

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



DEPARTMENT OF REVENUE
Office of Revenue Analysis

State of Rhode Island Revenue Assessment Report
Year-to-Date FY 2013 through December 2012

The monthly revenue assessment report compares adjusted revenues on a monthly and fiscal year-to-date basis to the Office of Revenue Analysis' monthly and fiscal year-to-date estimate of revenues based on the current fiscal year revised revenue estimate. It should be noted that the fiscal year revenue estimate will vary over the course of the fiscal year as the Revenue Estimating Conference (see RI General Law § 35-16-1) convenes and modifies the revenue estimates originally enacted by the General Assembly.

The purpose of the Revenue Assessment Report is to give readers a sense of how the state's revenues compare to those that might be expected if the official revenue estimate was being met in a predictable way. Caution should be exercised when interpreting this report as actual revenues may vary significantly from historical patterns. In addition, it is important for the reader to understand that enacted and adopted revenue estimates are made on an accrual not a cash basis. Revenue accruals are not determined until at least one month after the close of the fiscal year in June. Thus, even if the assessment of actual fiscal year-to-date revenues trail the fiscal year-to-date revenue estimates, it is possible for the fiscal year end accrual to make up any shortfall.

Estimates of Revised FY 2013 Revenues Adopted at the November 2012 REC

In order to determine the expected monthly and fiscal year-to-date revenues based on the revised revenue estimates adopted at the November 2012 Revenue Estimating Conference (REC), the Office of Revenue Analysis first calculates the average percentage of total adjusted revenues that occurred in a given month over the past five fiscal years for each revenue item. For inheritance and gift taxes the past ten fiscal years are used. To determine the expected monthly revenues, these percentages are applied to the revised FY 2013 revenue estimate for each revenue item. To determine the expected fiscal year-to-date revenues, the monthly percentages are summed and

then applied to the revised FY 2013 revenue estimate for each revenue item. In the case of other miscellaneous revenues, the actual year-to-date revenues are used in place of an estimate due to the discrete and unpredictable nature of the timing of these receipts.

Impact of 2012 Tax Amnesty on Expected Revenues

The revised FY 2013 revenue estimates adopted at the November 2012 Revenue Estimating Conference (REC) incorporate revenues attributable to the 2012 Tax Amnesty Act. The tax amnesty program ran from September 2, 2012 through November 15, 2012. The principals of the November 2012 REC did not formally adopt an estimate of tax amnesty revenues. Prior to convening the November 2012 REC on November 9th, the Office of Revenue Analysis (ORA) derived its own estimate of tax amnesty revenues based on actual tax amnesty revenues received through October 31, 2012 and testimony provided by the Division of Taxation on November 5, 2012. The table, *2012 Tax Amnesty Estimates to Actual*, details the fiscal year-to-date and December 2012 tax amnesty estimates by revenue item compared to actual year-to-date and monthly tax amnesty revenues.

The ORA tax amnesty estimates are allocated in accordance with the monthly revenues received during the 2006 Tax Amnesty program. That is, the percentage of tax amnesty revenues in 2006 in a given month to the total tax amnesty revenues in 2006 per revenue item is calculated. To determine the fiscal year-to-date tax amnesty revenue percentages, the monthly figures are summed over the relevant duration.

For revenue items that include an ORA estimate of tax amnesty revenues, ORA has modified the standard methodology in determining the monthly and fiscal year-to-date expected FY 2013 revised revenues to allow for the proper timing of these tax amnesty revenues. The modification is made to allocate the ORA's estimate of tax amnesty revenues consistent with the limited duration of the tax amnesty program. First, ORA subtracts the estimate of tax amnesty revenue from the adopted revised revenue estimate for each revenue item. Second, the average percentage of total adjusted revenues that occurred in a given month over the past five fiscal years is combined with the percentage of monthly tax amnesty receipts in 2006 to the total tax amnesty receipts in 2006 using a weighted average. The weights are the ratio of the adopted revised revenue estimate without estimated tax amnesty revenues to the adopted revised revenue estimate and the ratio of the estimated 2012 tax amnesty revenues to the adopted revised revenue estimate. The result of this calculation is a modified average monthly percentage of adjusted revenues including tax amnesty revenues. Fiscal year-to-date percentages are derived by summing the monthly percentages over the appropriate time frame. The modified percentage is then applied to the revised FY 2013 revenue estimates adopted at the November 2012 REC to arrive at expected FY 2013 revised revenues for each revenue item that has tax amnesty revenues associated with it.

To illustrate this procedure as applied to revenue items that include tax amnesty revenues, the revised FY 2013 revenue estimate for the health care provider assessment adopted at the November 2012 REC is used. The adopted revised revenue estimate for the health care provider assessment is \$42.3 million. The ORA estimates that this figure includes \$37,653 of tax amnesty revenues. The average percentage of adjusted revenues over the past five fiscal years for the health care provider assessment is 8.8 percent for the month of December. Based on the 2006 tax amnesty receipts for the health care provider assessment, 100.0 percent of tax amnesty revenues were received in the third month of the 2006 tax amnesty program, which was November in the 2012 tax amnesty program. Therefore, no tax amnesty revenues are included in December's calculation. Using the weighted average formula described above yields a modified monthly percentage for December of:

$$8.8\% = 8.8\% \times \left(\frac{(\$42,300,000 - \$37,653)}{\$42,300,000} \right) + 0.0\% \times \left(\frac{\$37,653}{\$42,300,000} \right)$$

For the fiscal year-to-date period, each monthly percentage is summed to arrive at a modified percentage of 49.7 percent. These percentages are applied to the revised FY 2013 revenue estimate of \$42.3 million to yield expected monthly health care provider assessment revenues of \$3.7 million and fiscal year-to-date expected health care provider assessment revenues of \$21.0 million.

The following table provides the rounded five year or ten year average percentages for monthly and fiscal year-to-date revenues for December:

Revenue Item	Percent Received		Revenue Item	Percent Received	
	Month	YTD		Month	YTD
Personal Income Taxes			Motor Vehicles Fees	2.9 %	36.4 %
Estimated Payments	11.8 %	40.0 %	Motor Carrier Fuel Use+	4.7 %	42.9 %
Final Payments+	1.7 %	14.6 %	Cigarettes Taxes+	8.7 %	52.5 %
Withholding Payments+	9.9 %	48.7 %	Alcohol Excise Taxes	8.9 %	51.9 %
Refunds Paid	2.8 %	17.0 %	Inheritance & Gift+	6.9 %	53.3 %
Business Corporations Taxes+	7.1 %	18.9 %	Racing & Athletics	7.0 %	48.4 %
Utilities Gross Earnings Taxes	0.2 %	5.2 %†	Realty Transfer	8.2 %	55.7 %
Financial Institutions Taxes	11.0 %	75.3 %†	Departmental Receipts+	6.0 %	40.6 %
Insurance Co. Gross Premiums+	0.2 %	0.6 %	Lottery Transfer	7.7 %	40.8 %
Bank Deposits	-1.5 %	4.3 %	Other Misc. Revenues	n/a	n/a
Health Care Provider Assmnt.+	8.8 %	49.7 %	Unclaimed Property	0.0 %	0.0 %
Sales and Use Taxes ¹⁺	7.8 %	51.6 %			

¹ Percentages are a weighted average of the standard monthly and fiscal year-to-date percentages for base sales and use taxes adjusted revenues and the monthly and fiscal year-to-date percentages calculated by the Office of Revenue Analysis for sales and use tax revenues generated by the expansion of the State's sales and use tax base that went into effect on October 1, 2012. See below for a more detailed discussion of this methodology.

+ ORA tax amnesty estimates are incorporated into the average percentage calculations for the following revenue items: personal income tax final payments, personal income tax withholding payments, business corporations taxes, insurance companies gross premiums taxes, health care provider assessments, sales and use taxes, motor carrier fuel use taxes, cigarette excise taxes, inheritance and gift taxes, and departmental receipts which includes hotel taxes, prepaid wireless E-911 fees, litter control participation permit fees, and interest owed on overdue taxes.

† "Year-to-Date Percent Received" has been adjusted for public utilities gross earnings taxes to account for the ORA tax amnesty estimate and for financial institutions taxes to take into consideration the historic structure tax credit reimbursement not otherwise incorporated into the average percentage calculations.

The ORA tax amnesty estimate for public utilities gross earnings taxes was set equal to actual tax amnesty revenues received of \$3.2 million through October with no further tax amnesty revenues anticipated. As there were no tax amnesty payments received in 2006 for public utilities gross earnings taxes, ORA is not able to compute a ratio to allocate the ORA estimate of tax amnesty revenues. The expected monthly revised public utilities gross earnings tax revenues is calculated net of the ORA tax amnesty estimate. To fairly report the expected fiscal year-to-date revised public utilities gross earnings tax revenues, the entire ORA estimate of tax amnesty revenues for

public utilities gross earnings taxes is added to the expected fiscal year-to-date revised revenues as calculated net of the ORA tax amnesty estimate.

Any interest owed on overdue personal income, business corporations, sales and use, and inheritance and gift taxes is transferred to departmental receipts on a quarterly basis in October, January, April and June. For all other revenue items, any interest owed on overdue taxes is retained with all other payments. For the 2012 tax amnesty program, September receipts of interest owed on overdue personal income, business corporations, sales and use and inheritance and gift taxes was transferred in October and October, November and December receipts will be transferred in January. For October through December, ORA removes the interest owed on overdue personal income, business corporations, sales and use and inheritance and gift taxes from these revenue items in determining adjusted revenues. In January, ORA will incorporate these revenues into adjusted departmental receipts revenues when the monies are transferred. Interest owed on overdue taxes related to the 2012 tax amnesty received for all other revenue items is included in the adjusted revenues for these revenue items.

The health care provider assessment includes only an assessment on nursing homes. Racing and athletics taxes consist of a tax on simulcast wagering. In addition, the "Percent Received" for monthly and year-to-date departmental receipts is calculated excluding hospital licensing fee revenues, which are large, generally made only once in the fiscal year, and not always at the same time each fiscal year. Finally, the lottery transfer does not begin in a given fiscal year until August, while the unclaimed property transfer occurs in June of each fiscal year.

The revised FY 2013 revenue estimates adopted at the November 2012 Revenue Estimating Conference by revenue item is as follows:

Revenue Item	Revised FY 2013 Estimate	Revenue Item	Revised FY 2013 Estimate
Personal Income Taxes		Motor Vehicles	\$ 48,700,000
Estimated Payments	\$ 195,800,000	Motor Carrier Fuel+	1,000,000
Final Payments+	184,000,000	Cigarettes Taxes+	137,700,000
Withholding Payments+	981,700,000	Alcohol Excise Taxes	12,000,000
Refunds Paid	(275,900,000)	Inheritance & Gift+	33,800,000
Business Corporations Taxes+	135,900,000	Racing & Athletics	1,200,000
Public Utilities Gross Earnings+	104,000,000	Realty Transfer	6,500,000
Financial Institutions Taxes	8,200,000	Departmental Rcpts.+	347,500,000
Insurance Co. Gross Premiums+	91,900,000	Lottery	386,700,000
Bank Deposits	2,100,000	Other Misc. Revenues	4,615,000
Health Care Provider Assessment+	42,300,000	Unclaimed Property	6,300,000
Sales and Use Taxes+	879,400,000		
		Total General Revenues[^]	\$ 3,328,415,000
<p>+ ORA estimated tax amnesty revenues for the following revenue items: personal income tax final payments, personal income tax withholding payments, business corporations taxes, insurance companies gross premiums taxes, health care provider assessments, sales and use taxes, motor carrier fuel use taxes, cigarette excise taxes, inheritance and gift taxes, and departmental receipts which includes hotel taxes, prepaid wireless E-911 fees, litter control participation permit fees, and interest owed on overdue taxes. These estimates are assumed to be included in the revised FY 2013 adopted revenue estimates.</p>			
<p>[^] Total General Revenues includes the net accrual for personal income taxes which is estimated to be \$(7,000,000) in the revised FY 2013 adopted revenues.</p>			

As noted above, the revised FY 2013 revenue estimate for sales and use taxes adopted at the November 2012 Revenue Estimating Conference is \$879.4 million. The Office of Revenue Analysis has estimated that this figure is comprised of \$867.6 million of “base” sales and use tax revenues, \$792,652 of tax amnesty estimated revenues, and \$11.0 million of “additional” sales and use tax revenues generated by the expansion of the State’s sales and use tax base effective October 1, 2012. (Sales and use taxes generated during the month of October are not remitted to the Division of Taxation until November.) The Office of Revenue Analysis further adjusts the methodology for estimating expected FY 2013 revised sales and use tax revenues to account for these changes.

To illustrate the process, the average percentages of sales and use taxes adjusted revenues for December of 7.7 percent and the fiscal year-to-date of 51.9 percent are applied to the revised FY 2013 “base” sales and use tax estimate. The expected FY 2013 revised “base” sales and use tax revenues are \$66.9 million for December and \$450.1 million for the fiscal year through December. Based on 2006 tax amnesty receipts for sales and use taxes, 4.2 percent of the ORA tax amnesty estimate is projected to be received in December and 98.1 percent is projected to be received for the fiscal year-to-date period. The ORA tax amnesty estimate for sales and use taxes is \$33,152 in December and \$777,957 for the fiscal year through December. The revised FY 2013 “additional” sales and use tax estimate due to the expansion of the State’s sales and use tax base is calculated using the average percentages based on the ratio of monthly adjusted revenues to total adjusted revenues for November through June for the previous fiscal year, or 11.8 percent for December and 24.6 percent for the fiscal year-to-date period. The expected FY 2013 revised “additional” sales and use tax revenues are \$1.3 million in December and \$2.7 million for the fiscal year-to-date. These figures are summed to arrive at total expected FY 2013 revised sales and use tax revenues of \$68.2 million for the month of December and \$453.6 million for the fiscal year-to-date through December. This translates to a modified average percentage of 7.8 percent for the month of December and 51.6 percent for the fiscal year through December.

It should be noted that the revised FY 2013 revenue estimate for financial institutions taxes adopted at the November 2012 REC takes into account the \$5.1 million historic structure tax credit reimbursement received in October 2012. To better show the comparison between the fiscal year-to-date estimated revenues to fiscal year-to-date actual revenues, the expected FY 2013 revised financial institutions tax revenues is calculated exclusive of the historic structure tax credit reimbursement and then the historic structure tax credit reimbursement is added to the figure.

Results for Year-to-Date FY 2013 through December 2012

The table, *Year-to-Date Estimate to Actual*, gives the results for the first half of FY 2013. As is apparent from the table, the Department of Revenue finds that fiscal year-to-date adjusted revenues for total general revenues exceeds expected revenues based on the revised FY 2013 revenue estimates adopted at the November 2012 Revenue Estimating Conference by \$24.4 million, or 1.7 percent. Fiscal year-to-date adjusted revenues through December include \$17.7 million of tax amnesty revenues, which is \$5.7 million greater than the entire ORA tax amnesty estimate of \$11.9 million. In total taxes, the variance from the expected FY 2013 revised revenues is \$18.3 million, or 1.6 percent. For departmental receipts, the difference from the expected FY 2013 revised revenues is \$6.4 million, or 7.6 percent. For other general revenue sources, fiscal year-to-date adjusted revenues trail expected FY 2013 revised revenues by \$291,206, or -0.2 percent.

In addition to departmental receipts, five revenue items have adjusted revenues that exceed expected FY 2013 revised revenues by \$1.0 million or more.

- Business corporations taxes adjusted revenues through December are \$15.4 million, or 59.8 percent, more than expected FY 2013 revised revenues of \$25.7 million. The increase is partially due to a decrease in business corporations taxes refunds paid in the current fiscal year. FY 2013 refunds paid through December are \$12.7 million less than last fiscal year, but could accelerate in the coming months as currently backlogged refunds are processed.
- Personal income taxes adjusted revenues through December exceed expected FY 2013 revised revenues by \$4.4 million, or 0.8 percent. The overage is attributable to lower refunds and adjustments through December of \$10.2 million, or -21.7 percent, than expected FY 2013 revised revenues and more final payments adjusted revenues of \$1.9 million, or 7.0 percent. This is reduced by less withholding taxes adjusted revenues than expected FY 2013 revised revenues of \$1.4 million, or -0.3 percent, and lower estimated tax payments adjusted revenues of \$6.3 million, or -8.1 percent. Fiscal year-to-date personal income taxes adjusted revenues include \$6.1 million of tax amnesty revenues, which exceeds the ORA tax amnesty estimate for personal income taxes of \$2.9 million. Further, fiscal year-to-date personal income taxes adjusted revenues include \$2.2 million of reimbursed Historic Structures Tax Credits (HSTCs).
- Financial institutions taxes adjusted revenues through December are \$2.4 million, or 38.2 percent, more than expected FY 2013 revised revenues of \$6.2 million. Fiscal year-to-date financial institutions taxes adjusted revenues include \$128,747 of tax amnesty revenues. The ORA did not estimate any tax amnesty revenues for financial institution taxes. Further, fiscal year-to-date financial institutions taxes adjusted revenues include \$5.1 million of reimbursed Historic Structures Tax Credits (HSTCs).
- Public utilities gross earnings taxes adjusted revenues through December are \$1.9 million, or 36.0 percent, more than expected FY 2013 revised revenues of \$5.4 million. This difference is due to the receipt of \$5.2 million in tax amnesty revenue, which is greater than the ORA tax amnesty estimate for public utilities gross earnings taxes of \$3.2 million.
- Insurance companies gross premiums taxes adjusted revenues through December are \$1.2 million, or 204.0 percent, more than expected FY 2013 revised revenues of \$590,479. Fiscal year-to-date adjusted revenues through December include \$198,913 of tax amnesty revenues, which exceeds the ORA tax amnesty estimate of \$1,142.

Bank deposit taxes, motor vehicle operator's license and registration fees, realty transfer taxes and racing and athletics taxes adjusted revenues through December of the fiscal year are all greater than expected FY 2013 revised revenues but by less than \$1.0 million.

On the negative side, two revenue items have adjusted revenues that trail expected FY 2013 revised revenues by more than \$1.0 million.

- Sales and use taxes adjusted revenues are below expected FY 2013 revised revenues by \$4.3 million, or -0.9 percent, despite the receipt of \$3.0 million in tax amnesty revenues which was greater than the ORA tax amnesty estimate of \$792,652. It should also be

noted that November and December include an unknown amount of additional revenues from the sales and use tax base expansion.

- Cigarettes and other tobacco products taxes lags expected FY 2013 revised revenues by \$2.6 million, or -3.6 percent.

Inheritance and gift taxes, health care provider assessment, lottery transfer, alcohol excise taxes, and motor carrier fuel use taxes adjusted revenues through December of the fiscal year are below expected FY 2013 revised revenues but by less than \$1.0 million.

Results for the Month of December 2012

The table, *Monthly Estimate to Actual*, gives the results for December 2012. As is apparent from the table, the Department of Revenue finds that December adjusted revenues for total general revenues exceed monthly expected FY 2013 revised total general revenues by \$15.8 million, or 6.2 percent. December adjusted revenues include \$3.7 million of tax amnesty revenues, which is greater than the ORA estimate of December tax amnesty revenues of \$320,084. In total taxes, the variance between the December adjusted revenues and the monthly expected FY 2013 revised revenues is \$13.5 million, or 6.3 percent. For departmental receipts, the difference from the December adjusted revenues to the monthly expected FY 2013 revised revenues is \$1.1 million, or 9.1 percent. For other general revenue sources, adjusted revenues in December exceed the monthly expected FY 2013 revised revenue by \$1.2 million, or 4.1 percent.

In addition to departmental receipts, five revenue items have adjusted revenues in December that exceed monthly expected FY 2013 revised revenues by \$1.0 million or more.

- Inheritance and gift taxes adjusted revenues are higher than the monthly expected FY 2013 revised revenues by \$4.7 million in December, or 202.4 percent. This variance is due to the receipt of two large inheritance tax payments totaling \$5.3 million.
- Business corporations taxes adjusted revenues in December are \$3.8 million, or 39.6 percent, more than the expected December revised revenues of \$9.7 million. Refunds paid in December 2012 were \$4.6 million less than refunds paid in December 2011.
- Financial Institutions taxes adjusted revenues through December are \$3.0 million, or 794.6 percent, more than monthly expected FY 2013 revised revenues of \$340,907.
- Personal income taxes adjusted revenues are above monthly expected FY 2013 revised revenues in December by \$2.2 million, or 1.9 percent. The difference is attributable to higher final payments and withholding taxes adjusted revenues in December than monthly expected FY 2013 revised revenues by \$1.4 million, or 47.0 percent, and \$1.8 million, or 1.8 percent, respectively, and lower refunds and adjustments by \$4.4 million, or -56.4 percent. Also, estimated taxes adjusted revenues were lower than monthly expected FY 2013 revised revenues by \$5.5 million, or -23.7 percent. December personal income taxes adjusted revenues include \$1.6 million of tax amnesty revenues, which exceed the ORA tax amnesty estimate of \$254,442. December personal income taxes adjusted revenues also include \$97,550 of reimbursed Historic Structures Tax Credits (HSTCs).

- The lottery transfer adjusted revenues is higher in December than the monthly expected FY 2013 revised revenues by \$1.2 million, or 4.1 percent.

Public utilities gross earnings taxes, bank deposits taxes, insurance companies gross premiums taxes, realty transfer taxes, sales and use taxes, and racing and athletics taxes adjusted revenues in December are all greater than monthly expected FY 2013 revised revenues but by less than \$1.0 million.

No revenue items have adjusted revenues in December that trail monthly expected FY 2013 revised revenues by more than \$1.0 million.

Finally, December adjusted revenues for cigarette excise taxes, the health care provider assessment, motor vehicle operator's license and registration fees, motor carrier fuel use taxes and alcohol excise taxes are below monthly expected FY 2013 revised revenues for each of these revenue categories but by less than \$1.0 million.



Rosemary Booth Gallogly, Director
Department of Revenue

January 17, 2013

STATE OF RHODE ISLAND REVENUE ASSESSMENT REPORT
2012 Tax Amnesty Estimates to Actuals

Revenue Items	FY 2013	FY 2013	YTD	YTD	December	December	December	December
	Total Enacted Estimate	Total ORA Estimate	Actual Revenues	Difference ORA to Actual	Enacted Estimate	ORA Estimate	Actual Revenues	Difference ORA to Actual
Personal Income Taxes Final Payments	\$ 3,012,820	\$ 2,891,054	\$ 5,738,533	\$ 2,847,479	\$ 265,159	\$ 254,442	\$ 1,645,788	\$ 1,391,346
Personal Income Taxes Withholding Payments	-	80,341	371,468	291,127	-	3,944	132,326	128,382
Business Corporations Taxes	351,412	1,853,331	1,553,317	(300,014)	4,676	24,662	361,925	337,263
Public Utilities Gross Earnings Taxes	-	3,249,910	5,161,691	1,911,781	-	-	537,404	537,404
Financial Institutions Taxes	-	-	128,747	128,747	-	-	-	-
Insurance Companies Gross Premiums Taxes	25,327	1,142	200,055	198,913	-	-	180,600	180,600
Health Care Provider Assessments	6,533	37,653	19,873	(17,780)	-	-	-	-
Sales and Use Taxes	4,422,820	792,652	2,996,775	2,204,123	184,981	33,152	676,284	643,132
Motor Vehicle	-	-	24,155	24,155	-	-	24,155	24,155
Motor Carrier Fuel Use Taxes	-	2,316	5,550	3,234	-	97	4,328	4,231
Cigarette Excise Taxes	-	90,552	67,109	(23,443)	-	3,787	75	(3,712)
Inheritance Taxes	248,959	161,186	432,873	271,687	-	-	131,733	131,733
Hotel Taxes (State's share)	47,348	770	4,962	4,192	-	-	-	-
Prepaid Wireless E-911 Fees	-	15	8	(7)	-	-	-	-
E-911 Wireless Surcharge Fees	-	-	36,086	36,086	-	-	-	-
Litter Control Participation Permit Fees	-	12	7	(5)	-	-	-	-
Imaging Surcharge Fees	-	-	74,727	74,727	-	-	-	-
Hard to Dispose Fees	-	-	78,233	78,233	-	-	-	-
Meals and Beverage Taxes *	-	5,183	26,709	21,526	-	-	8,000	8,000
Other taxes not included in general revenues *	-	-	67,038	67,038	-	-	29,540	29,540
Interest Owed on Overdue Taxes †	2,827,042	2,755,331	5,389,345	2,634,014	-	-	1,454,871	1,454,871
Tax Amnesty Revenues	\$ 10,942,261	\$ 11,921,448	\$ 22,377,260	\$ 10,455,812	\$ 454,816	\$ 320,084	\$ 5,187,029	\$ 4,866,945

* Tax amnesty revenues for meals and beverage taxes, payroll taxes, gas taxes, and the pass-through share of hotel taxes are not included in the State's general revenues.

† Any interest owed on overdue personal income, business corporations, sales and use, and inheritance and gift taxes is transferred to departmental receipts on a quarterly basis in October, January, April and June. Interest on overdue taxes received through the tax amnesty program in September, of \$749,312, was transferred in October and reported in adjusted revenues. Interest owed on overdue taxes received in October through December of \$4.6 million will be transferred in January 2013 and reported in adjusted revenues at that time.

STATE OF RHODE ISLAND REVENUE ASSESSMENT REPORT
Year-to-Date Estimate to Actual

	YTD December Estimate of Revised FY 2013 Revenues		YTD December Adjusted Revenues FY 2013		Difference	Variance
Personal Income Tax	\$ 536,752,071		\$ 541,110,621	*	\$ 4,358,550	0.8%
General Business Taxes						
Business Corporations	25,700,861		41,064,787	*	15,363,926	59.8%
Public Utilities Gross Earnings	5,374,552	†	7,308,709	*	1,934,157	36.0%
Financial Institutions	6,173,104	†	8,533,897	*	2,360,793	38.2%
Insurance Companies	590,479		1,795,135	* ^a	1,204,656	204.0%
Bank Deposits	90,185		598,881		508,696	564.1%
Health Care Provider Assessment	21,003,919		20,640,110	*	(363,809)	-1.7%
Excise Taxes						
Sales and Use	453,611,819		449,321,089	*	(4,290,731)	-0.9%
Motor Vehicle	17,727,632		18,193,003		465,371	2.6%
Motor Carrier Fuel Use	429,426		317,422	*	(112,004)	-26.1%
Cigarettes	72,515,295		69,873,963	*	(2,641,332)	-3.6%
Alcohol	6,224,185		6,035,173		(189,012)	-3.0%
Other Taxes						
Inheritance and Gift	18,008,041		17,578,889	*	(429,151)	-2.4%
Racing and Athletics	581,036		601,002		19,966	3.4%
Realty Transfer	3,620,221		3,751,101		130,880	3.6%
Total Taxes	\$ 1,168,402,825		\$ 1,186,723,782		\$ 18,320,957	1.6%
Departmental Receipts	\$ 83,824,746		\$ 90,225,945	* ^b	\$ 6,401,199	7.6%
Taxes and Departmentals	\$ 1,252,227,571		\$ 1,276,949,727		\$ 24,722,156	2.0%
Other General Revenue Sources						
Other Miscellaneous Revenues	1,620,732	+	1,620,732	^c	-	0.0%
Lottery Transfer	157,685,565		157,394,359	^d	(291,206)	-0.2%
Unclaimed Property	-	+	-		-	n/a
Total Other Sources	\$ 159,306,297		\$ 159,015,091		\$ (291,206)	-0.2%
Total General Revenues	\$ 1,411,533,869		\$ 1,435,964,819		\$ 24,430,950	1.7%

† Year-to-date revised estimate is adjusted to include 2012 tax amnesty estimate of \$3.2 million in Public Utilities Gross Earnings Taxes and \$5.1 million in historic structure tax credit reimbursements in Financial Institutions Taxes.

+ Set equal to actual amounts received due to general receipt of transfers in June.

* 2012 Tax Amnesty revenues included in Year-to-Date November adjusted revenues: Personal Income Taxes Final Payments, \$5,738,533 and Personal Income Tax Withholding Payments, \$371,468; Public Utilities Gross Earnings Tax, \$5,161,691; Sales and Use Tax, \$2,996,775; Business Corporations Tax, \$1,553,317; Inheritance and Gift Tax, \$432,873; Insurance Companies Gross Premiums Tax, \$200,055; Financial Institutions Tax, \$128,747; Hard to Dispose included in departmental receipts, \$78,233; Imaging Surcharge included in departmental receipts, \$74,727; Cigarette Excise Tax, \$67,109; E-911 Wireless Surcharge Fees included in departmental receipts, \$36,086; Motor Vehicle Licenses and Fees, \$24,155; Health Care Provider Assessment, \$19,873; Motor Fuel Tax, \$5,550; Hotel Tax included in departmental receipts, \$4,962; Prepaid Wireless E-911 Fees, \$8; Litter Control Participation Permit Fees, \$7; and Interest owed on overdue taxes included in departmental receipts, \$749,312.

^a Deducts \$1,722,000 for an insurance settlement received in FY 2013 that was accrued back to FY 2012.

^b Deducts \$124,176,289 in Hospital Licensing Fees received in FY 2013 that were accrued back to FY 2012; deducts \$249,367 in Interim Medicaid Hospital Rate settlements received in FY 2013 that were accrued back to FY 2012; deducts \$1,026,551 for a drug settlement received in FY 2013 that was accrued back to FY 2012; and deducts \$7,390,120 for the early payments of securities licensing fees, included in the January estimate.

^c Deducts \$2,218,208 from two Medicaid settlements received in FY 2013 that were accrued back to FY 2012.

^d Deducts \$2,533,343 from the Lottery Transfer for revenues received in FY 2013 that were accrued back to FY 2012.

PIT Component	YTD Estimates		YTD Actuals		Difference	Variance
Estimated payments	\$ 78,334,648		72,007,057		\$ (6,327,590)	-8.1%
Final payments	26,802,615		28,666,081	*	1,863,466	7.0%
Withholding	478,471,695		477,115,691	*	(1,356,004)	-0.3%
Refunds	(46,856,887)		(36,678,209)		10,178,678	-21.7%
Net Accrual					-	
Total	\$ 536,752,071		\$ 541,110,621		\$ 4,358,550	0.8%

STATE OF RHODE ISLAND REVENUE ASSESSMENT REPORT
Monthly Estimate to Actual

	December Estimate of Revised FY 2013 Revenues	December Adjusted Revenues FY 2013		Difference	Variance
Personal Income Tax	\$ 115,087,728	\$ 117,245,962	*	\$ 2,158,234	1.9%
General Business Taxes					
Business Corporations	9,698,278	13,540,463	*	3,842,185	39.6%
Public Utilities Gross Earnings	216,525	767,447	*	550,922	254.4%
Financial Institutions	340,907	3,049,907	*	2,709,000	794.6%
Insurance Companies	196,962	546,239	*	349,277	177.3%
Bank Deposits	(30,866)	418,881		449,747	-1457.1%
Health Care Provider Assessment	3,715,230	3,343,324		(371,906)	-10.0%
Excise Taxes					
Sales and Use	68,221,089	68,398,217	*	177,128	0.3%
Motor Vehicle	1,425,793	1,178,570		(247,223)	-17.3%
Motor Carrier Fuel Use	47,329	(22,538)	*	(69,867)	-147.6%
Cigarettes	12,018,664	11,041,620	*	(977,044)	-8.1%
Alcohol	1,062,883	1,024,668		(38,215)	-3.6%
Controlled Substances	-	-		-	-
Other Taxes					
Inheritance and Gift	2,343,007	7,085,532	*	4,742,524	202.4%
Racing and Athletics	84,220	85,643		1,423	1.7%
Realty Transfer	532,860	729,870		197,010	37.0%
Total Taxes	\$ 214,960,611	\$ 228,433,805		\$ 13,473,194	6.3%
Departmental Receipts	12,372,309	\$ 13,503,631	* ^a	\$ 1,131,322	9.1%
Taxes and Departmentals	\$ 227,332,921	\$ 241,937,436		\$ 14,604,515	6.4%
Other General Revenue Sources					
Other Miscellaneous Revenues	250	250	+	-	0.0%
Lottery Transfer	29,698,541	30,920,230	b	1,221,689	4.1%
Unclaimed Property	-	-	+	-	n/a
Total Other Sources	\$ 29,698,791	\$ 30,920,480		\$ 1,221,689	4.1%
Total General Revenues	\$ 257,031,712	\$ 272,857,916		\$ 15,826,204	6.2%

+ Set equal to actual amounts received due to receipt of transfers in June.

* 2012 Tax Amnesty revenues included in November adjusted revenues: Personal Income Tax, \$2,763,619; Sales and Use Tax, \$1,902,140; Public Utilities Gross Earnings Tax, \$1,374,377; Inheritance and Gift Tax, \$216,068; Business Corporations Tax, \$213,226; Financial Institutions Tax, \$128,747; Hard to Dispose included in Departmental Receipts, \$78,233; Imaging Surcharge included in Departmental Receipts, \$74,727; Wireless Surcharge included in Departmental Receipts, \$36,086; Cigarette Excise Tax, \$19,242; Insurance Companies Gross Premiums Tax, \$18,852; Hotel Tax included in Departmental Receipts, \$4,891; and Motor Fuel Tax,

^a Deducts \$605,214 in Hospital Licensing Fees received in FY 2013 that were accrued back to FY 2012; deducts \$35,987 in Interim Medicaid Hospital Rate settlements received in FY 2013 that were accrued back to FY 2012; and deducts \$7,390,120 for the early payments of securities licensing fees, included in the January estimate.

^b Deducts \$2,533,343 from the Lottery Transfer for revenues received in FY 2013 that were accrued back to FY 2012 and adds \$100,000 to the Lottery Transfer to adjust for the shortage in the monthly transfer that corrected the prior month's overpayment.

PIT Component	Estimates	Actuals		Difference	Variance
Estimated payments	\$ 23,040,351	17,576,576		\$ (5,463,775)	-23.7%
Final payments	3,037,433	4,463,930	*	1,426,496	47.0%
Withholding	96,834,397	98,620,014	*	1,785,617	1.8%
Refunds	(7,824,453)	(3,414,557)		4,409,896	-56.4%
Total	\$ 115,087,728	\$ 117,245,962		\$ 2,158,234	1.9%

FY 2013 Variance of Adjusted Revenues to Estimate

