

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 January 2013

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year as the Revenue Estimating Conference (see RI General Law § 35-16-1) convenes and modifies the revenue estimates originally enacted by the General Assembly.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 January 2013 tax amnesty estimates by revenue item compared to actual year-to-date and monthly tax amnesty revenues.

The ORA 2012 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 a given month of 2006 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 2012 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 2012 tax amnesty revenue from the adopted revised FY 2013 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 tax amnesty receipts in a given month of 2006 to the total tax amnesty receipts in 2006 using a weighted average. The weights are based on the ratio of the adopted revised FY 2013 revenue estimate without estimated 2012 tax amnesty revenues to the adopted revised FY 2013 revenue estimate and the ratio of the estimated 2012 tax amnesty revenues to the adopted FY 2013 revised revenue estimate. The result of this calculation is a modified average monthly percentage of adjusted revenues including 2012 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 have 2012 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 FY 2013 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 8.6 percent for the month of January. 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 corresponds to November 2012 in the 2012 tax amnesty program. Therefore, no tax amnesty revenues are included in January's calculation. Using the weighted average formula described above yields a modified monthly percentage for January of:

$$8.6\% = 8.6\% \times \left(\frac{(\$42,300,000 - \$37,653)}{\$42,300,000} \right) + 0.0\% \times \left(\frac{\$37,653}{\$42,300,000} \right)$$

For the fiscal year-to-date period, each monthly percentage is summed to arrive at a modified percentage of 58.3 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 \$3.6 million and fiscal year-to-date expected health care provider assessment revenues of \$24.6 million.

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

Revenue Item	Percent Received		Revenue Item	Percent Received	
	Month	YTD		Month	YTD
Personal Income Taxes			Motor Vehicles Fees	7.1 %	43.5 %
Estimated Payments	22.7 %	62.7 %	Motor Carrier Fuel Use+	13.0 %	56.0 %
Final Payments+	2.0 %	16.6 %	Cigarettes Taxes+	7.6 %	60.1 %
Withholding Payments+	9.0 %	57.8 %	Alcohol Excise Taxes	8.7 %	60.6 %
Refunds Paid	4.8 %	21.7 %	Inheritance & Gift+	7.5 %	60.8 %
Business Corporations Taxes+	1.3 %	20.2 %	Racing & Athletics	7.5 %	55.9 %
Utilities Gross Earnings Taxes	0.0 %	5.2 %†	Realty Transfer	8.8 %	64.5 %
Financial Institutions Taxes	2.9 %	76.4 %†	Departmental Receipts+	11.6 %	52.3 %
Insurance Co. Gross Premiums+	0.3 %	1.0 %	Lottery Transfer	7.6 %	48.4 %
Bank Deposits	1.8 %	6.1 %	Other Misc. Revenues	n/a	n/a
Health Care Provider Assmnt.+	8.6 %	58.3 %	Unclaimed Property	0.0 %	0.0 %
Sales and Use Taxes ¹⁺	9.2 %	60.8 %			

¹ Percentages are a weighted average of the standard monthly and fiscal year-to-date percentages for base sales and use tax 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 2012 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 are 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 2012 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 2012 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 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 were transferred in January. 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. No additional revenues associated with the tax amnesty program are expected in FY 2013.

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 ORA estimated 2012 tax amnesty 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 remitted to the Division of Taxation in 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 tax adjusted revenues for January of 9.1 percent and the fiscal year-to-date of 61.0 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 \$79.2 million for January and \$529.3 million for the fiscal year through January. Based on 2006 tax amnesty receipts for sales and use taxes, 1.4 percent of the ORA tax amnesty estimate is projected to be received in January and 99.6 percent is projected to be received for the fiscal year-to-date period. The ORA tax amnesty estimate for sales and use taxes is \$11,302 in January and \$789,206 for the fiscal year-to-date. 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 14.5 percent for January and 39.1 percent for the fiscal year-to-date period. The expected FY 2013 revised “additional” sales and use tax revenues are \$1.6 million in January and \$4.3 million for the fiscal year through January. These figures are summed to arrive at total expected FY 2013 revised sales and use tax revenues of \$80.8 million for the month of January and \$534.4 million for the fiscal year-to-date through January. This translates to a modified average percentage of 9.2 percent for the month of January and 60.8 percent for the fiscal year through January.

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 January 2013

The table, *Year-to-Date Estimate to Actual*, gives the results for the first seven months 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 \$34.7 million, or 2.0 percent. Fiscal year-to date adjusted revenues include \$22.3 million of 2012 tax amnesty revenues, which is \$10.4 million greater than the total ORA tax amnesty estimate of \$11.9 million. In total taxes, the variance from the expected FY 2013 revised revenues is \$23.0 million, or 1.6 percent. For departmental receipts, the difference from the expected FY 2013 revised revenues is \$11.5 million, or 10.7 percent. For other general revenue sources, fiscal year-to-date adjusted revenues exceed expected FY 2013 revised revenues by \$232,268, or 0.1 percent.

In addition to departmental receipts, six revenue items have adjusted revenues that exceed expected FY 2013 revised revenues by \$1.0 million or more. Fiscal year-to-date adjusted revenues for departmental receipts include \$5.4 million of 2012 tax amnesty interest owed on overdue personal income, business corporations, inheritance and sales and use taxes, which exceeds the ORA 2012 tax amnesty estimate of \$2.8 million.

- Business corporations tax adjusted revenues through January are \$13.4 million, or 48.7 percent, more than expected FY 2013 revised revenues of \$27.4 million. The surplus is partially due to a decrease in business corporations tax refunds paid in the current fiscal

year. Fiscal year-to-date business corporations tax adjusted revenues include \$1.6 million of 2012 tax amnesty revenues, which trails the ORA 2012 tax amnesty estimate for business corporations taxes of \$1.9 million.

- Personal income tax adjusted revenues exceed expected FY 2013 revised revenues through January by \$8.6 million, or 1.3 percent. This overage is attributable to fewer refunds and adjustments than expected FY 2013 revised refunds and adjustments revenues of \$18.8 million, or -29.9 percent. In addition, final payments are \$5,211 more than expected FY 2013 revised final payments revenues. Final tax adjusted revenues include \$5.7 million of 2012 tax amnesty revenues, \$2.8 million more than the ORA 2012 tax amnesty revenue estimate for final tax payments. The excess is reduced by lower withholding and estimated tax payments than expected FY 2013 revised revenues. Withholding tax adjusted revenues are \$7.7 million, or 1.4 percent less than expected FY 2013 revised withholding tax revenues while estimated tax adjusted revenues are \$1.7 million below expected FY 2013 estimated tax revenues, a growth rate of -1.4 percent. Withholding tax adjusted revenues include \$371,468 in 2012 tax amnesty revenues. This amount exceeds the ORA 2012 tax amnesty withholding tax revenue estimate by \$291,127. Finally, fiscal year-to-date personal income tax adjusted revenues include \$2.3 million of reimbursed Historic Structures Tax Credits (HSTCs).
- Financial institutions tax adjusted revenues through January are \$2.3 million, or 36.7 percent, more than expected FY 2013 revised revenues of \$6.3 million. Fiscal year-to-date financial institutions tax adjusted revenues include \$128,747 of tax amnesty revenues. Based on the 2006 tax amnesty, ORA did not estimate any 2012 tax amnesty revenues for financial institution taxes. Further, fiscal year-to-date financial institutions tax adjusted revenues include \$5.1 million of reimbursed Historic Structures Tax Credits (HSTCs).
- Public utilities gross earnings tax adjusted revenues through January are \$2.1 million, or 39.5 percent, more than expected FY 2013 revised revenues of \$5.4 million. This difference is accounted for by the receipt of \$5.2 million in 2012 tax amnesty revenues, which exceeds the ORA 2012 tax amnesty estimate for public utilities gross earnings tax revenues of \$3.2 million.
- Insurance companies gross premiums tax adjusted revenues through January are \$1.3 million, or 143.5 percent, more than expected FY 2013 revised revenues of \$899,342. Fiscal year-to-date adjusted revenues through January include \$200,055 of 2012 tax amnesty revenues, which exceeds the ORA 2012 tax amnesty estimate of \$1,142.
- Motor vehicle operator's license and registration fees adjusted revenues are \$1.2 million, or 5.6 percent, more than the expected FY 2013 revised revenues of \$21.2 million. Fiscal year-to-date adjusted revenues through January include \$24,155 of 2012 tax amnesty revenues. Based on the 2006 tax amnesty, ORA did not estimate any 2012 tax amnesty revenues for motor vehicle operator's license and registration fees.

Bank deposit tax, realty transfer tax, the lottery transfer, and racing and athletics tax adjusted revenues through January of the fiscal year are all greater than expected FY 2013 revised revenues but by less than \$1.0 million.

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

- Adjusted revenues for the cigarettes and other tobacco products tax lag expected FY 2013 revised revenues by \$2.5 million, or -3.0 percent. Fiscal year-to-date cigarettes and other tobacco products tax adjusted revenues include \$24,155 of 2012 tax amnesty revenues, which is less than the ORA 2012 tax amnesty estimate of \$90,552.
- Inheritance and gift tax adjusted revenues lag expected FY 2013 revised revenues by \$1.7 million, or -8.3 percent. Fiscal year-to-date inheritance and gift tax adjusted revenues include \$432,873 of 2012 tax amnesty revenues, which is more than the ORA 2012 tax amnesty estimate of \$161,186.
- Sales and use tax adjusted revenues are below expected FY 2013 revised revenues by \$1.7 million, or -0.3 percent, despite the surplus of \$2.2 million in 2012 tax amnesty revenues over the ORA estimate of 2012 tax amnesty revenues. Fiscal year-to-date adjusted revenues include \$3.0 million of 2012 tax amnesty revenues, which exceeds the ORA 2012 tax amnesty estimate of \$792,652. It should also be noted that beginning in November 2012 adjusted revenues include an unknown amount of additional revenues from the sales and use tax base expansion.

Health care provider assessment, motor carrier fuel use tax, and alcohol excise tax adjusted revenues through January of the fiscal year are below expected FY 2013 revised revenues but by less than \$1.0 million.

Results for the Month of January 2013

The table, *Monthly Estimate to Actual*, gives the results for January 2013. As is apparent from the table, the Department of Revenue finds that January adjusted revenues for total general revenues exceed the monthly expected FY 2013 revised total general revenues by \$11.6 million, or 4.1 percent. January adjusted revenues include \$4.6 million of 2012 tax amnesty revenues, which is greater than the ORA 2012 tax amnesty estimate for January of \$2.2 million. In total taxes, the variance between the January adjusted revenues and the monthly expected FY 2013 revised revenues is \$5.7 million, or 2.5 percent. For departmental receipts, the difference from the January adjusted revenues to the monthly expected FY 2013 revised revenues is \$5.4 million, or 22.4 percent. For other general revenue sources, adjusted revenues in January exceed the monthly expected FY 2013 revised revenue by \$523,475, or 1.8 percent.

In addition to departmental receipts, two revenue items have adjusted revenues in January that exceed monthly expected FY 2013 revised revenues by \$1.0 million or more. January adjusted revenues for departmental receipts include \$4.6 million of 2012 tax amnesty interest owed on overdue personal income, business corporations, inheritance and sales and use taxes, which exceeds the ORA 2012 tax amnesty estimate of \$1.7 million for January.

- Personal income tax adjusted revenues are greater than monthly expected FY 2013 revised revenues by \$4.2 million in January, or 3.4 percent. This variance is attributable to higher estimated tax payments in January than monthly expected FY 2013 revised revenues of \$4.6 million, or 10.3 percent, and fewer refunds and adjustments of \$7.5

million, or -57.0 percent. The difference is partially offset by lower final payments than monthly expected FY 2013 revised revenues of \$1.6 million, or -42.6 percent, and less withholding taxes of \$6.3 million, or -7.1 percent. January 2013 personal income tax adjusted revenues include \$4,031 of reimbursed Historic Structures Tax Credits (HSTCs). Based on the 2006 tax amnesty, monthly expected FY 2013 revised personal income tax revenues include an ORA 2012 tax amnesty estimate of \$235,480 in final payments and \$3,823 in withholding taxes. January 2013 adjusted personal income tax revenues, however, did not include any 2012 tax amnesty revenues.

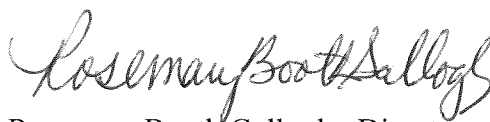
- The sales and use tax adjusted revenues for January are higher than the monthly expected FY 2013 revised revenues by \$3.6 million, or 4.5 percent. Based on the 2006 tax amnesty, monthly expected FY 2013 revised revenues include an ORA 2012 tax amnesty estimate of \$11,302. January 2013 adjusted sales and use tax revenues, however, did not include any 2012 tax amnesty revenues.

Motor vehicle operator's license and registration fees, the lottery transfer, realty transfer tax, public utilities gross earnings tax, cigarette excise tax, alcohol excise tax, insurance companies gross premiums tax, and racing and athletics tax adjusted revenues in January are all greater than monthly expected FY 2013 revised revenues but by less than \$1.0 million.

Two revenue items have adjusted revenues in January that trail monthly expected FY 2013 revised revenues by more than \$1.0 million.

- Business corporations tax adjusted revenues are below monthly expected FY 2013 revised revenues for January by \$2.0 million, or -116.2 percent. Based on the 2006 tax amnesty, monthly expected FY 2013 revised business corporations tax revenues include an ORA 2012 tax amnesty estimate of \$266,680. January adjusted revenues for business corporation taxes, however, did not include any 2012 tax amnesty revenues.
- Inheritance and gift tax adjusted revenues lag monthly expected FY 2013 revised revenues for January by \$1.3 million, or -50.5 percent.

Finally, January health care provider assessment, motor carrier fuel use tax, financial institutions tax, and bank deposit tax adjusted revenues 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

February 20, 2013

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

Revenue Items	FY 2013		FY 2013		YTD		January		January	
	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	\$ -	\$ 235,480	\$ -	\$ (235,480)		
Personal Income Taxes Withholding Payments	-	80,341	371,468	291,127	-	3,823	-	(3,823)		
Business Corporations Taxes	351,412	1,853,331	1,553,317	(300,014)	50,565	266,680	-	(266,680)		
Public Utilities Gross Earnings Taxes	-	3,249,910	5,161,691	1,911,781	-	-	-	-		
Financial Institutions Taxes	-	-	128,747	128,747	-	-	-	-		
Insurance Companies Gross Premiums Taxes	25,327	1,142	200,055	198,913	-	-	-	-		
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	63,063	11,302	-	(11,302)		
Motor Vehicle	-	-	24,155	24,155	-	-	-	-		
Motor Carrier Fuel Use Taxes	-	2,316	5,550	3,234	-	33	-	(33)		
Cigarette Excise Taxes	-	90,552	67,109	(23,443)	-	1,291	-	(1,291)		
Inheritance Taxes	248,959	161,186	432,873	271,687	-	-	-	-		
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	-	-	-	-		
Other taxes not included in general revenues *	-	-	67,038	67,038	-	-	-	-		
Interest Owed on Overdue Taxes †	2,827,042	2,755,331	5,389,345	2,634,014	1,759,070	1,714,450	4,640,034	2,925,584		
Tax Amnesty Revenues	\$ 10,942,261	\$ 11,921,448	\$ 22,377,260	\$ 10,455,812	\$ 2,118,096	\$ 2,233,059	\$ 4,640,034	\$ 2,406,975		

* 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 was transferred in January 2013.

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

	YTD January Estimate of Revised FY 2013 Revenues		YTD January Adjusted Revenues FY 2013		Difference	Variance
Personal Income Tax	\$ 660,393,553		\$ 668,950,676	*	\$ 8,557,122	1.3%
General Business Taxes						
Business Corporations	27,425,104		40,784,729	*	13,359,625	48.7%
Public Utilities Gross Earnings	5,382,816	†	7,509,643	*	2,126,827	39.5%
Financial Institutions	6,262,932	†	8,558,997	*	2,296,065	36.7%
Insurance Companies	899,342		2,189,623	* ^a	1,290,281	143.5%
Bank Deposits	127,867		602,786		474,919	371.4%
Health Care Provider Assessment	24,640,873		23,969,498	*	(671,375)	-2.7%
Excise Taxes						
Sales and Use	534,367,333		532,705,748	*	(1,661,585)	-0.3%
Motor Vehicle	21,200,202		22,396,044	*	1,195,842	5.6%
Motor Carrier Fuel Use	559,796		390,118	*	(169,678)	-30.3%
Cigarettes	83,007,708		80,493,204	*	(2,514,504)	-3.0%
Alcohol	7,268,213		7,180,498		(87,715)	-1.2%
Other Taxes						
Inheritance and Gift	20,537,312		18,831,432	*	(1,705,880)	-8.3%
Racing and Athletics	670,796		695,388		24,592	3.7%
Realty Transfer	4,193,790		4,652,702		458,912	10.9%
Total Taxes	\$ 1,396,937,638		\$ 1,419,911,086		\$ 22,973,448	1.6%
Departmental Receipts	\$ 107,798,372		\$ 119,288,298	* ^b	\$ 11,489,926	10.7%
Taxes and Departmentals	\$ 1,504,736,010		\$ 1,539,199,384		\$ 34,463,374	2.3%
Other General Revenue Sources						
Other Miscellaneous Revenues	1,632,463	+	1,632,463	^c	-	0.0%
Lottery Transfer	187,045,092		187,277,360	^d	232,268	0.1%
Unclaimed Property	-	+	-		-	n/a
Total Other Sources	\$ 188,677,555		\$ 188,909,823		\$ 232,268	0.1%
Total General Revenues	\$ 1,693,413,565		\$ 1,728,109,207		\$ 34,695,643	2.0%

† Year-to-date revised estimate is adjusted to include \$3.2 million for 2012 tax amnesty estimate included in Public Utility Gross Earnings Taxes and \$5.1 million in historic structure tax credit reimbursements included 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 January 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 included in departmental receipts, \$8; Litter Control Participation Permit Fees included in departmental receipts, \$7; and Interest owed on overdue taxes included in departmental receipts, \$5,389,345.

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

^b Deducts \$124,781,503 in Hospital Licensing Fees received in FY 2013 that were accrued back to FY 2012; deducts \$285,354 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 \$283,451 from the Rhode Island Veterans Home maintenance fees posted in FY 2013 that were received in FY 2012.

^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	\$ 122,832,248		121,094,157		\$ (1,738,091)	-1.4%
Final payments	30,502,130		30,507,341	*	5,211	0.0%
Withholding	567,066,648		559,384,553	*	(7,682,095)	-1.4%
Refunds	(60,007,473)		(42,035,375)		17,972,097	-29.9%
Net Accrual					-	
Total	\$ 660,393,553		\$ 668,950,676		\$ 8,557,122	1.3%

STATE OF RHODE ISLAND REVENUE ASSESSMENT REPORT
Monthly Estimate to Actual

	January Estimate of Revised FY 2013 Revenues	January Adjusted Revenues FY 2013	Difference	Variance
Personal Income Tax	\$ 123,641,482	\$ 127,840,055	\$ 4,198,573	3.4%
General Business Taxes				
Business Corporations	1,724,243	(280,058)	(2,004,301)	-116.2%
Public Utilities Gross Earnings	8,264	200,934	192,670	2331.5%
Financial Institutions	89,828	25,100	(64,728)	-72.1%
Insurance Companies	308,864	394,488	85,624	27.7%
Bank Deposits	37,682	3,905	(33,777)	-89.6%
Health Care Provider Assessment	3,636,954	3,329,388	(307,566)	-8.5%
Excise Taxes				
Sales and Use	80,755,513	84,390,134 ^b	3,634,621	4.5%
Motor Vehicle	3,472,570	4,203,041	730,471	21.0%
Motor Carrier Fuel Use	130,370	72,696	(57,674)	-44.2%
Cigarettes	10,492,413	10,619,241	126,828	1.2%
Alcohol	1,044,028	1,145,325	101,297	9.7%
Controlled Substances	-	-	-	-
Other Taxes				
Inheritance and Gift	2,529,272	1,252,543	(1,276,729)	-50.5%
Racing and Athletics	89,760	94,386	4,626	5.2%
Realty Transfer	573,569	901,601	328,032	57.2%
Total Taxes	\$ 228,534,812	\$ 234,192,778	\$ 5,657,966	2.5%
Departmental Receipts	23,973,626	\$ 29,345,804 ^{* a}	\$ 5,372,178	22.4%
Taxes and Departmentals	\$ 252,508,439	\$ 263,538,582	\$ 11,030,143	4.4%
Other General Revenue Sources				
Other Miscellaneous Revenues	11,731 +	11,731	-	0.0%
Lottery Transfer	29,359,526	29,883,001	523,475	1.8%
Unclaimed Property	-	-	-	n/a
Total Other Sources	\$ 29,371,257	\$ 29,894,732	\$ 523,475	1.8%
Total General Revenues	\$ 281,879,696	\$ 293,433,314	\$ 11,553,618	4.1%

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

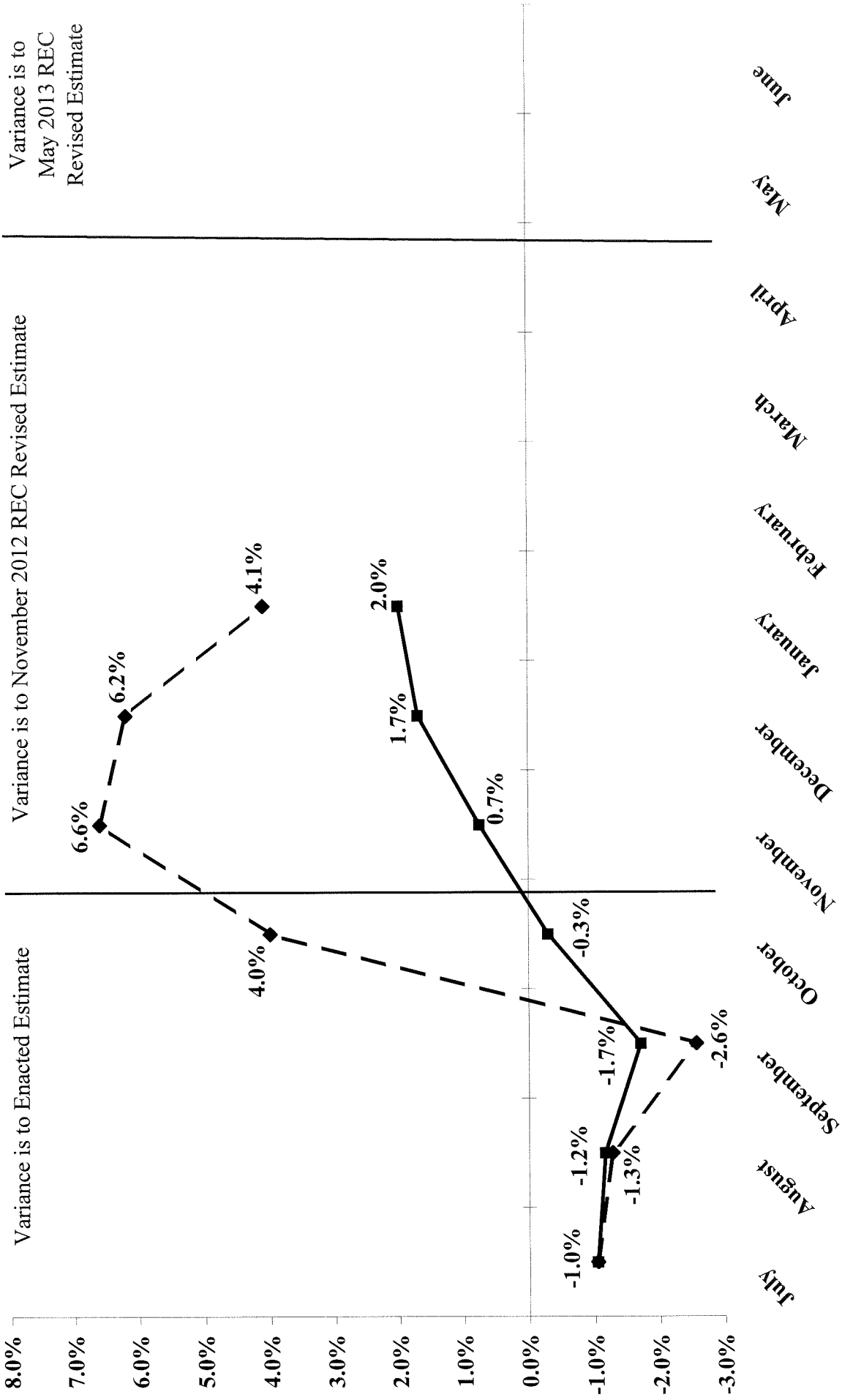
* 2012 Tax Amnesty revenues included in January adjusted revenues: Interest on overdue taxes of \$4.6 million transferred from personal income, business corporations, inheritance and gift, and sales and use tax adjusted revenues.

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 adds \$7,390,120 for the payments of securities licensing fees received in December, but included in the January estimate.

b Add \$1,005,474 to sales and use tax adjusted revenues to posted in December 2012, but should have been posted in January 2013.

PIT Component	Estimates	Actuals	Difference	Variance
Estimated payments	\$ 44,497,601	49,087,100	\$ 4,589,500	10.3%
Final payments	3,699,515	2,123,600	(1,575,915)	-42.6%
Withholding	88,594,952	82,279,964	(6,314,989)	-7.1%
Refunds	(13,150,586)	(5,650,609)	7,499,977	-57.0%
Total	\$ 123,641,482	\$ 127,840,055	\$ 4,198,573	3.4%

FY 2013 Variance of Adjusted Revenues to Estimate



Variance is to
May 2013 REC
Revised Estimate

Variance is to November 2012 REC Revised Estimate

Variance is to Enacted Estimate

Monthly Fiscal YTD