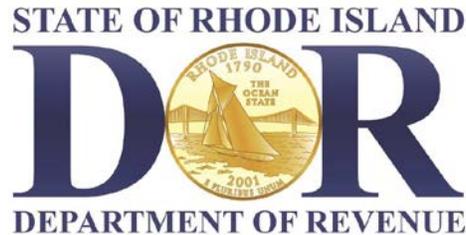


*STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS*  
**GOVERNOR LINCOLN D. CHAFEE**



**Office of Revenue Analysis**

**State of Rhode Island Revenue Assessment Report  
Monthly and Year-to-Date FY 2015 as of August 2014**

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's enacted revenue estimates. It should be noted that the fiscal year revenue estimates will vary over the course of the fiscal year as the Revenue Estimating Conference (see Rhode Island General Laws § 35-16-1) convenes and modifies the fiscal year revenue estimates as enacted by the General Assembly.

*The purpose of the Revenue Assessment Report is to give readers a sense of how the state's general 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 basis, not a cash basis. Revenue accruals are not determined until at least one month after the fiscal year end 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.*

**Law Changes Enacted in the 2014 Session That Impact General Revenues**

In the 2014 session, the General Assembly enacted several changes to the state's general laws that impact general revenues. These changes can be categorized as follows: (1) changes that reclassify revenues that were previously considered to be general revenues to other funds; (2) changes that impact FY 2015 general revenues that will be realized through cash receipts; and (3) changes that impact FY 2015 general revenues that will be realized through fiscal year end

accruals. A more specific discussion of each of these items is provided in the paragraphs that follow.

The 2014 General Assembly reclassified three general revenue items to other funds. These general revenue items were the rental vehicle surcharge, emissions control inspection sticker fees, and motor vehicle title fees, each of which were transferred from general revenues to the Rhode Island Highway Maintenance Account in the Intermodal Surface Transportation Fund. The impact of this reclassification on general revenues was effective July 1, 2014. The reclassification of these general revenue items will not have any impact on expected FY 2015 enacted general revenues as these revenues are not included in either the adjusted revenue calculations contained in this report or the enacted FY 2015 general revenue estimates.

In the 2014 session, the General Assembly approved the Governor's recommendation to include a safe harbor use tax look-up table on TY 2014 Rhode Island personal income tax returns. TY 2014 personal income tax returns will begin to be filed after January 1, 2015 so the expected increase in FY 2015 sales and use tax revenues from the utilization of the safe harbor use tax look-up table by taxpayers will not occur until after January 1, 2015. The revenues generated from the utilization of the safe harbor use tax look-up table will be reflected in increased sales and use tax cash receipts that will be realized primarily in the months of February through June of 2015.

In addition, the 2014 General Assembly enacted legislation to limit eligibility for the property tax relief credit, which can be taken against personal income tax liabilities and is fully refundable, to only those residents that are age 65 and older and/or disabled. This change is effective for tax years beginning on or after January 1, 2014. The expected reduction in personal income tax refund revenues that result from this change will be reflected in reduced personal income tax refund cash receipts and will be realized primarily in the months of February through June of 2015.

Further, the 2014 General Assembly extended the sunset date for increased excise taxes on beer and malt, still wine and high proof spirits and the exemption of wine and spirits from the sales and use tax from March 31, 2015 to June 30, 2015. In the 2013 session, the General Assembly had enacted legislation that increased the excise tax rates on beer and malt, still wine and high proof spirits for the period July 1, 2013 through March 31, 2015. Simultaneously, the 2013 General Assembly exempted all wine and spirits from the state sales and use tax for the period December 1, 2013 through March 31, 2015. The expected FY 2015 revenues generated from the extension of the sunset date for the increased alcohol excise tax rates will be reflected in alcohol tax cash receipts in April, May and June of 2015. The expected FY 2015 foregone revenues from the extension of the sunset date for the sales and use tax exemption for all wine and spirits will be reflected in sales and use tax revenues cash receipts and will also be realized in the April to June quarter of 2015.

The 2014 General Assembly enacted new legislation that impacts FY 2015 general revenues primarily through the fiscal year end accrual process. The new legislation enacted during the

2014 session impacts the personal income tax, the business corporation tax, and the estate and transfer tax. The effective date of the new legislation is January 1, 2015. With respect to the personal income tax, the General Assembly enacted legislation that restructured the state's earned income credit (EIC). For tax years beginning on or after January 1, 2015, the state EIC will be equal to 10.0 percent of the federal EIC claimed by a taxpayer with the amount of the state EIC greater than the taxpayer's state personal income tax liability fully refundable. This change in the state EIC is expected to increase FY 2015 personal income tax refund revenues. Since TY 2015 personal income tax returns will not be filed until after January 1, 2016, which is in FY 2016, little or no impact on FY 2015 personal income tax refund cash receipts is expected. There is expected, however, an increase in the refunds payable portion of the FY 2015 personal income tax accrual to align anticipated future refunds with the time period in which the income was earned that generated these refunds. As a result, personal income tax refund cash receipts will be higher than final personal income tax refund revenues until the close of the fiscal year.

In addition, during the 2014 session, the General Assembly passed legislation that requires C-corporations that operate as a unitary business to file their business corporation tax return under combined reporting. The 2014 General Assembly also enacted legislation that reduces the business corporation tax rate from 9.0 percent to 7.0 percent for all C-corporations. These changes commence with tax years beginning on or after January 1, 2015 and are expected to increase FY 2015 business corporation tax revenues. For calendar year business corporation tax filers, final TY 2015 returns are not due until March 15, 2016, which is in FY 2016. State law requires, however, that business corporation tax filers pay 40 percent of their estimated tax year liability in March and pay 60 percent of their estimated tax year liability in June. Due to this requirement, business corporation tax filers generally pay 50.0 percent of their tax liability before the underlying business activity that generates the liability occurs. To account for this, at the fiscal year end close, 50.0 percent of the March and June business corporation tax estimated payment receipts are deferred to the subsequent fiscal year, in this case FY 2016. As a result, business corporation tax cash receipts will be higher than final business corporation tax revenues until the deferred revenues are recorded.

Finally, the 2014 General Assembly enacted a restructuring of the estate and transfer tax that will lower FY 2015 estate and transfer tax revenues. The restructuring involved replacing the estate and transfer tax threshold exemption amount with a credit against estate and transfer taxes owed. Under a threshold exemption amount structure, any estate with a gross taxable estate value greater than the threshold exemption amount was subject to tax on the full taxable value of the estate while an estate with a gross taxable estate value less than the threshold exemption amount was exempt from the estate tax. Under a credit amount structure, all estates regardless of their gross taxable estate value must compute the estate tax owed on the estate and then subtract the credit amount from the tax owed. If the credit amount exceeds the tax owed, then no estate tax is due. If the estate tax owed exceeds the credit amount, then the difference is the estate tax due. This change applies to the estates of decedents who die on or after January 1, 2015 and is expected to decrease FY 2015 estate and transfer tax revenues. By law, the tax due on the estate of a decedent is not payable until nine months after the decedent's date of death, which is in FY 2016 for decedents who die between January 1 and September 30, 2015. To account for this

filing provision, at the fiscal year end close, 75.0 percent of the estimated FY 2016 estate and transfer tax revenues are clawed back to FY 2015. As a result, estate and transfer tax cash receipts will be higher than final estate and transfer tax revenues until the close of the fiscal year.

Due to these revenue changes, the methodology used in the *Revenue Assessment Report* for FY 2015 will differ from that used in prior fiscal year reports. For most revenue items, the assessment of FY 2015 adjusted revenues will be made vis-à-vis the enacted (or revised) FY 2015 revenue estimates. For some revenue items, however, the assessment of FY 2015 adjusted revenues will be made vis-à-vis enacted (or revised) FY 2015 cash receipts as estimated by the Office of Revenue Analysis.

### **Estimate of Enacted FY 2015 Revenues**

In order to determine the expected monthly and fiscal year-to-date revenue estimates based on the enacted FY 2015 budget signed into law by Governor Chafee on June 19, 2014, the Office of Revenue Analysis (ORA) first calculates the average percentage of total adjusted revenues that occurred in a given month over the previous five fiscal years for each revenue item. For estate and transfer taxes the previous ten fiscal years are used. For monthly estimates, these percentages are applied to the enacted FY 2015 revenue estimate for each revenue item. For the fiscal year-to-date estimates, the monthly percentages are summed and then applied to the enacted FY 2015 revenue estimate for each revenue item. This methodology is used for all revenue items except personal income tax refunds and adjustments revenues, business corporation tax revenues and estate and transfer tax revenues. For these three revenue items, the monthly percentage, or the sum of the monthly percentages, will be applied to the FY 2015 modified cash revenue flows as estimated by ORA. In the case of other miscellaneous revenues, the actual fiscal year-to-date revenues are used in place of an estimate due to the discrete and unpredictable nature in the timing of these receipts.

Table A provides the rounded five-year or ten-year average percentages used to determine expected monthly and fiscal year-to-date revenues for August. It should be noted that ORA has made adjustments to these percentages based on the estimated flow of revenues that result from the changes in law enacted by the 2014 General Assembly.

Revenue Item	<u>Percent Received</u>		Revenue Item	<u>Percent Received</u>	
	August	YTD		August	YTD
Personal Income Taxes			Motor Vehicles Fees	7.2 %	12.9 %
Estimated Payments	1.6 %	3.3 %	Motor Carrier Fuel Use	16.4 %	21.8 %
Final Payments	1.6 %	3.5 %	Cigarettes Taxes	9.0 %	18.0 %
Withholding Payments	8.1 %	15.3 %	Alcohol Excise Taxes	8.5 %	19.1 %
Refunds/Adjustments *	1.9 %	3.9 %	Estate and Transfer *	9.2 %	16.3 %
Business Corporations Taxes *	1.0 %	4.8 %	Racing and Athletics	9.1 %	16.9 %
Utilities Gross Earnings Taxes	0.1 %	0.7 %	Realty Transfer	10.7 %	19.4 %
Financial Institutions Taxes	-7.3 %	-8.8 %	Departmental Receipts	6.7 %	12.0 %
Insurance Co. Gross Premiums	0.0 %	0.2 %	Lottery Transfer	8.6 %	8.6 %
Bank Deposits	0.0 %	1.9 %	Other Misc. Revenues	n/a	n/a
Health Care Provider Assessment	8.3 %	16.3 %	Unclaimed Property	0.0 %	0.0 %
Sales and Use Taxes †	9.0 %	18.2 %			

\* Percentages are a weighted average of the monthly and fiscal year-to-date percentages for the “base” personal income tax refunds and adjustments, business corporations tax and estate and transfer tax adjusted revenues and the monthly and fiscal year-to-date percentages calculated by ORA incorporating the changes in law affecting these three revenue items effective January 1, 2015. See the body of the report for a more detailed discussion of these methodologies.

† Percentages are a weighted average of the monthly and fiscal year-to-date percentages for the “base” sales and use tax adjusted revenues and the monthly and fiscal year-to-date percentages calculated by ORA for both foregone sales and use tax revenues projected from the extension of the sunset date for the exemption of wine and spirits from the sales and use tax and enhanced sales and use tax revenues projected from the utilization of the safe harbor use tax look-up table effective January 1, 2014. See the body of the report for a more detailed discussion of this methodology.

The health care provider assessment consists only of an assessment on nursing homes. Motor vehicle fees are comprised only of fees paid for operator’s licenses and motor vehicle registrations. Racing and athletics taxes consist of a tax on simulcast wagering. 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 only in June of each fiscal year.

As of August 2014, Rhode Island remained out of compliance with the Streamlined Sales and Use Tax Agreement (SSUTA). A potential impact of this non-compliance is that the State will no longer receive voluntary remittances of sales and use tax revenues from remote sellers that are

parties to the SSUTA. The enacted FY 2015 budget assumes no further receipts of voluntary sales and use tax payments and ORA has adjusted the revenue percentages to reflect this. The enacted FY 2015 sales and use tax revenue estimate incorporates an enhancement derived from the inclusion of a safe harbor provision for use tax owed on TY 2014 personal income tax returns. In addition, the sunset date for the sales and use tax exemption for wine and spirits sold at package stores was extended from March 31, 2015 to June 30, 2015. ORA has taken into account the anticipated changes in sales and use tax revenues from the inclusion of the safe harbor sales and use tax look-up table on state personal income tax returns and the extension of the sunset date for the sales and use tax exemption of wine and spirits sold by package stores when determining the average percentages used to calculate expected FY 2015 sales and use tax revenues.

Due to the unusual characteristics of the enacted legislative changes for the personal income tax refunds and adjustments, the business corporations tax, and the estate and transfer tax revenue streams, ORA had to adjust the revenue bases against which FY 2015 adjusted revenues would be assessed for these revenue items. Specifically, significant impacts on revenue will be realized through the accrual component of these revenue items and thus not recorded until the end of the fiscal year. ORA will use modified cash based revenue flows for expected FY 2015 revenues to gauge the sufficiency of adjusted revenues in meeting estimated revenues. To do otherwise would result in the understatement of expected FY 2015 revenues on a monthly and fiscal year-to-date basis relative to actual FY 2015 adjusted revenues on the same basis. The footnotes in Table B detail the breakdown of cash receipts and accruals for each of these revenue items and indicate the modified cash based revenue flows against which FY 2015 adjusted revenues will be assessed.

The FY 2015 estimates by revenue item as enacted by the General Assembly and signed into law by Governor Chafee are as follows:

<b>Table B. FY 2015 Enacted Revenue Estimates by Major Revenue Item</b>			
<b>Revenue Item</b>	<b>Enacted FY 2015 Estimate</b>	<b>Revenue Item</b>	<b>Enacted FY 2015 Estimate</b>
Personal Income Taxes		Motor Vehicles	\$ 49,500,000
Estimated Payments	\$ 204,600,000	Motor Carrier Fuel	500,000
Final Payments	177,087,441	Cigarettes Taxes	135,800,000
Withholding Payments	1,059,000,000	Alcohol Excise Taxes	17,442,085
Refunds/Adjustments †	(280,055,173)	Estate and Transfer *	27,009,849
Business Corporations Taxes ^	118,811,698	Racing and Athletics	1,100,000
Public Utilities Gross Earnings	112,000,000	Realty Transfer	8,500,000
Financial Institutions Taxes	11,500,000	Departmental Receipts ‡	351,671,912
Insurance Co. Gross Premiums	115,503,704	Lottery	384,500,000
Bank Deposits	2,400,000	Other Misc. Revenues	7,475,000
Health Care Provider Assessment	42,137,188	Unclaimed Property	10,500,000
Sales and Use Taxes	939,619,684		
		<b>Total General Revenues **</b>	<b>\$ 3,493,103,388</b>
<p>† Personal income tax refunds and adjustments revenues estimate includes an estimated revenue accrual of \$(4,293,291) from the restructured Rhode Island earned income tax credit. The realization of this revenue accrual will not occur until the end of FY 2015. As a result, ORA will assess adjusted FY 2015 personal income tax refunds and adjustments revenues against a “base” FY 2015 revenue estimate of \$(275,761,882), instead of the \$(280,055,173) enacted FY 2015 revenue estimate.</p> <p>^ Business corporations tax revenues estimate of \$118,811,698 includes an estimated increase in revenue from the implementation of combined reporting and the reduction of the business corporations tax rate of \$2,932,858. The estimated increase includes revenues of \$1,759,716 that will be received in FY 2015 but realized in FY 2016. As a result, ORA will assess adjusted FY 2015 revenues against a “base” FY 2015 revenue estimate of \$120,571,414, instead of the \$118,811,698 enacted FY 2015 revenue estimate.</p> <p>* Estate and transfer tax revenues estimate of \$27,009,849 includes an estimated accrual impact of \$(9,151,910) to account for the filing behavior of decedents who die on or after January 1, 2015. The estimated accrual will not affect FY 2015 revenues until the end of the fiscal year. As a result, ORA will assess adjusted FY 2015 revenues against a “base” FY 2015 revenue estimate of \$36,161,759, instead of the \$27,009,849 enacted FY 2015 revenue estimate.</p> <p>‡ Departmental Receipts figure includes estimated hospital licensing fee revenues of \$156,071,602.</p> <p>** Total general revenues estimate includes the personal income tax net accrual of \$(3,500,000).</p>			

The enacted FY 2015 revenue estimate for sales and use taxes is \$939.6 million. ORA estimated that this figure is comprised of \$952.6 million of “base” sales and use tax revenues. The calculation of “base” sales and use tax revenues attempts to determine recurring sales and use tax revenues in the absence of current legislative changes. “Base” sales and use tax revenues controls for the \$2.2 million of sales and use tax revenues included in the enacted FY 2015 budget for the provision of a safe harbor use tax look-up table on personal income tax returns; the \$2.5 million of foregone sales and use tax revenues resulting from non-compliance with SSUTA; and the \$12.7 million in foregone sales and use tax revenues due to the exemption of wine and spirits from the sales and use tax. ORA adjusted the methodology for determining the percentages used to calculate expected FY 2015 enacted revenues to incorporate the timing of these changes.

The enacted FY 2015 revenue estimate for alcohol excise taxes is \$17.4 million. ORA estimated that this figure is comprised of \$11.9 million of “base” alcohol excise tax revenues and \$5.5 million of additional alcohol excise tax revenues generated by the full fiscal year impact of the increase in the excise tax rates on beer and malt, still wine and high proof spirits. ORA adjusted the methodology for determining the percentages used to calculate expected FY 2015 enacted revenues to incorporate the timing of this change.

### **Results for FY 2015 through August**

The table, *Year-to-Date Estimate to Actual*, gives the results for FY 2015 through August. As is apparent from the table, the Department of Revenue finds that fiscal year-to-date adjusted total general revenues through August trail expected FY 2015 enacted total general revenues through August by \$861,414 or -0.2 percent. In total taxes, the fiscal year-to-date adjusted revenues through August are less than expected FY 2015 enacted total taxes by \$1.1 million or -0.3 percent. For departmental receipts, the difference from the fiscal year-to-date adjusted revenues through August to expected FY 2015 enacted revenues is \$1.4 million or 5.8 percent. For other general revenue sources, fiscal year-to-date adjusted revenues through August are less than expected FY 2015 enacted revenues by \$1.1 million or -3.3 percent.

In addition to departmental receipts, one revenue item has fiscal year-to-date adjusted revenues through August that exceeds expected FY 2015 enacted revenues by \$1.0 million or more.

- Financial institutions tax adjusted revenues for FY 2015 through August are \$1.0 million or -101.1 percent higher than expected FY 2015 enacted revenues of \$(1,015,587).

Fiscal year-to-date estate and transfer tax, business corporations tax, cigarette excise tax, insurance companies gross premiums tax, the health care provider assessment, alcohol excise tax, public utilities gross earnings tax, realty transfer tax, and racing and athletics tax adjusted revenues are greater than expected FY 2015 enacted revenues through August, but by less than \$1.0 million.

On the negative side, two revenue items have adjusted revenues in August that fall short of the expected FY 2015 enacted fiscal year-to-date revenue estimate by \$1.0 million or more.

- Personal income tax adjusted revenues through August are \$4.7 million or -2.9 percent less than expected FY 2015 enacted year-to-date revenues of \$164.7 million. This decrease is attributable to fiscal year-to-date withholding tax adjusted revenues coming in less than expected year-to-date FY 2015 enacted withholding tax revenues by \$4.0 million or -2.4 percent. In addition, fiscal year-to-date final payments adjusted revenues trail expected FY 2015 enacted final payments revenues by \$944,426 or -15.4 percent. Fiscal year-to-date personal income tax final payments adjusted revenues include \$112,760 of reimbursed Historic Structures Tax Credits (HSTCs). Fiscal year-to-date estimated tax payments adjusted revenues trail expected FY 2015 enacted estimated tax revenues by \$563,314 or -8.3 percent. Fiscal year-to-date refunds and adjustments revenues are less than expected FY 2015 enacted refunds and adjustments revenues by \$755,392 or -7.0 percent.
- The lottery transfer adjusted revenues through August are \$1.1 million or -3.3 percent less than the expected FY 2015 enacted revenues of \$33.0 million.

Fiscal year-to-date sales and use taxes, motor vehicle operator license and registration fees, motor carrier fuel use taxes and bank deposit taxes are below expected FY 2015 enacted revenues through August, but by less than \$1.0 million.

#### **Results for the Month of August 2014**

The table, *Monthly Estimate to Actual*, gives the results for August 2014. As is apparent from the table, the Department of Revenue finds that August adjusted total general revenues trail expected FY 2015 enacted total general revenues for August by \$716,086 or -0.3 percent. In total taxes, August adjusted revenues are less than expected FY 2015 enacted monthly revenues by \$84,864 or less than -0.1 percent. For departmental receipts, August adjusted revenues exceed the expected FY 2015 enacted monthly revenues by \$450,400 or 3.4 percent. For other general revenue sources, August adjusted revenues fall short of expected FY 2015 enacted revenues for August by \$1.1 million or -3.3 percent.

One revenue item has adjusted revenues in August that exceed the expected FY 2015 enacted revenues for August by \$1.0 million or more.

- Business corporations tax adjusted revenues for August are \$1.9 million or 158.9 percent greater than expected FY 2015 enacted monthly revenues of \$1.2 million.

In addition to departmental receipts, August adjusted revenues for financial institutions tax, estate and transfer tax, public utilities gross earnings tax, insurance companies gross premiums tax, realty transfer tax and alcohol excise tax are greater than expected FY 2015 enacted revenues for August, but by less than \$1.0 million.

On the negative side, two revenue items have adjusted revenues in August that fall short of expected FY 2015 enacted monthly revenues by \$1.0 million or more.

- Sales and use tax adjusted revenues for August are \$1.4 million or -1.6 percent less than expected FY 2015 enacted monthly revenues of \$84.8 million.
- The lottery transfer adjusted revenues for August are \$1.1 million or -3.3 percent less than expected FY 2015 enacted monthly revenues of \$33.0 million.

August adjusted revenues for cigarette excise taxes, personal income taxes, motor vehicle operator's license and vehicle registration fees, the health care provider assessment, motor carrier fuel use taxes, racing and athletics taxes and bank deposits taxes are below expected FY 2015 enacted monthly revenues for August, but by less than \$1.0 million.

  
Rosemary Booth Gallogly, Director  
Department of Revenue

September 18, 2014

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

	YTD August Estimate of Enacted FY 2015 Revenues †	YTD August Adjusted Revenues FY 2015	Difference	Variance
<b>Personal Income Tax</b>	\$ 164,691,590	\$ 159,962,997	\$ (4,728,593)	-2.9%
<b>General Business Taxes</b>				
Business Corporations	5,791,023	6,354,790 <sup>a</sup>	563,767	9.7%
Public Utilities Gross Earnings	765,968	899,159	133,191	17.4%
Financial Institutions	(1,015,587)	11,388	1,026,975	-101.1%
Insurance Companies	204,227	587,038	382,811	187.4%
Bank Deposits	44,767	-	(44,767)	
Health Care Provider Assessment	6,849,959	7,143,851	293,892	4.3%
<b>Excise Taxes</b>				
Sales and Use	171,000,174	170,746,966 <sup>b</sup>	(253,208)	-0.1%
Motor Vehicle	6,392,057	6,242,598	(149,459)	-2.3%
Motor Carrier Fuel Use	109,047	29,472	(79,575)	-73.0%
Cigarettes	24,473,813	24,873,411	399,598	1.6%
Alcohol	3,336,916	3,593,050	256,135	7.7%
Controlled Substances	-	-	-	
<b>Other Taxes</b>				
Estate and Transfer	5,897,902	6,853,602	955,700	16.2%
Racing and Athletics	185,995	188,747	2,752	1.5%
Realty Transfer	1,652,047	1,755,372 <sup>c</sup>	103,326	6.3%
<b>Total Taxes</b>	<b>\$ 390,379,897</b>	<b>\$ 389,242,442</b>	<b>\$ (1,137,455)</b>	<b>-0.3%</b>
<b>Departmental Receipts</b>	<b>\$ 23,523,994</b>	<b>\$ 24,881,657 <sup>d</sup></b>	<b>\$ 1,357,663</b>	<b>5.8%</b>
<b>Taxes and Departmentals</b>	<b>\$ 413,903,891</b>	<b>\$ 414,124,099</b>	<b>\$ 220,208</b>	<b>0.1%</b>
<b>Other General Revenue Sources</b>				
Other Miscellaneous Revenues	1,150 +	1,150	-	0.0%
Lottery Transfer	33,007,883	31,926,261	(1,081,622)	-3.3%
Unclaimed Property	- +	-	-	n/a
<b>Total Other Sources</b>	<b>\$ 33,009,033</b>	<b>\$ 31,927,411</b>	<b>\$ (1,081,622)</b>	<b>-3.3%</b>
<b>Total General Revenues</b>	<b>\$ 446,912,924</b>	<b>\$ 446,051,510</b>	<b>\$ (861,414)</b>	<b>-0.2%</b>

† The estimate of enacted FY 2015 revenues for personal income tax refunds and adjustments, business corporation taxes and estate and transfer taxes is calculated using modified cash based revenue flows to align expected revenues with the actual realization of revenues.

+ Set equal to actual amounts received.

<sup>a</sup> Adds \$5,121,199 for business corporations tax refunds payable that were disbursed in August and accrued back to FY 2014.

<sup>b</sup> Deducts \$755,850 for rental vehicle surcharge receipts received in July of FY 2015 that accrued back to FY 2014.

<sup>c</sup> Deducts \$261,220 for realty transfer tax receipts that were retained as general revenues but should have been transferred to restricted receipts.

<sup>d</sup> Deducts \$143.7 million for Hospital Licensing Fees, \$1.1 million for a pharmaceutical settlement, and \$281,280 for emissions control inspection sticker fees that were received in FY 2015 and accrued back to FY 2014.

PIT Component	YTD August Estimates	YTD August Adj Revs	Difference	Variance
Estimated payments	\$ 6,827,842	\$ 6,264,528	\$ (563,314)	-8.3%
Final payments	6,125,134	5,180,708	(944,426)	-15.4%
Withholding	162,456,461	158,480,216	(3,976,244)	-2.4%
Refunds †	(10,717,847)	(9,962,455)	755,392	-7.0%
<b>Total</b>	<b>\$ 164,691,590</b>	<b>\$ 159,962,997</b>	<b>\$ (4,728,593)</b>	<b>-2.9%</b>

**STATE OF RHODE ISLAND REVENUE ASSESSMENT REPORT**  
**Monthly Estimate to Actual**

	August Estimate of Enacted FY 2015 Revenues †	August Adjusted Revenues FY 2015	Difference	Variance
<b>Personal Income Tax</b>	\$ 87,134,893	\$ 86,369,673	\$ (765,221)	-0.9%
<b>General Business Taxes</b>				
Business Corporations	1,164,303	3,014,887 <sup>a</sup>	1,850,584	158.9%
Public Utilities Gross Earnings	155,650	273,535	117,885	75.7%
Financial Institutions	(836,362)	11,388	847,750	-101.4%
Insurance Companies	(57,617)	33,272	90,889	-157.7%
Bank Deposits	1,035	-	(1,035)	
Health Care Provider Assessment	3,477,996	3,366,285	(111,711)	-3.2%
<b>Excise Taxes</b>				
Sales and Use	84,759,396	83,365,340	(1,394,056)	-1.6%
Motor Vehicle	3,558,672	3,187,711	(370,962)	-10.4%
Motor Carrier Fuel Use	81,925	8,872	(73,053)	-89.2%
Cigarettes	12,158,408	11,315,963	(842,444)	-6.9%
Alcohol	1,483,353	1,505,776	22,423	1.5%
Controlled Substances	-	-	-	
<b>Other Taxes</b>				
Estate and Transfer	3,315,295	3,770,858	455,563	13.7%
Racing and Athletics	100,622	92,968	(7,654)	-7.6%
Realty Transfer	910,685	1,006,860	96,175	10.6%
<b>Total Taxes</b>	<b>\$ 197,408,253</b>	<b>\$ 197,323,389</b>	<b>\$ (84,864)</b>	<b>0.0%</b>
<b>Departmental Receipts</b>	\$ 13,195,407	\$ 13,645,807 <sup>c</sup>	\$ 450,400	3.4%
<b>Taxes and Departmentals</b>	<b>\$ 210,603,660</b>	<b>\$ 210,969,196</b>	<b>\$ 365,536</b>	<b>0.2%</b>
<b>Other General Revenue Sources</b>				
Other Miscellaneous Revenues	245 <sup>+</sup>	245	-	0.0%
Lottery Transfer	33,007,883	31,926,261	(1,081,622)	-3.3%
Unclaimed Property	-	-	-	n/a
<b>Total Other Sources</b>	<b>\$ 33,008,128</b>	<b>\$ 31,926,506</b>	<b>\$ (1,081,622)</b>	<b>-3.3%</b>
<b>Total General Revenues</b>	<b>\$ 243,611,788</b>	<b>\$ 242,895,702</b>	<b>\$ (716,086)</b>	<b>-0.3%</b>

† The estimate of enacted FY 2015 revenues for personal income tax refunds and adjustments, business corporation taxes and estate and transfer taxes is calculated using modified cash based revenue flows to align expected revenues with the actual realization of revenues.

+ Set equal to actual amounts received.

<sup>a</sup> Adds \$5,121,199 for business corporations tax refunds payable that were disbursed in August and accrued back to FY 2014.

<sup>b</sup> Deducts \$261,220 for realty transfer tax receipts that were retained as general revenues but should have been transferred to restricted receipts.

<sup>c</sup> Deducts \$248,729 for Hospital Licensing Fees received in August from a delinquent taxpayer on a payment plan that accrued back to FY 2014.

PIT Component	August Estimates	August Adj Revs	Difference	Variance
Estimated payments	\$ 3,239,268	\$ 3,369,401	\$ 130,133	4.0%
Final payments	2,884,891	2,323,962	(560,929)	-19.4%
Withholding	86,142,153	85,996,131	(146,021)	-0.2%
Refunds †	(5,131,418)	(5,292,165)	(160,747)	3.1%
<b>Total</b>	<b>\$ 87,134,893</b>	<b>\$ 86,397,329</b>	<b>\$ (737,564)</b>	<b>-0.8%</b>

# FY 2015 Variance of Adjusted Revenues to Estimate

