

*STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS*  
**GOVERNOR LINCOLN D. CHAFEE**



**DEPARTMENT OF REVENUE**  
**Office of Revenue Analysis**

**Cash Collections Report June 2014 Summary**

***Fiscal Year-to-Date through June:***

FY 2014 total general revenue cash collections through June were \$3.408 billion, up \$77.6 million or 2.3 percent from the same period in FY 2013. The breakdown by major revenue components is as follows:

| <b>Component</b>              | <b>FY 2013*</b>         | <b>FY 2014</b>          | <b>Difference</b>    | <b>% Change</b> |
|-------------------------------|-------------------------|-------------------------|----------------------|-----------------|
| Personal Income Tax           | \$ 1,088,992,061        | \$ 1,109,637,064        | \$ 20,645,003        | 1.9 %           |
| Sales and Use Taxes           | 881,449,256             | 906,337,794             | 24,888,538           | 2.8 %           |
| Departmental Receipts         | 346,944,261             | 352,942,363             | 5,998,102            | 1.7 %           |
| Lottery Transfer              | 380,910,700             | 376,903,899             | (4,006,801)          | -1.1 %          |
| All Other Revenues            | 631,918,771             | 662,029,000             | 30,110,229           | 4.8 %           |
| <b>Total General Revenues</b> | <b>\$ 3,330,215,049</b> | <b>\$ 3,407,850,120</b> | <b>\$ 77,635,071</b> | <b>2.3 %</b>    |

\* FY 2013 figures include \$22.3 million received through the 2012 Tax Amnesty program. Net of FY 2013 tax amnesty receipts, the growth rate is 3.0 percent.

***Month of June:***

June 2014 total general revenue cash collections were \$503.7 million, up \$41.5 million or 9.0 percent from June 2013. The breakdown by major revenue components is as follows:

| <b>Component</b>              | <b>FY 2013</b>        | <b>FY 2014</b>        | <b>Difference</b>    | <b>% Change</b> |
|-------------------------------|-----------------------|-----------------------|----------------------|-----------------|
| Personal Income Tax           | \$ 114,898,230        | \$ 121,199,420        | \$ 6,301,190         | 5.5 %           |
| Sales and Use Taxes           | 77,529,618            | 79,864,204            | 2,334,586            | 3.0 %           |
| Departmental Receipts         | 34,539,116            | 39,360,493            | 4,821,377            | 14.0 %          |
| Lottery Transfer              | 64,201,455            | 63,064,470            | (1,136,985)          | -1.8 %          |
| All Other Revenues            | 171,045,376           | 200,212,865           | 29,167,489           | 17.1 %          |
| <b>Total General Revenues</b> | <b>\$ 462,213,796</b> | <b>\$ 503,701,452</b> | <b>\$ 41,487,656</b> | <b>9.0 %</b>    |

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State of Rhode Island Cash Collections Report  
 June 2014 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.*

**Total General Revenues**

| <b>June</b> | <b>FY 2013</b>   | <b>FY 2014</b>   | <b>Difference</b> | <b>% Change</b> |
|-------------|------------------|------------------|-------------------|-----------------|
| Fiscal YTD  | \$ 3.330 Billion | \$ 3.408 Billion | \$ 77.6 Million   | 2.3 %           |
| Month       | \$ 462.2 Million | \$ 503.7 Million | \$ 41.5 Million   | 9.0 %           |

***Fiscal Year-to-Date through June:***

The Rhode Island Department of Revenue reports that total general revenue cash collections for FY 2014 increased 2.3 percent over total general revenue cash collections for FY 2013. FY 2014 total general revenue cash collections were \$3.408 billion compared to \$3.330 billion collected for FY 2013, an increase of \$77.6 million.

The following cash flow differences between FY 2013 and FY 2014 should be noted:

**FY 2013**

- The Division of Taxation collected a total of \$22.3 million in overdue taxes and interest owed on overdue taxes from the 2012 Tax Amnesty program, which ran from September 2, 2012 through November 15, 2012.

The following table provides the year-to-date breakdown of overdue taxes and interest owed on overdue taxes collected through the 2012 tax amnesty program by tax type.

| <b>Tax Type</b>  | <b>Overdue Taxes</b> | <b>Interest Owed</b> |
|--|----------------------|----------------------|
| Personal Income Taxes Final Payments   | \$ 5,738,533         | \$ -- *              |
| Personal Income Taxes Withholding  | 371,468              | -- *                 |
| Business Corporation Taxes   | 1,553,317            | -- *                 |
| Public Utilities Gross Earnings Taxes  | 3,526,220            | 1,635,471            |
| Financial Institutions Taxes   | 106,096              | 22,651               |
| Insurance Companies  | 151,797              | 48,258               |
| Health Care Provider   | 17,871               | 2,002                |
| Sales and Use Taxes  | 2,996,775            | -- *                 |
| Motor Vehicle Licenses and Fees  | 16,976               | 7,179                |
| Motor Carrier Fuel Use Taxes   | 4,293                | 1,257                |
| Cigarette Excise Taxes   | 40,901               | 26,208               |
| Estate and Transfer  | 432,873              | -- *                 |
| Imaging Service Surcharge  | 59,724               | 15,003               |
| E-911 Prepaid Wireless Fees  | --                   | 8                    |
| E-911 Wireless Surcharge   | 31,473               | 4,614                |
| Hotel Taxes – State’s share  | 3,075                | 1,886                |
| Litter Control Participation Permit Fees   | --                   | 7                    |
| Hard to Dispose  | 57,118               | 21,115               |
| Interest transferred to Departmental Receipts  | <u>n/a</u>           | <u>5,389,346</u>     |
| <b>TOTAL TAXES AND INTEREST</b>  | <b>\$ 15,108,509</b> | <b>\$ 7,175,004</b>  |
| Hotel Taxes (less State’s share) – Pass-through^   | 14,499               | 8,892                |
| Meals and Beverage – Pass-through^   | 18,786               | 7,923                |
| Gas Taxes^   | 2,114                | 862                  |
| Payroll Taxes^   | 34,231               | 6,440                |
| * Interest Owed on overdue taxes collected in September 2012 was transferred to departmental receipts in October 2012. Interest Owed on overdue taxes collected in October, November and December 2012 was transferred to departmental receipts in January 2013. |                      |                      |
| ^ Overdue taxes and interest owed on overdue taxes that are not deposited into the State’s general revenues.   |                      |                      |

- Insurance companies gross premiums tax cash collections include \$1.7 million transferred from escrow to the State of Rhode Island in July 2012 for the settlement of an outstanding tax liability.
- Effective July 1, 2012, the cigarette excise tax rate increased by \$0.04 per pack of 20 cigarettes. As a result, fiscal year-to-date cigarette excise tax cash collections include \$141,026, due to the imposition of the higher rate of tax on the stock of cigarettes held by

wholesalers and dealers at midnight on July 1, 2012.

- The licenses and fees component of departmental receipts includes \$2.0 million collected in May 2013 and \$1.0 million collected in June 2013 for the prior fiscal year's hospital licensing fee from a delinquent taxpayer.
- The fines and penalties category of departmental receipts includes a life insurance settlement of \$246,136 collected in August 2012.
- The sales and services component of departmental receipts include \$283,451 for Rhode Island Veterans Home maintenance fees that was received in the prior fiscal year, but not posted until January 2013.
- Miscellaneous departmental receipts includes cash collections of \$1.0 million received in July 2012, \$2.4 million received in November 2012, \$1.1 million received in December 2012, and \$582,950 received in February 2013 to settle claims brought by the Office of the Attorney General against different pharmaceutical companies. Fiscal year-to-date miscellaneous departmental receipts also include \$459,459 received in March 2013 regarding a settlement with Toyota Motor Co. for unfair and deceptive practices; \$403,169 received in April 2013 from a multistate settlement with Lender Processing Services, Inc. for the company's past robo-signing practices while dealing with foreclosures; and \$94,087 received in May 2013 as part of a national settlement of a consumer privacy suit against Google Inc.
- Other miscellaneous revenues include \$2.2 million collected in August 2012 to settle claims filed against pharmaceutical manufacturers through the State's Medicaid Fraud program.
- Other miscellaneous revenues include \$1.3 million received in October 2012, \$150,633 received in March 2013, and \$119,555 received in April 2013 for settlements with a large pharmaceutical manufacturer that were accrued to the prior fiscal year.
- Other miscellaneous revenues include \$964,658 for motor vehicle registration fees paid by the International Registration Program (IRP) that were received in FY 2012, but not posted until February 2013.
- The November lottery transfer includes receipts of \$2.5 million that were accrued back to FY 2012.

#### FY 2014

- Financial institutions tax cash collections include \$3.9 million received in April 2014 from amended prior year returns.
- Sales and use tax cash collections were understated by \$4.6 million due to refunds which were paid in FY 2014 but were accrued back to FY 2013.
- Estate and transfer tax cash collections include two large infrequently occurring payments of \$4.2 million received in August 2013 and \$4.0 million received in June 2014.
- The hospital licensing fees collected in FY 2014 generated \$2.9 million more than during the same period in the prior fiscal year, net of all delinquent taxpayer payments. The hospital licensing fee rate decreased from 5.430 percent of hospital FY 2010 net patient revenues to 5.350 percent of hospital FY 2011 net patient revenues. The fiscal year-to-

date cash collections also include \$7.2 million of hospital licensing fees received from two delinquent taxpayers for fiscal year 2012.

- The licenses and fees category of departmental receipts includes \$269,156 collected as compassion center surcharges in FY 2014 compared to the \$16,656 collected in FY 2013. The first compassion center opened in Providence on April 19, 2013.
- Miscellaneous departmental receipts include \$1.2 million collected in April, May and June 2014 for lease payments received from cell phone service providers for space on towers maintained by the Rhode Island State Police and located on State property.
- Miscellaneous departmental receipts include \$850,000 posted in July 2013 for indirect cost recovery fees from the Office of the Attorney General. Miscellaneous departmental receipts cash collections also include \$2.6 million received from the settlement of a claim brought by the Office of the Attorney General against a pharmaceutical manufacturer which was accrued back to FY 2013.
- Other miscellaneous revenues include \$160,411 received in July 2013, \$86,338 received in September 2013, \$10,749 received in October 2013, \$56,450 received in December 2013, \$86,286 received in February 2014 and \$109,106 received in March 2014 for settlements associated with the State's Medicaid Fraud program.
- Other miscellaneous revenues include the transfer of \$925,419 from the Insurance Coverage Restricted Receipt Account, per the Revised FY 2014 Budget.
- Other miscellaneous revenues include a transfer of \$3.0 million from RICAP.
- The November lottery transfer includes receipts of \$847,359 that were accrued back to FY 2013.

The following table displays the differences in cash flows for FY 2013 and FY 2014.

| <b>Revenue Source</b>  | <b>Cash Flow Differences</b>          | <b>FY 2013</b> | <b>FY 2014</b> |
|------------------------|---------------------------------------|----------------|----------------|
| Personal Income Taxes  | 2012 Tax Amnesty Program <sup>^</sup> | \$6,110,001    | \$0            |
| Business Corp. Taxes   | 2012 Tax Amnesty Program              | \$1,553,317    | \$0            |
| Public Utilities       | 2012 Tax Amnesty Program              | \$5,161,691    | \$0            |
| Financial Institutions | 2012 Tax Amnesty Program              | \$128,747      | \$0            |
| Financial Institutions | Amended prior year returns            | \$0            | \$3,933,567    |
| Insurance Companies    | Insurance settlement                  | \$1,722,000    | \$0            |
| Insurance Companies    | 2012 Tax Amnesty Program              | \$200,055      | \$0            |
| Health Care Provider   | 2012 Tax Amnesty Program              | \$19,873       | \$0            |
| Sales and Use Taxes    | 2012 Tax Amnesty Program              | \$2,996,775    | \$0            |
| Sales and Use Taxes    | Refunds accrued to prior FY           | \$0            | \$(4,609,185)  |
| Motor Vehicle Fees     | 2012 Tax Amnesty Program              | \$24,155       | \$0            |
| Motor Fuel Taxes       | 2012 Tax Amnesty Program              | \$5,550        | \$0            |
| Cigarette Excise Taxes | Cigarette floor stock                 | \$141,026      | \$0            |

| Revenue Source         | Cash Flow Differences                   | FY 2013     | FY 2014     |
|------------------------|---|-------------|-------------|
| Cigarette Excise Taxes | 2012 Tax Amnesty Program                | \$67,109    | \$0         |
| Estate and Transfer    | 2012 Tax Amnesty Program                | \$432,873   | \$0         |
| Estate and Transfer    | Two large infrequent tax payments       | \$0         | \$8,137,895 |
| Departmental Receipts  | 2012 Tax Amnesty Program-Hotel Taxes    | \$4,962     | \$0         |
| Departmental Receipts  | Hospital licensing fee difference       | \$0         | \$2,919,513 |
| Departmental Receipts  | Hospital licensing fee delinquent pmnts | \$2,937,600 | \$7,168,024 |
| Departmental Receipts  | Compassion center surcharge receipts    | \$16,656    | \$269,156   |
| Departmental Receipts  | 2012 Tax Amnesty – Prepaid Wireless     | \$8         | \$0         |
| Departmental Receipts  | 2012 Tax Amnesty – Wireless Surcharge   | \$36,086    | \$0         |
| Departmental Receipts  | 2012 Tax Amnesty – Litter Control       | \$7         | \$0         |
| Departmental Receipts  | 2012 Tax Amnesty – Hard to Dispose      | \$78,233    | \$0         |
| Departmental Receipts  | 2012 Tax Amnesty – Imaging Surcharge    | \$74,727    | \$0         |
| Departmental Receipts  | 2012 Tax Amnesty – Interest Owed        | \$5,389,345 | \$0         |
| Departmental Receipts  | Insurance settlement                    | \$246,136   | \$0         |
| Departmental Receipts  | Prior FY Veterans Home maint. fees      | \$283,451   | \$0         |
| Departmental Receipts  | Cell tower lease payments               | \$0         | \$1,157,429 |
| Departmental Receipts  | AG settlements/cost recoveries          | \$6,088,449 | \$3,413,132 |
| Other Misc. Revenues   | Medicaid fraud settlements              | \$2,218,208 | \$509,340   |
| Other Misc. Revenues   | Medicaid pharmaceutical settlements     | \$1,528,818 | \$0         |
| Other Misc. Revenues   | FY 2012 IRP registration fees           | \$964,658   | \$0         |
| Other Misc. Revenues   | Transfer from restricted receipts       | \$0         | \$925,419   |
| Other Misc. Revenues   | Transfer from RICAP                     | \$0         | \$3,000,000 |
| Lottery Transfer       | Cash accrued to prior fiscal year       | \$2,533,343 | \$847,359   |

^ Personal Income Taxes - 2012 Tax Amnesty Program revenues include receipts for both the final payments and withholding tax components.

### ***Month of June:***

Total general revenue cash collections in June 2014 increased 9.0 percent over total general revenue cash collections in June 2013. June 2014 total general revenue cash collections were \$503.7 million compared to \$462.2 million collected in June 2013, an increase of \$41.5 million.

The following cash flow differences between June 2013 and June 2014 should be noted:

#### June 2013

- The licenses and fees component of departmental receipts includes \$497,695 in registration fees received from the Unified Carrier Registration System (UCR) by the

Rhode Island Division of Public Utilities and Carriers for commercial motor vehicles engaged in interstate travel during calendar year 2012.

- The licenses and fees component of departmental receipts is overstated by \$344,080 in June 2013 because of the late posting of driving record abstracts collected in May 2013.
- The miscellaneous revenues component of departmental receipts includes \$850,000 for indirect cost recoveries assessed to the Office of the Attorney General. The journal entry was made in error and the amount was re-posted to July 2013.

#### June 2014

- Sales and use tax cash collections were understated by \$350,000 due to a refund paid in June 2014 that accrued back to FY 2013.
- Estate and transfer tax cash collections include a large infrequently occurring payment of \$4.0 million received in June 2014.
- Other miscellaneous revenues include the transfer of \$925,419 from the Insurance Coverage Restricted Receipt Account, per the Revised FY 2014 Budget.
- Other miscellaneous revenues include a transfer of \$3.0 million from RICAP.

The following table displays the differences in cash flows for June 2013 and June 2014.

| <b>Revenue Source</b> | <b>Cash Flow Differences</b>            | <b>June<br/>FY 2013</b> | <b>June<br/>FY 2014</b> |
|-----------------------|---|-------------------------|-------------------------|
| Sales and Use Taxes   | Refunds accrued to prior FY             | \$0                     | \$(350,000)             |
| Estate and Transfer   | Large infrequent tax payment            | \$0                     | \$3,981,174             |
| Departmental Receipts | 2012 UCR Distribution                   | \$497,695               | \$0                     |
| Departmental Receipts | Driving record abstracts posting error  | \$334,080               | \$0                     |
| Departmental Receipts | Attorney General indirect cost recovery | \$850,000               | \$0                     |
| Other Misc. Revenues  | Transfer from restricted receipts       | \$0                     | \$925,419               |
| Other Misc. Revenues  | Transfer from RICAP                     | \$0                     | \$3,000,000             |

#### **Taxes and Departmental Receipts**

| <b>June</b> | <b>FY 2013</b>   | <b>FY 2014</b>   | <b>Difference</b> | <b>% Change</b> |
|-------------|------------------|------------------|-------------------|-----------------|
| Fiscal YTD  | \$ 2.936 Billion | \$ 3.015 Billion | \$ 79.1 Million   | 2.7 %           |
| Month       | \$ 391.4 Million | \$ 422.1 Million | \$ 30.7 Million   | 7.8 %           |

#### ***Fiscal Year-to-Date through June:***

Taxes and departmental receipts collected in FY 2014 increased 2.7 percent over taxes and departmental receipts collected in FY 2013. FY 2014 taxes and departmental receipts were \$3.015 billion compared to \$2.936 billion collected last fiscal year, an increase of \$79.1 million. FY 2013 taxes and departmental receipts include \$22.3 million of tax amnesty cash collections.

***Month of June:***

Taxes and departmental receipts collected in June 2014 increased 7.8 percent from taxes and departmental receipts collected in June 2013. June 2014 taxes and departmental receipts were \$422.1 million compared to \$391.4 million collected in June 2013, an increase of \$30.7 million.

**Other General Revenue Sources**

| <b>June</b> | <b>FY 2013</b>   | <b>FY 2014</b>   | <b>Difference</b> | <b>% Change</b> |
|-------------|------------------|------------------|-------------------|-----------------|
| Fiscal YTD  | \$ 394.6 Million | \$ 393.2 Million | \$ (1.4 Million)  | -0.4 %          |
| Month       | \$ 70.8 Million  | \$ 81.6 Million  | \$ 10.8 Million   | 15.3 %          |

***Fiscal Year-to-Date through June:***

Other general revenue sources include other miscellaneous revenues, the lottery transfer to the general fund, and unclaimed property that is transferred to the State in June of each fiscal year. FY 2014 other general revenue sources were \$393.2 million, a decrease of \$1.4 million or -0.4 percent compared to the \$394.6 million collected in FY 2013.

***Month of June:***

Other general revenue sources collected in June 2014 increased 15.3 percent from other general revenue sources collected in June 2013. June 2014 other general revenue sources were \$81.6 million compared to \$70.8 million in June 2013, an increase of \$10.8 million.

**Total Taxes**

| <b>June</b> | <b>FY 2013</b>   | <b>FY 2014</b>   | <b>Difference</b> | <b>% Change</b> |
|-------------|------------------|------------------|-------------------|-----------------|
| Fiscal YTD  | \$ 2.589 Billion | \$ 2.662 Billion | \$ 73.1 Million   | 2.8 %           |
| Month       | \$ 356.9 Million | \$ 382.7 Million | \$ 25.8 Million   | 7.2 %           |

***Fiscal Year-to-Date through June:***

Total taxes collected in FY 2014 increased 2.8 percent over total taxes collected in FY 2013. FY 2014 total taxes were \$2.662 billion compared to \$2.589 billion for FY 2013, an increase of \$73.1 million. FY 2013 total taxes include \$16.7 million of tax amnesty cash collections.

***Month of June:***

Total taxes collected in June 2014 increased 7.2 percent over total taxes collected in June 2013. June 2014 total taxes were \$382.7 million compared to \$356.9 million collected in June 2013, an increase of \$25.8 million.

### Historic Structure Tax Credit Reimbursements:

It is important to note that any historic structures tax credits redeemed from FY 2009 onward are reimbursed from the Historic Tax Credit Fund's bond proceeds upon receipt of the tax credit certificate. Prior to FY 2009, the redemption of Historic Structures Tax Credit (HSTC) certificates were deducted directly from realized tax receipts. Thus, the actual cash collections for the tax types that had HSTCs redeemed to offset an actual tax liability were net cash receipts (i.e., total collection *less* HSTC redemptions). Since FY 2009, the actual cash collections for the tax types that have HSTCs redeemed to offset an actual tax liability are gross cash receipts (i.e., total cash collections *plus* HSTC reimbursements).

FY 2014 total historic structure tax credit redemptions/reimbursements for all taxes totaled \$7.6 million compared to \$9.0 million in FY 2013, a decrease of \$1.4 million or -15.3 percent. Total historic structure tax credit redemptions/reimbursements for all taxes in June 2014 were \$33,718 vs. \$105,614 in June 2013, a decrease of \$71,896 or -68.1 percent.

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

| Tax Type               | Year-to-Date        |                     | Monthly           |                  |
|------------------------|---------------------|---------------------|-------------------|------------------|
|                        | FY 2013             | FY 2014             | June 2013         | June 2014        |
| Personal Income        | \$ 2,754,318        | \$ 5,810,254        | \$ 105,614        | \$ 33,718        |
| Business Corporations  | 0                   | 407,599             | 0                 | 0                |
| Financial Institutions | 5,094,709           | 0                   | 0                 | 0                |
| Insurance/Non-HMOs     | 1,145,533           | 39,623              | 0                 | 0                |
| Insurance/HMOs         | 0                   | 1,359,982           | 0                 | 0                |
| <b>Total</b>           | <b>\$ 8,994,560</b> | <b>\$ 7,617,458</b> | <b>\$ 105,614</b> | <b>\$ 33,718</b> |

### Personal Income Taxes

| June       | FY 2013          | FY 2014          | Difference      | % Change |
|------------|------------------|------------------|-----------------|----------|
| Fiscal YTD | \$ 1.089 Billion | \$ 1.110 Billion | \$ 20.6 Million | 1.9 %    |
| Month      | \$ 114.9 Million | \$ 121.2 Million | \$ 6.3 Million  | 5.5 %    |

### *Fiscal Year-to-Date through June:*

Personal income taxes collected in FY 2014 increased 1.9 percent over personal income taxes collected in the last fiscal year. FY 2014 personal income taxes were \$1.110 billion compared to \$1.089 billion for FY 2013, an increase of \$20.6 million. It should be noted that FY 2013 personal income tax receipts include \$6.1 million collected through the 2012 tax amnesty program. FY 2014 personal income tax cash collections include historic structures tax credit

reimbursements of \$5.8 million compared to the \$2.8 million in historic structures tax credit reimbursements in FY 2013, an increase of \$3.1 million or 111.0 percent.

### ***Month of June:***

Personal income taxes collected in June 2014 increased 5.5 percent over personal income taxes collected in June 2013. June 2014 personal income taxes were \$121.2 million compared to \$114.9 million collected in June 2013, an increase of \$6.3 million. June 2014 personal income tax cash collections include historic structures tax credit reimbursements of \$33,718 compared to \$105,614 of historic structures tax credit reimbursements in June 2013, a decrease of \$71,896 or -68.1 percent.

### **Personal Income Tax Cash Collections by Component:**

The tables below are based on data provided by the Division of Taxation and break down personal income tax cash collections by component on both a fiscal year-to-date and monthly basis. It should be noted that slight 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 revenues.

### ***Fiscal Year-to-Date through June:***

| <b>Component</b>  | <b>FY 2013</b> | <b>FY 2014</b> | <b>Difference</b> | <b>%</b> |
|---|----------------|----------------|-------------------|----------|
| Estimated Payments  | \$ 194,512,996 | \$ 196,404,409 | \$ 1,891,413      | 1.0 %    |
| Final Payments* <sup>^</sup>  | 196,918,259    | 170,857,896    | (26,060,364)      | -13.2 %  |
| Refunds/Adjustments <sup>^</sup>  | (279,736,111)  | (272,639,750)  | 7,096,362         | -2.5 %   |
| Withholding Tax   | 977,296,917    | 1,015,014,509  | 37,717,592        | 3.9 %    |
| * Final Payments include historic structures tax credit reimbursements of \$2.8 million in FY 2013 and \$5.8 million in FY 2014.  |                |                |                   |          |
| <sup>^</sup> The FY 2013 figures include tax amnesty receipts of \$8.1 million in final payments and \$505,835 in withholding taxes. FY 2013 refunds and adjustments are increased by \$2.5 million in interest owed on overdue taxes collected through the tax amnesty program that was transferred to departmental receipts in October 2012 and January 2013. |                |                |                   |          |

Within the components of personal income tax, FY 2014 estimated payments were up \$1.9 million or 1.0 percent compared to FY 2013. FY 2014 final payments were down \$26.1 million or -13.2 percent over last fiscal year. FY 2013 final payments include \$8.1 million of tax amnesty cash collections. FY 2014 final payments include \$5.8 million in reimbursed historic structures tax credits versus \$2.8 million for FY 2013. FY 2014 refunds and adjustments are less by \$7.1 million or -2.5 percent compared to refunds and adjustments in FY 2013. FY 2013 refunds and adjustments include \$2.5 million for the interest owed on overdue personal income taxes collected through the 2012 tax amnesty program that was transferred to departmental receipts in October 2012 and January 2013. For the January through June period, 433,526 TY 2013 income tax refunds were paid in FY 2014 at an average of \$543.13. For the same period in the prior year, 434,728 TY 2012 income tax refunds were paid in FY 2013 at an average of

\$533.81. Finally, FY 2014 withholding tax payments were up \$37.7 million or 3.9 percent relative to the prior fiscal year. FY 2013 withholding tax payments include \$505,835 of tax amnesty cash collections.

*Month of June:*

| <b>Component</b>  | <b>FY 2013</b> | <b>FY 2014</b> | <b>Difference</b> | <b>%</b> |
|---|----------------|----------------|-------------------|----------|
| Estimated Payments  | \$ 39,905,840  | \$ 42,285,748  | \$ 2,379,908      | 6.0 %    |
| Final Payments*   | 4,212,911      | 4,591,346      | 378,436           | 9.0 %    |
| Refunds/Adjustments   | (10,558,674)   | (10,287,386)   | 271,289           | -2.6 %   |
| Withholding Tax Payments  | 81,338,218     | 84,609,712     | 3,271,494         | 4.0 %    |
| * Final Payments include historic structures tax credit reimbursements of \$105,614 in June 2013 and \$33,718 in June 2014. |                |                |                   |          |

Within the components of personal income tax, June 2014 estimated payments are up \$2.4 million or 6.0 percent compared to June 2013. Final payments are up \$378,436 in June 2014 or 9.0 percent relative to June 2013. June 2014 final payments include \$33,718 in reimbursed historic structures tax credits versus \$105,614 in June 2013. June 2014 refunds and adjustments are less by \$271,289 or -2.6 percent compared to refunds and adjustments for June 2013. For June 2014, 16,622 TY 2013 income tax refunds were paid at an average of \$489.30. For June 2013, 9,890 TY 2012 income tax refunds were paid at an average of \$632.33. Finally, June 2014 withholding tax payments are up \$3.3 million or 4.0 percent relative to June 2013.

**Sales and Use Taxes**

| <b>June</b> | <b>FY 2013</b>   | <b>FY 2014</b>   | <b>Difference</b> | <b>% Change</b> |
|-------------|------------------|------------------|-------------------|-----------------|
| Fiscal YTD  | \$ 881.4 Million | \$ 906.3 Million | \$ 24.9 Million   | 2.8 %           |
| Month       | \$ 77.5 Million  | \$ 79.9 Million  | \$ 2.3 Million    | 3.0 %           |

*Fiscal Year-to-Date through June:*

Sales and use taxes collected in FY 2014 increased 2.8 percent over sales and use taxes collected in FY 2013. FY 2014 sales and use taxes were \$906.3 million compared to \$881.4 million collected last fiscal year, an increase of \$24.9 million. FY 2013 sales and use tax receipts include tax amnesty payments of \$3.0 million in overdue sales and use taxes. It should also be noted that FY 2014 sales and use tax cash collections include \$4.6 million of refunds which were accrued back to FY 2013. FY 2014 sales and use tax receipts include an unknown amount of additional receipts collected in July 2013 through September 2013 from the sales and use tax base expansion, signed into law by Governor Chafee on June 15, 2012, which took effect October 1, 2012. Further, FY 2014 sales and use tax receipts are less by an unknown amount due to the elimination of the sales and use tax on objets d'art and wine and spirits beginning on December 1, 2013.

***Month of June:***

Sales and use taxes collected in June 2014 increased 3.0 percent over sales and use taxes collected in June 2013. June 2014 sales and use taxes were \$79.9 million compared to \$77.5 million collected in June 2013, an increase of \$2.3 million. It should be noted that June 2014 sales and use taxes include a \$350,000 refund that was accrued back to FY 2013. June 2014 sales and use tax receipts are less by an unknown amount due to the elimination of the sales and use tax on objets d'art and wine and spirits beginning on December 1, 2013.

**Sales and Use Tax Cash Collections by Component:**

The tables below are based on data provided by the Division of Taxation and break down sales and use tax cash collections by component on both a fiscal year-to-date and monthly basis. It should be noted that slight 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 revenues.

***Fiscal Year-to-Date through June:***

| <b>Component</b>  | <b>FY 2013</b> | <b>FY 2014</b> | <b>Difference</b> | <b>% Change</b> |
|---|----------------|----------------|-------------------|-----------------|
| Net Taxation <sup>^</sup>   | \$ 778,423,262 | \$ 796,505,315 | \$ 18,082,052     | 2.3 %           |
| Registry Receipts   | 89,408,927     | 96,258,002     | 6,849,075         | 7.7 %           |
| Providence Place  | 13,839,818     | 13,576,025     | (263,793)         | -1.9 %          |
| <sup>^</sup> Tax amnesty receipts of \$3.0 million are included in the FY 2013 net taxation figure. |                |                |                   |                 |

Within the sales tax components, net sales tax receipts remitted directly to the Division of Taxation increased by \$18.1 million or 2.3 percent in FY 2014 compared to FY 2013. FY 2013 net sales tax receipts include tax amnesty collections of \$3.0 million. It should also be noted that FY 2014 sales and use tax receipts include \$4.6 million of refunds which were paid in FY 2014 that were accrued back to FY 2013. FY 2014 registry receipts were up \$6.8 million or 7.7 percent compared to last fiscal year. Providence Place Mall (PPM) sales tax receipts for FY 2014 were down \$263,793 or -1.9 percent relative to FY 2013.

***Month of June:***

| <b>Component</b>      | <b>FY 2013</b> | <b>FY 2014</b> | <b>Difference</b> | <b>% Change</b> |
|-----------------------|----------------|----------------|-------------------|-----------------|
| Net Taxation          | \$ 67,569,658  | \$ 68,740,935  | \$ 1,171,277      | 1.7 %           |
| Registry Receipts     | 8,914,310      | 10,076,964     | 1,162,655         | 13.0 %          |
| Providence Place Mall | 1,064,442      | 1,052,234      | (12,208)          | -1.1 %          |

Within the sales tax components, net sales tax receipts remitted directly to the Division of Taxation increased by \$1.2 million or 1.7 percent in June 2014 over June 2013. June 2014 registry receipts were up \$1.2 million or 13.0 percent compared to June 2013. June 2014

Providence Place Mall (PPM) sales tax receipts were down \$12,208 or -1.1 percent relative to June 2013.

### **General Business Taxes**

In general, businesses with Rhode Island tax liabilities make estimated payments of their tax year liabilities in March and June of the fiscal year, with 40.0 percent of the estimated total tax liability due in March and 60.0 percent of the estimated total tax liability due in June. There is one exception to this payment pattern, namely health care provider assessments, payments of which are made on a monthly basis. Business corporations, or corporate income, tax payments are also received more consistently over the course of the fiscal year due to the varying fiscal years of corporations and the number of filers that are on extension at any given point in time. As a result, both business corporation taxes and health care provider assessments flow more evenly into the general fund over the course of a fiscal year.

| <b>June</b> | <b>FY 2013</b>   | <b>FY 2014</b>   | <b>Difference</b> | <b>% Change</b> |
|-------------|------------------|------------------|-------------------|-----------------|
| Fiscal YTD  | \$ 384.7 Million | \$ 387.8 Million | \$ 3.1 Million    | 0.8 %           |
| Month       | \$ 144.5 Million | \$ 155.4 Million | \$ 10.9 Million   | 7.5 %           |

#### ***Fiscal Year-to-Date through June:***

General business taxes collected in FY 2014 increased 0.8 percent over general business taxes collected in FY 2013. FY 2014 general business taxes collected were \$387.8 million compared to \$384.7 million collected in FY 2013, an increase of \$3.1 million. FY 2013 general business tax receipts include \$7.1 million collected through the 2012 tax amnesty program.

FY 2014 business corporations taxes were \$123.1 million, a decrease of \$9.1 million or -6.9 percent over the previous year. FY 2013 business corporations tax receipts include \$1.6 million collected through the 2012 tax amnesty program. Business corporations taxes for FY 2014 include \$407,599 in historic structures tax credit reimbursements compared to no historic structures tax credit reimbursements in FY 2013. Insurance companies gross premiums tax cash collections in FY 2014 were \$105.4 million compared to \$94.9 million in FY 2013, an increase of \$10.5 million or 11.1 percent. FY 2013 insurance companies gross premiums tax receipts include \$1.7 million to settle an outstanding tax liability for the prior year, as well as \$200,055 collected through the 2012 tax amnesty program. FY 2014 insurance companies gross premiums tax collections include \$1.4 million in reimbursed historic structures tax credits versus \$1.1 million of historic structures tax credits reimbursed in FY 2013. Public utilities gross earnings taxes collected in FY 2014 were \$100.5 million, a decrease of \$40,756 compared to the \$100.6 million collected in FY 2013. FY 2013 public utilities gross earnings tax receipts include \$5.2 million collected through the 2012 tax amnesty program. Health care provider assessments collected in FY 2014 were \$41.7 million, an increase of \$104,328 or 0.3 percent over FY 2013. FY 2013 health care provider assessments tax receipts include \$19,873 collected through the 2012 tax amnesty program. Financial institutions taxes collected in FY 2014 were \$14.6 million compared to the \$12.6 million collected in FY 2013, an increase of \$2.0 million or 15.8 percent. FY 2013 financial institutions taxes include \$5.1 million of historic structures tax credit

reimbursements, while no HSTC reimbursements were received in FY 2014. FY 2013 financial institutions tax receipts also include \$128,747 collected through the 2012 tax amnesty program. Bank deposit taxes received in FY 2014 were \$2.5 million versus \$2.9 million received in FY 2013, a decrease of \$405,787 or -14.1 percent.

### ***Month of June:***

General business taxes collected in June 2014 increased 7.5 percent over general business taxes collected in June 2013. June 2014 general business taxes collected were \$155.4 million compared to \$144.5 million collected in June 2013, an increase of \$10.9 million.

Business corporations taxes collected in June 2014 were \$36.5 million compared to \$31.3 million collected in June 2013, an increase of \$5.2 million or 16.6 percent. June 2014 and June 2013 business corporations taxes do not include any historic structures tax credit reimbursements. Insurance companies gross premiums taxes collected in June 2014 were \$56.5 million compared to \$51.8 million collected in June 2013, an increase of \$4.7 million or 9.1 percent. Public utilities gross earnings taxes collected in June 2014 were \$51.3 million, a decrease of \$2.7 million or -5.0 percent over cash collections in June 2013 of \$54.0 million. Financial institutions taxes collected in June 2014 were \$6.0 million, an increase of \$3.8 million or 174.1 percent over the \$2.2 million collected in June 2013. Health care provider assessments collected in June 2014 were up 0.6 percent or \$22,501 more than the 3.7 million collected in June 2013. Bank deposits taxes collected in June 2014 were \$1.4 million compared to the \$1.5 million collected in June 2013, a decrease of \$113,763 or -7.4 percent.

### **Business Corporations Tax Cash Collections by Component:**

The tables below are based on data provided by the Division of Taxation and break down business corporations tax cash collections by component on both a fiscal year-to-date and monthly basis. It should be noted that slight 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 revenues.

### ***Fiscal Year-to-Date through June:***

| <b>Component</b>  | <b>FY 2013</b> | <b>FY 2014</b> | <b>Difference</b> | <b>% Change</b> |
|---|----------------|----------------|-------------------|-----------------|
| Estimated Payments  | \$ 87,813,531  | \$ 85,746,463  | \$ (2,067,069)    | -2.4 %          |
| Final Payments*^  | 64,821,463     | 60,957,723     | (3,863,740)       | -6.0 %          |
| Refunds/Adjustments^  | (20,934,358)   | (20,819,800)   | 114,558           | -0.5 %          |
| * FY 2013 final payments do not include any historic structures tax credit reimbursements and FY 2014 final payments include \$407,599 of historic structures tax credit reimbursements.  |                |                |                   |                 |
| ^ FY 2013 final payments include tax amnesty receipts of \$2.5 million. FY 2013 refunds and adjustments are increased by \$897,345 for interest owed on overdue taxes collected through the tax amnesty program that was transferred to departmental receipts in October 2012 and January 2013. |                |                |                   |                 |

Within the components of business corporations tax, estimated payments in FY 2014 were down \$2.1 million or -2.4 percent compared to the same period in FY 2013. FY 2014 final payments decreased \$3.9 million or -6.0 percent relative to last fiscal year. FY 2014 refunds and adjustments were lower by \$114,558 or -0.5 percent compared to refunds and adjustments in FY 2013. FY 2013 refunds and adjustments was increased by \$897,345 for the interest owed on overdue business corporations taxes that was transferred to departmental receipts in October 2012 and January 2013.

*Month of June:*

| <b>Component</b>  | <b>FY 2013</b> | <b>FY 2014</b> | <b>Difference</b> | <b>% Change</b> |
|---|----------------|----------------|-------------------|-----------------|
| Estimated Payments  | \$ 30,232,443  | \$ 34,911,379  | \$ 4,678,936      | 15.5 %          |
| Final Payments*   | 3,559,604      | 2,958,068      | (601,536)         | -16.9 %         |
| Refunds/Adjustments   | (2,475,392)    | (1,348,253)    | 1,127,139         | -45.5 %         |
| * June 2013 final payments and June 2014 final payments do not include any historic structures tax credit reimbursements. |                |                |                   |                 |

Within the components of business corporations tax, June 2014 estimated payments were up \$4.7 million or 15.5 percent compared to June 2013 estimated payments. June 2014 final payments decreased by \$601,536 or -16.9 percent compared to June 2013 final payments. June 2014 refunds and adjustments were less by \$1.1 million or -45.5 percent compared to June 2013 refunds and adjustments.

**Excise Taxes Other Than the Sales and Use Tax**

| <b>June</b> | <b>FY 2013</b>   | <b>FY 2014</b>   | <b>Difference</b> | <b>% Change</b> |
|-------------|------------------|------------------|-------------------|-----------------|
| Fiscal YTD  | \$ 193.8 Million | \$ 208.6 Million | \$ 14.8 Million   | 7.7 %           |
| Month       | \$ 15.8 Million  | \$ 19.2 Million  | \$ 3.3 Million    | 21.0 %          |

***Fiscal Year-to-Date through June:***

Excise taxes other than sales and use taxes collected in FY 2014 increased 7.7 percent over excise taxes other than sales and use taxes collected in FY 2013. FY 2014 excise taxes other than sales and use taxes were \$208.6 million compared to \$193.8 million collected last fiscal year, an increase of \$14.8 million. FY 2013 excise taxes other than sales and use taxes cash collections include \$96,815 received through the 2012 tax amnesty program.

Motor vehicle license and registration fees collected in FY 2014 were \$52.4 million, an increase of \$3.1 million or 6.3 percent compared to the \$49.3 million collected in FY 2013. FY 2013 motor vehicle license and registration fee cash collections include \$24,155 collected through the 2012 tax amnesty program. Motor carrier fuel use taxes collected in FY 2014 totaled \$413,611, a decrease of \$155,376 or -27.3 percent from cash collections of \$568,987 in FY 2013. FY 2013 motor carrier fuel use tax receipts also include \$5,550 collected through the 2012 tax amnesty program. Alcohol excise taxes collected in FY 2014 were \$17.5 million, an increase of 47.0

percent or \$5.6 million over the \$11.9 million collected last fiscal year. As of July 1, 2013, alcohol excise tax rates have increased from the prior fiscal year. The excise tax increased on beer and malt from \$3.00 per barrel to \$3.30 per barrel, on spirits from \$3.75 per gallon to \$5.40 per gallon, and on still wine from \$0.60 per gallon to \$1.40 per gallon. These new rates are in effect until June 30, 2015.

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 on cigarettes. On July 1, 2012, the cigarette excise tax was increased from \$3.46 per pack of 20 cigarettes to \$3.50 per pack of 20 cigarettes, which yielded cigarette floor stock tax revenues of \$141,026 in FY 2013. Total cigarettes tax receipts in FY 2014 were up \$6.3 million or 4.8 percent compared to the \$132.0 million collected last fiscal year. FY 2013 cigarettes tax receipts include \$67,109 collected through the 2012 tax amnesty program.

Finally, the percentage change in cigarette sales is determined. Cigarette floor stock tax, other tobacco products tax and tax amnesty cash collections are netted out of the data, yielding only cigarette tax cash collections. For FY 2014, Rhode Island cigarette sales increased by 4.3 percent compared to the same period last fiscal year.

#### ***Month of June:***

Excise taxes other than sales and use taxes collected in June 2014 increased 21.0 percent over the excise taxes other than sales and use taxes collected in June 2013. June 2014 excise taxes other than sales and use taxes collected totaled \$19.2 million compared to \$15.8 million collected in June 2013, an increase of \$3.3 million.

Motor vehicle license and registration fees collected in June 2014 totaled \$5.1 million or \$1.6 million more than the \$3.4 million collected in June 2013. Motor carrier fuel use tax receipts in June 2014 were \$(3,084) compared to \$(52,672) in June 2013. Alcohol excise taxes collected in June 2014 were up 15.0 percent or \$194,044 higher than the \$1.3 million collected in June 2013. This increase is mainly attributed to the increased alcohol excise tax rates that went into effect on July 1, 2013.

June 2014 cigarette excise tax receipts were \$12.6 million, an increase of \$1.4 million or 12.9 percent from the \$11.1 million collected in June 2013. Finally, the percentage change in cigarette sales is determined. Cigarette floor stock tax and other tobacco products tax are netted out of the data, yielding only cigarette tax cash collections. For June 2014, Rhode Island cigarette sales increased by 11.4 percent compared to June 2013.

#### **Other Taxes**

| <b>June</b> | <b>FY 2013</b>  | <b>FY 2014</b>  | <b>Difference</b> | <b>% Change</b> |
|-------------|-----------------|-----------------|-------------------|-----------------|
| Fiscal YTD  | \$ 39.8 Million | \$ 49.3 Million | \$ 9.6 Million    | 24.1 %          |
| Month       | \$ 4.1 Million  | \$ 7.1 Million  | \$ 3.0 Million    | 72.5 %          |

***Fiscal Year-to-Date through June:***

Other taxes collected in FY 2014 increased 24.1 percent over other taxes collected in FY 2013. FY 2014 other taxes were \$49.3 million compared to the \$39.8 million collected last fiscal year, an increase of \$9.6 million.

FY 2014 estate and transfer tax cash collections totaled \$40.3 million, an increase of \$9.1 million or 29.3 percent from the \$31.2 million collected in FY 2013. The increase is partially attributed to the receipt of two large infrequently occurring payments in FY 2014 totaling \$8.1 million. FY 2013 estate and transfer tax receipts include tax amnesty payments of \$432,873 in overdue taxes. FY 2014 realty transfer taxes were \$7.9 million, an increase of \$441,514 or 6.0 percent compared to last fiscal year. Racing and athletics tax cash collections in FY 2014 were down \$4,233 or -0.4 percent relative to the \$1.2 million collected in FY 2013.

***Month of June:***

Other taxes collected in June 2014 increased 72.5 percent over the other taxes collected in June 2013. June 2014 other taxes collected totaled \$7.1 million compared to \$4.1 million collected in June 2013, an increase of \$3.0 million.

June 2014 estate and transfer tax cash collections totaled \$6.3 million, an increase of \$3.1 million or 95.0 percent from June 2013 cash collections of \$3.2 million. This increase is due to the receipt of a large infrequently occurring payment of \$4.0 million in June 2014. Realty transfer taxes collected in June 2014 were down \$113,438 or -14.7 percent from the \$771,097 collected in June 2013. Racing and athletics tax cash collections were up \$8,627 or 9.6 percent in June 2014 relative to the \$89,504 collected in June 2013.

**Total Departmental Receipts**

| <b>June</b> | <b>FY 2013</b>   | <b>FY 2014</b>   | <b>Difference</b> | <b>% Change</b> |
|-------------|------------------|------------------|-------------------|-----------------|
| Fiscal YTD  | \$ 346.9 Million | \$ 352.9 Million | \$ 6.0 Million    | 1.7 %           |
| Month       | \$ 34.5 Million  | \$ 39.4 Million  | \$ 4.8 Million    | 14.0 %          |

***Fiscal Year-to-Date through June:***

Total departmental receipts collected in FY 2014 increased 1.7 percent over total departmental receipts collected in FY 2013. FY 2014 total departmental receipts were \$352.9 million compared to \$346.9 million collected last fiscal year, an increase of \$6.0 million.

The licenses and fees category of departmental receipts in FY 2014 was up 5.2 percent or \$13.7 million over the \$262.7 million collected in FY 2013. The FY 2013 licenses and fees category includes \$189,061 collected through the 2012 tax amnesty program. It is important to note that numerous licenses included in the licenses and fees category of departmental receipts are renewed on a biennial or triennial basis, which skews the fiscal year-to-date comparisons. The

hospital licensing fees collected in FY 2014 totaled \$143.0 million or \$7.0 million greater than the \$136.0 million received in FY 2013. It should be noted that the hospital licensing fees collected in FY 2014 include \$7.2 million for FY 2012 hospital licensing fees from delinquent taxpayers and the hospital licensing fees collected in FY 2013 include \$2.0 million for FY 2012 hospital licensing fees from a delinquent taxpayer. In general, the prior fiscal year's hospital licensing fee is due and payable in July. The FY 2013 hospital licensing fee rate is 5.350 percent of hospital FY 2011 net patient revenues compared to the FY 2012 hospital licensing fee rate of 5.430 percent of hospital FY 2010 net patient revenues.

The fines and penalties category of departmental receipts in FY 2014 was down \$6.5 million or -18.8 percent over the \$34.7 million collected in FY 2013. Interest on overdue taxes received for personal income taxes, business corporations taxes, sales and use taxes and estate and transfer taxes are transferred to the fines and penalties component of departmental receipts in October, January, April and June of each fiscal year. It should be noted that the FY 2013 fines and penalties category includes \$5.4 million of tax amnesty interest owed on overdue personal income, business corporations, sales and use, and estate and transfer taxes that was transferred in October 2012 and January 2013.

The sales and services category of departmental receipts in FY 2014 increased 3.9 percent or \$475,069 over the \$12.3 million collected in FY 2013.

Finally, FY 2014 miscellaneous departmental receipts were down \$1.6 million or -4.3 percent compared to last fiscal year. FY 2014 miscellaneous departmental receipts include \$850,000 for indirect cost recovery assessments on the Office of the Attorney General; \$1.2 million for lease payments from cell phone service providers for space on towers maintained by the Rhode Island State Police and located on State property; and \$2.6 million from a settlement with a pharmaceutical manufacturer by the Office of the Attorney General. FY 2013 miscellaneous departmental receipts include \$5.1 million from settlements with various pharmaceutical manufacturers by the Office of the Attorney General; \$459,459 from a settlement with Toyota Motor Co. for a claim brought by the Office of the Attorney General for unfair and deceptive practices; \$403,169 from a multistate settlement with Lender Processing Services, Inc. for a claim brought by the Office of the Attorney General for the company's past robo-signing practices while dealing with foreclosures; and \$94,087 as part of a national settlement joined by the Office of the Attorney General against Google Inc. for a consumer privacy action. FY 2013 miscellaneous departmental receipts also include \$4,962 collected through the 2012 tax amnesty program.

In the enacted FY 2014 budget, signed into law by Governor Chafee on July 3, 2013, several departmental receipt fees were newly established, increased or eliminated. The eliminated fees include the Division of Motor Vehicles' accident reporting fee, beginning July 1, 2013 and the Department of Labor and Training's hazardous substances Right-to-Know fee, which was down \$353,850 in FY 2014 cash collections. New fees implemented for this fiscal year include the collection of the State's share of fines imposed on red light camera violations. Finally, investment earnings on idle cash in the general fund were down \$31,183 in FY 2014. Previously, bank fees were deducted from this revenue account, but they are now shown as an

expenditure in the Treasurer's budget. This change is the result of an audit finding in the FY 2012 Consolidated Annual Financial Report.

***Month of June:***

Total departmental receipts in June 2014 increased 14.0 percent over total departmental receipts in June 2013. June 2014 total departmental receipts cash collections were \$39.4 million compared to \$34.5 million collected in June 2013, an increase of \$4.8 million.

The licenses and fees category of departmental receipts was up 26.3 percent in June 2014 or \$5.2 million more than the \$19.6 million collected in June 2013. June 2013 licenses and fees receipts include \$975,210 collected from a delinquent taxpayer for the prior fiscal year's hospital licensing fee. The fines and penalties category of departmental receipts was down 8.5 percent in June 2014 or \$523,442 less than the \$6.2 million collected in June 2013. The sales and services category of departmental receipts was up 11.0 percent in June 2014 or \$314,888 more than the \$2.9 million collected in June 2013. Finally, miscellaneous departmental receipts were down 2.2 percent in June 2014 or \$130,633 less than the \$5.9 million collected in June 2013.

**Motor Fuel Tax, Per Penny Yield**

| <b>June</b> | <b>FY 2013</b>   | <b>FY 2014</b>   | <b>Difference</b> | <b>% Change</b> |
|-------------|------------------|------------------|-------------------|-----------------|
| Fiscal YTD  | \$ 4.140 Million | \$ 4.216 Million | \$ 75,760         | 1.8 %           |
| Month       | \$ 347,612       | \$ 367,088       | \$ 19,476         | 5.6 %           |

*The State's motor fuel tax consists of a \$0.32 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. 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 June:***

The per penny yield of the State's motor fuel tax collected in FY 2014 is \$75,760 greater than in FY 2013. This represents an increase of 1.8 percent between the two fiscal years. For FY 2014, the per penny yield was \$4.216 million versus \$4.140 million for FY 2013.

***Month of June:***

The per penny yield of the State's motor fuel tax collected in June 2014 totaled \$367,088, an increase of \$19,476 or 5.6 percent compared to the \$347,612 collected in June 2013.

### **Other Miscellaneous Revenues**

| <b>June</b> | <b>FY 2013</b> | <b>FY 2014</b> | <b>Difference</b> | <b>% Change</b> |
|-------------|----------------|----------------|-------------------|-----------------|
| Fiscal YTD  | \$ 7.4 Million | \$ 3.6 Million | \$ (3.9 Million)  | -52.1 %         |
| Month       | \$ 295,551     | \$ 5.8 Million | \$ 5.5 Million    | 1,865.4 %       |

#### ***Fiscal Year-to-Date through June:***

Other miscellaneous revenues collected in FY 2014 decreased 52.1 percent over other miscellaneous revenues collected in FY 2013. FY 2014 other miscellaneous revenues were \$3.6 million compared to \$7.4 million collected in the prior fiscal year, a decrease of \$3.9 million. This decrease is mainly attributable to the receipt of three settlements in FY 2013 totaling \$3.5 million from pharmaceutical manufacturers, identified in the cash flow differences section of Total General Revenues above, as well as \$964,658 for motor vehicle registration fees paid by the International Registration Program (IRP) that were received in FY 2012, but not posted until February 2013.

#### ***Month of June:***

Other miscellaneous revenues collected in June 2014 increased 1,865.4 percent over other miscellaneous revenues collected in June 2013. June 2014 other miscellaneous revenues collected were \$5.8 million compared to \$295,551 collected in June 2013, an increase of \$5.5 million. The increase is due to the transfer to the general fund of \$3.0 million from the Rhode Island Capital Plan (RICAP) and \$925,419 from the insurance coverage restricted receipts account.

### **Lottery Transfer**

| <b>June</b> | <b>FY 2013</b>   | <b>FY 2014</b>   | <b>Difference</b> | <b>% Change</b> |
|-------------|------------------|------------------|-------------------|-----------------|
| Fiscal YTD  | \$ 380.9 Million | \$ 376.9 Million | \$ (4.0 Million)  | -1.1 %          |
| Month       | \$ 64.2 Million  | \$ 63.1 Million  | \$ (1.1 Million)  | -1.8 %          |

#### ***Fiscal Year-to-Date through June:***

The lottery transfer to the general fund does not commence until August of each fiscal year when the July lottery receipts are transferred. The FY 2014 lottery transfer totaled \$376.9 million compared to the lottery transfer in FY 2013 of \$380.9 million, a decrease of \$4.0 million or -1.1 percent. It should be noted that the FY 2014 lottery transfer includes a share of revenue from table games which were available at Twin River Casino beginning in June 2013.

***Month of June:***

The lottery transfer in June 2014 was down \$1.1 million or -1.8 percent compared to the lottery transfer in June 2013. The June 2014 lottery transfer totaled \$63.1 million compared to \$64.2 million transferred in June 2013.

**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 revenues.

***Fiscal Year-to-Date through June:***

| <b>Component</b>       | <b>FY 2013</b> | <b>FY 2014</b> | <b>Difference</b> | <b>% Change</b> |
|------------------------|----------------|----------------|-------------------|-----------------|
| Traditional Games      | \$ 45,232,247  | \$ 41,157,203  | \$ (4,075,044)    | -9.0 %          |
| Keno                   | 18,156,221     | 16,991,313     | (1,164,908)       | -6.4 %          |
| Twin River VLTs        | 288,861,101    | 282,129,721    | (6,731,380)       | -2.3 %          |
| Twin River Table Games | (572,284)      | 11,707,887     | 12,280,171        | -2,145.8 %      |
| Newport Grand VLTs     | 29,674,876     | 26,452,138     | (3,222,738)       | -10.9 %         |

Within the lottery transfer components, fiscal year-to-date traditional games were down by \$4.1 million or -9.0 percent compared to same period last fiscal year. Fiscal year-to-date Keno cash collections were down \$1.2 million or -6.4 percent compared to the same period in the last fiscal year. The fiscal year-to-date transfer from Twin River's video lottery terminals (VLTs) totaled \$282.1 million, a decrease of \$6.7 million or -2.3 percent compared to the same period in the last fiscal year. It should be noted that, on average, in FY 2014 there were 164 fewer VLTs in operation at Twin River than in FY 2013. The FY 2014 year-to-date transfer from Twin River Table Games was \$11.7 million. The \$(572,284) shown for FY 2013 Twin River Table Games reflects the fact that the Division of Lottery incurred administrative expenses in the months preceding the introduction of table gaming in excess of its share of table game revenues. The FY 2014 year-to-date transfer from Newport Grand's VLTs totaled \$26.5 million compared to \$29.7 million transferred in FY 2013. This translates into a decrease of \$3.2 million or -10.9 percent. Both Twin River and Newport Grand VLT cash collections do not reflect unclaimed prizes, distressed communities relief program receipts, or the State's payment to either Newport Grand's or Twin River's marketing program.

*Month of June:*

| <b>Component</b>       | <b>FY 2013</b> | <b>FY 2014</b> | <b>Difference</b> | <b>% Change</b> |
|------------------------|----------------|----------------|-------------------|-----------------|
| Traditional Games      | \$ 7,469,029   | \$ 6,009,217   | \$ (1,459,812)    | -19.5 %         |
| Keno                   | 3,091,901      | 2,926,152      | (165,749)         | -5.4 %          |
| Twin River VLTs        | 50,038,380     | 47,869,478     | (2,168,902)       | -4.3 %          |
| Twin River Table Games | (321,805)      | 2,138,014      | 2,459,819         | -764.4 %        |
| Newport Grand VLTs     | 5,021,037      | 4,668,517      | (352,520)         | -7.0 %          |

Within the lottery transfer components, the June 2014 transfer for traditional games was down \$1.5 million or -19.5 percent compared to the same period in the last fiscal year. The June 2014 Keno transfer was down \$165,749 or -5.4 percent compared to the same period in the last fiscal year. The June 2014 transfer from Twin River's video lottery terminals (VLTs) totaled \$47.9 million, a decrease of \$2.2 million or -4.3 percent compared to the same period in the last fiscal year. There were four more VLTs in operation at Twin River in June 2014 than in June 2013. The June 2014 transfer from Twin River Tables Games was \$2.1 million. It should be noted that effective November 29, 2013 14 tables were added to the existing 66 tables at Twin River. The June 2014 transfer from Newport Grand's VLTs totaled \$4.7 million compared to \$5.0 million for June 2013. This translates into a decrease of \$352,520 or -7.0 percent. Both Twin River and Newport Grand VLT cash collections do not reflect unclaimed prizes, distressed communities relief program receipts, or the State's payment to either Newport Grand's or Twin River's marketing program.

**Unclaimed Property Transfer**

| <b>June</b> | <b>FY 2013</b> | <b>FY 2014</b>  | <b>Difference</b> | <b>% Change</b> |
|-------------|----------------|-----------------|-------------------|-----------------|
| Fiscal YTD  | \$ 6.3 Million | \$ 12.7 Million | \$ 6.5 Million    | 103.0 %         |
| Month       | \$ 6.3 Million | \$ 12.7 Million | \$ 6.5 Million    | 103.0 %         |

The unclaimed property transfer to the general fund occurs in June of every fiscal year. The FY 2014 unclaimed property transfer was \$12.7 million compared to the unclaimed property transfer in FY 2013 of \$6.5 million, an increase of \$6.5 million or 103.0 percent.



Rosemary Booth Gallogly, Director  
Rhode Island Department of Revenue  
August 22, 2014

**STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS**  
**Fiscal Year To Date**

|   | FY 2013<br>June         | FY 2014<br>June         | Nominal<br>Difference | Change       |
|---|-------------------------|-------------------------|-----------------------|--------------|
| <b><u>Personal Income Tax</u></b>           | 1,088,992,061           | 1,109,637,064           | 20,645,003            | 1.9%         |
| <b><u>General Business Taxes</u></b>        |                         |                         |                       |              |
| Business Corporations                       | 132,139,493             | 123,068,564             | (9,070,929)           | -6.9%        |
| Public Utilities Gross Earnings             | 100,559,749             | 100,518,993             | (40,756)              | 0.0%         |
| Financial Institutions                      | 12,608,802              | 14,599,530              | 1,990,728             | 15.8%        |
| Insurance Companies                         | 94,914,994              | 105,436,247             | 10,521,253            | 11.1%        |
| Bank Deposits                               | 2,877,340               | 2,471,553               | (405,787)             | -14.1%       |
| Health Care Provider Assessment             | 41,623,986              | 41,728,314              | 104,328               | 0.3%         |
| <b><u>Excise Taxes</u></b>                  |                         |                         |                       |              |
| Sales and Use                               | 881,449,256             | 906,337,794             | 24,888,538            | 2.8%         |
| Motor Vehicle                               | 49,296,708              | 52,397,943              | 3,101,235             | 6.3%         |
| Motor Carrier Fuel Use                      | 568,987                 | 413,611                 | (155,376)             | -27.3%       |
| Cigarettes                                  | 131,973,875             | 138,266,645             | 6,292,770             | 4.8%         |
| Alcohol                                     | 11,910,990              | 17,514,648              | 5,603,658             | 47.0%        |
| <b><u>Other Taxes</u></b>                   |                         |                         |                       |              |
| Estate and Transfer                         | 31,156,045              | 40,299,194              | 9,143,149             | 29.3%        |
| Racing and Athletics                        | 1,184,286               | 1,180,053               | (4,233)               | -0.4%        |
| Realty Transfer                             | 7,416,406               | 7,857,920               | 441,514               | 6.0%         |
| <b>Total Taxes</b>                          | <b>\$ 2,588,672,978</b> | <b>\$ 2,661,728,075</b> | <b>\$ 73,055,097</b>  | <b>2.8%</b>  |
| <b><u>Departmental Receipts</u></b>         |                         |                         |                       |              |
| Licenses and Fees                           | 262,719,112             | 276,380,081             | 13,660,969            | 5.2%         |
| Fines and Penalties                         | 34,707,560              | 28,187,204              | (6,520,356)           | -18.8%       |
| Sales and Services                          | 12,311,014              | 12,786,083              | 475,069               | 3.9%         |
| Miscellaneous                               | 37,206,575              | 35,588,995              | (1,617,580)           | -4.3%        |
| <b>Total Departmental Receipts</b>          | <b>\$ 346,944,261</b>   | <b>\$ 352,942,363</b>   | <b>\$ 5,998,102</b>   | <b>1.7%</b>  |
| <b>Taxes and Departmentals</b>              | <b>\$ 2,935,617,239</b> | <b>\$ 3,014,670,438</b> | <b>\$ 79,053,199</b>  | <b>2.7%</b>  |
| <b><u>Other General Revenue Sources</u></b> |                         |                         |                       |              |
| Other Miscellaneous Revenues                | 7,418,483               | 3,551,659               | (3,866,824)           | -52.1%       |
| Lottery Transfer                            | 380,910,700             | 376,903,899             | (4,006,801)           | -1.1%        |
| Unclaimed Property                          | 6,268,627               | 12,724,124              | 6,455,497             | 103.0%       |
| <b>Total Other Sources</b>                  | <b>\$ 394,597,810</b>   | <b>\$ 393,179,682</b>   | <b>\$ (1,418,128)</b> | <b>-0.4%</b> |
| <b>Total General Revenues</b>               | <b>\$ 3,330,215,049</b> | <b>\$ 3,407,850,120</b> | <b>\$ 77,635,071</b>  | <b>2.3%</b>  |

**STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS**  
**Month of June**

|   | FY 2013<br>June       |  | FY 2014<br>June       |  | Nominal<br>Difference |  | %<br>Change  |
|---|-----------------------|--|-----------------------|--|-----------------------|--|--------------|
| <b><u>Personal Income Tax</u></b>           | 114,898,230           |  | 121,199,420           |  | 6,301,190             |  | 5.5%         |
| <b><u>General Business Taxes</u></b>        |                       |  |                       |  |                       |  |              |
| Business Corporations                       | 31,319,007            |  | 36,530,616            |  | 5,211,609             |  | 16.6%        |
| Public Utilities Gross Earnings             | 54,007,101            |  | 51,311,281            |  | (2,695,820)           |  | -5.0%        |
| Financial Institutions                      | 2,176,011             |  | 5,965,150             |  | 3,789,139             |  | 174.1%       |
| Insurance Companies                         | 51,786,921            |  | 56,475,437            |  | 4,688,516             |  | 9.1%         |
| Bank Deposits                               | 1,541,974             |  | 1,428,211             |  | (113,763)             |  | -7.4%        |
| Health Care Provider Assessment             | 3,709,961             |  | 3,732,462             |  | 22,501                |  | 0.6%         |
| <b><u>Excise Taxes</u></b>                  |                       |  |                       |  |                       |  |              |
| Sales and Use                               | 77,529,618            |  | 79,864,204            |  | 2,334,586             |  | 3.0%         |
| Motor Vehicle                               | 3,449,068             |  | 5,086,648             |  | 1,637,580             |  | 47.5%        |
| Motor Carrier Fuel Use                      | (52,672)              |  | (3,084)               |  | 49,588                |  | -94.1%       |
| Cigarettes                                  | 11,145,523            |  | 12,584,015            |  | 1,438,492             |  | 12.9%        |
| Alcohol                                     | 1,294,195             |  | 1,488,239             |  | 194,044               |  | 15.0%        |
| <b><u>Other Taxes</u></b>                   |                       |  |                       |  |                       |  |              |
| Estate and Transfer                         | 3,243,509             |  | 6,325,220             |  | 3,081,711             |  | 95.0%        |
| Racing and Athletics                        | 89,504                |  | 98,131                |  | 8,627                 |  | 9.6%         |
| Realty Transfer                             | 771,097               |  | 657,659               |  | (113,438)             |  | -14.7%       |
| <b>Total Taxes</b>                          | <b>\$ 356,909,047</b> |  | <b>\$ 382,743,611</b> |  | <b>\$ 25,834,564</b>  |  | <b>7.2%</b>  |
| <b><u>Departmental Receipts</u></b>         |                       |  |                       |  |                       |  |              |
| Licenses and Fees                           | 19,621,526            |  | 24,782,090            |  | 5,160,564             |  | 26.3%        |
| Fines and Penalties                         | 6,166,762             |  | 5,643,320             |  | (523,442)             |  | -8.5%        |
| Sales and Services                          | 2,864,103             |  | 3,178,991             |  | 314,888               |  | 11.0%        |
| Miscellaneous                               | 5,886,725             |  | 5,756,092             |  | (130,633)             |  | -2.2%        |
| <b>Total Departmental Receipts</b>          | <b>\$ 34,539,116</b>  |  | <b>\$ 39,360,493</b>  |  | <b>\$ 4,821,377</b>   |  | <b>14.0%</b> |
| <b>Taxes and Departmentals</b>              | <b>\$ 391,448,163</b> |  | <b>\$ 422,104,104</b> |  | <b>\$ 30,655,941</b>  |  | <b>7.8%</b>  |
| <b><u>Other General Revenue Sources</u></b> |                       |  |                       |  |                       |  |              |
| Other Miscellaneous Revenues                | 295,551               |  | 5,808,754             |  | 5,513,203             |  | 1865.4%      |
| Lottery Transfer                            | 64,201,455            |  | 63,064,470            |  | (1,136,985)           |  | -1.8%        |
| Unclaimed Property                          | 6,268,627             |  | 12,724,124            |  | 6,455,497             |  | 103.0%       |
| <b>Total Other Sources</b>                  | <b>\$ 70,765,633</b>  |  | <b>\$ 81,597,348</b>  |  | <b>\$ 10,831,715</b>  |  | <b>15.3%</b> |
| <b>Total General Revenues</b>               | <b>\$ 462,213,796</b> |  | <b>\$ 503,701,452</b> |  | <b>\$ 41,487,656</b>  |  | <b>9.0%</b>  |