| On-site Sports Betting * | 224,721 | (79,204) | 303,925 | -383.7 % |
| Traditional Table Games | 50,699 | 134,310 | (83,611) | -62.3 % |
| * Sports betting began on November 26, 2018 at the Twin River Casino Hotel and on December 3, 2018 at the Tiverton Casino Hotel. Remote sports betting began in the state on September 4, 2019. | | | | |

In February 2020, Twin River operated a maximum of 89 traditional table games and 23 poker tables. In February 2019, the comparable figures were 97 and 22, respectively. In February 2020 and February 2019, Tiverton Casino Hotel operated a maximum of 32 traditional table games. Twin River Casino Hotel operated 85 less VLTs in February 2020 compared to the same period last fiscal year. Both Twin River Casino Hotel and Tiverton Casino Hotel VLT cash collections do not reflect unclaimed prizes, distressed communities relief program receipts, or the State's payment to either Twin River Casino Hotel's or Tiverton Casino Hotel's marketing program.

Cash Flow Differences:

February 2019

- In February of FY 2019, Division of Lottery underpaid the general fund \$1.9 million.
 - Total lottery transfers in February 2019 were \$28,612,578. Based on lottery activity, the transfers normally would have been \$30,464,661, which is a difference of \$1,852,083.



Mark A. Furcolo, Director
Rhode Island Department of Revenue
March 23, 2020