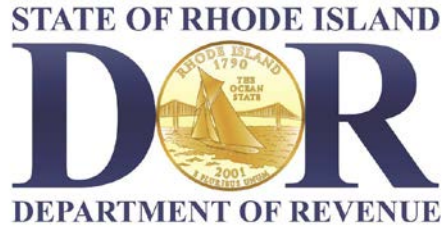


STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
GOVERNOR GINA M. RAIMONDO



Office of Revenue Analysis

Cash Collections Report as of October 2015 Summary

Fiscal Year-to-Date through October:

FY 2016 total general revenue cash collections through October were \$1.2 billion, up \$39.8 million or 3.5 percent from the same period in FY 2015. The breakdown by major revenue components is as follows:

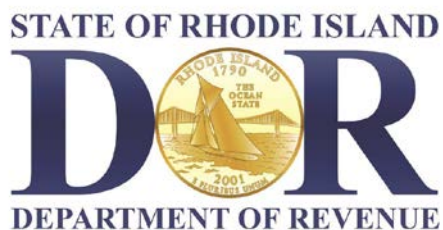
Component	FY 2016	FY 2015	Difference	% Change
Personal Income Tax	\$ 397,669,067	\$ 374,048,665	\$ 23,620,402	6.3 %
Sales and Use Taxes	351,329,200	338,104,780	13,224,420	3.9 %
Departmental Receipts	202,802,696	205,983,487	(3,180,791)	-1.5 %
Lottery Transfer	89,865,450	96,664,757	(6,799,307)	-7.0 %
All Other Revenues	134,731,353	121,835,908	12,895,445	10.6 %
Total General Revenues	\$ 1,176,397,766	\$ 1,136,637,597	\$ 39,760,169	3.5%

Month of October:

October 2015 total general revenue cash collections were \$248,180,835 million, down \$5.0 million or -2.0 percent from October 2014. The breakdown by major revenue components is as follows:

Component	October 2015	October 2014	Difference	% Change
Personal Income Tax	\$ 92,514,258	\$ 87,490,186	\$ 5,024,072	5.7 %
Sales and Use Taxes	83,527,256	83,190,964	336,292	0.4 %
Departmental Receipts	19,692,196	22,344,313	(2,652,117)	-11.9 %
Lottery Transfer	28,970,832	30,508,794	(1,537,962)	-5.0 %
All Other Revenues	23,476,293	29,668,665	(6,192,372)	-20.9 %
Total General Revenues	\$ 248,180,835	\$ 253,202,922	\$ (5,022,087)	-2.0 %

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



Office of Revenue Analysis

**State of Rhode Island Cash Collections Report
October 2015 Detail**

The Rhode Island Department of Revenue cash collections report is a comprehensive analysis of fiscal year-to-date and monthly cash collections on all revenue sources estimated by the principals of the Revenue Estimating Conference (see Rhode Island General Laws § 35-16-1). *Users of this report should be cautious when comparing year-to-date growth rates for Other Miscellaneous Revenues and Unclaimed Property as the receipt of these revenues occurs at discrete points in time over the course of a fiscal year. Further complicating matters is the fact that the discrete pattern of receipts varies so that payments received do not necessarily occur at the same point in time in each fiscal year.*

The Office of Revenue Analysis has modified the Cash Collections Report to shorten its length without sacrificing any detailed information that might be of interest to users of the report. Specifically, the fiscal year-to-date and monthly cash collections tables that used to appear at the end of the report will now immediately follow the front page cash collections summary tables. Following the fiscal year-to-date and monthly cash collections tables will be presentations and discussions of cash collections that are not contained in or easily discerned from these tables. Thus, the year-to-date and monthly cash flow differences between the two fiscal years, the utilization of historic structures tax credits by tax type for both the year-to-date and monthly periods, the year-to-date and monthly break down of personal income tax cash collections by component, etc. will be contained in this section of the report.

Much of the verbiage included in previous editions of this report will be missing as the information that was included is readily available from the tables provided in the report. Comments about this new format of the report are welcome and should be addressed to Paul L. Dion, Ph.D. at paul.dion@revenue.ri.gov.

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Fiscal Year To Date

3

	FY 2016 YTD October	FY 2015 YTD October	Nominal Difference	Change
<u>Personal Income Tax</u>	\$ 397,669,067	\$ 374,048,665	\$ 23,620,402	6.3%
<u>General Business Taxes</u>				
Business Corporations	28,885,501	16,860,176	12,025,325	71.3%
Public Utilities Gross Earnings	1,342,546	1,576,091	(233,545)	-14.8%
Financial Institutions	494,272	982,859	(488,587)	-49.7%
Insurance Companies	6,312,331	1,893,573	4,418,758	233.4%
Bank Deposits	28,707	-	28,707	-
Health Care Provider Assessment	14,711,290	14,411,133	300,157	2.1%
<u>Excise Taxes</u>				
Sales and Use	351,329,200	338,104,780	13,224,420	3.9%
Motor Vehicle	10,520,924	14,786,285	(4,265,361)	-28.8%
Motor Carrier Fuel Use	(89,006)	37,116	(126,122)	-339.8%
Cigarettes	51,939,567	50,384,478	1,555,089	3.1%
Alcohol	6,660,664	6,615,171	45,493	0.7%
<u>Other Taxes</u>				
Estate and Transfer	10,009,568	10,264,768	(255,200)	-2.5%
Racing and Athletics	353,258	368,269	(15,011)	-4.1%
Realty Transfer	3,552,027	3,409,626	142,401	4.2%
Total Taxes	\$ 883,719,916	\$ 833,742,990	\$ 49,976,926	6.0%
<u>Departmental Receipts</u>				
Licenses and Fees	\$ 181,466,054	\$ 180,828,089	\$ 637,965	0.4%
Fines and Penalties	7,342,313	7,687,642	(345,329)	-4.5%
Sales and Services	3,661,771	4,000,275	(338,504)	-8.5%
Miscellaneous	10,332,558	13,467,481	(3,134,923)	-23.3%
Total Departmental Receipts	\$ 202,802,696	\$ 205,983,487	\$ (3,180,791)	-1.5%
Taxes and Departmentals	\$ 1,086,522,612	\$ 1,039,726,477	\$ 46,796,135	4.5%
<u>Other General Revenue Sources</u>				
Other Miscellaneous Revenues	\$ 9,704	\$ 246,363	\$ (236,659)	-96.1%
Lottery Transfer	89,865,450	96,664,757	(6,799,307)	-7.0%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 89,875,154	\$ 96,911,120	\$ (7,035,966)	-7.3%
Total General Revenues	\$ 1,176,397,766	\$ 1,136,637,597	\$ 39,760,169	3.5%

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS

4

Month of October

	FY 2016 Month of October	FY 2015 Month of October	Nominal Difference	% Change
<u>Personal Income Tax</u>	\$ 92,514,258	\$ 87,490,186	\$ 5,024,072	5.7%
<u>General Business Taxes</u>				
Business Corporations	(572,938)	3,537,119	(4,110,057)	-116.2%
Public Utilities Gross Earnings	179,177	274,228	(95,051)	-34.7%
Financial Institutions	8,300	2,440	5,860	240.2%
Insurance Companies	893,515	1,086,822	(193,307)	-17.8%
Bank Deposits	-	-	-	-
Health Care Provider Assessment	3,609,274	3,610,954	(1,680)	0.0%
<u>Excise Taxes</u>				
Sales and Use	83,527,256	83,190,964	336,292	0.4%
Motor Vehicle	3,044,295	3,916,111	(871,816)	-22.3%
Motor Carrier Fuel Use	14,179	25,227	(11,048)	-43.8%
Cigarettes	10,897,410	12,656,240	(1,758,830)	-13.9%
Alcohol	1,675,983	1,519,877	156,106	10.3%
<u>Other Taxes</u>				
Estate and Transfer	2,973,010	1,988,961	984,049	49.5%
Racing and Athletics	76,197	90,659	(14,462)	-16.0%
Realty Transfer	673,876	826,358	(152,482)	-18.5%
Total Taxes	\$ 199,513,792	\$ 200,216,146	\$ (702,354)	-0.4%
<u>Departmental Receipts</u>				
Licenses and Fees	\$ 10,119,134	\$ 11,283,834	\$ (1,164,700)	-10.3%
Fines and Penalties	4,982,120	5,023,467	(41,347)	-0.8%
Sales and Services	1,038,336	1,187,382	(149,046)	-12.6%
Miscellaneous	3,552,606	4,849,630	(1,297,024)	-26.7%
Total Departmental Receipts	\$ 19,692,196	\$ 22,344,313	\$ (2,652,117)	-11.9%
Taxes and Departmentals	\$ 219,205,988	\$ 222,560,459	\$ (3,354,471)	-1.5%
<u>Other General Revenue Sources</u>				
Other Miscellaneous Revenues	\$ 4,015	\$ 133,669	\$ (129,654)	-97.0%
Lottery Transfer	28,970,832	30,508,794	(1,537,962)	-5.0%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 28,974,847	\$ 30,642,463	\$ (1,667,616)	-5.4%
Total General Revenues	\$ 248,180,835	\$ 253,202,922	\$ (5,022,087)	-2.0%

Cash Flow Differences

Fiscal Year-To-Date through October:

The following cash flow differences between FY 2016 and FY 2015 should be noted:

FY 2016

- Fiscal year-to-date personal income tax refund and adjustment cash collections include \$1.4 million of reimbursed historic structure tax credits which were recorded in July 2015 but accrued back to FY 2015.
- Fiscal year-to-date personal income tax refund and adjustment cash collections include \$2.0 million of receipts that were moved from business corporations tax to personal income tax to properly record tax payments that were incorrectly recorded in prior months in October 2015.
- Fiscal year-to-date business corporations tax refund and adjustment cash collections include a transfer of \$(2.0 million) of receipts from business corporations tax to personal income tax to properly record tax payments that were incorrectly recorded in prior months.
- Fiscal year-to-date insurance companies gross premiums tax cash collections include \$4.5 million of reimbursed historic structure tax credits which were recorded in July 2015 but accrued back to FY 2015.
- For the fiscal year-to-date period through October, hospital licensing fee cash collections are \$2.8 million more than the same period in FY 2015. The increase in hospital licensing fee cash collections is due to an increase in the hospital licensing fee rate from 5.418 percent for FY 2014 to 5.745 percent for FY 2015 and the advancement of the hospital licensing fee base from hospital FY 2012 net patient revenues in FY 2014 to hospital FY 2013 net patient revenues in FY 2015. The prior fiscal year hospital licensing fee is received in July of the current year.
- Effective July 1, 2015 the real estate conveyance tax was expanded to apply to the transfer of a controlling interest in a limited liability company, corporation, partnership, or other entity that owns real estate in Rhode Island. To date this expansion has received \$49,450, all collected in October 2015.
- The October lottery transfer includes receipts of \$1.1 million that were accrued back to FY 2015.

FY 2015

- Business corporation taxes included \$5.1 million for refunds disbursed in August 2014 that were accrued to the prior fiscal year.
- Motor vehicle license and registration fees through October of FY 2015 were greater by \$4.3 million compared to the current fiscal year. This difference is comprised of two items, operator control license and vehicle registration fees and the rental vehicle surcharge.

- As of July 1, 2014, rental vehicle surcharge cash receipts were no longer deposited as general revenues but rather were deposited in the Rhode Island Highway Maintenance Account (RIHMA). In FY 2015, \$755,850 of rental vehicle surcharge cash receipts were deposited as general revenues since these payments reflected the rental of vehicles prior to July 1, 2014 and accrued back to FY 2014.
- As of July 1, 2015, 25.0 percent of cash receipts collected as motor vehicle license and registration fees are transferred to RIHMA. As a result, FY 2015 motor vehicle license and registration fees cash collections are \$3.5 million more than FY 2016 motor vehicle license and registration fees. It should be noted that the transfer of 25.0 percent of motor vehicle license and registration fees to RIHMA reduced FY 2016 cash receipts by \$3.5 million.
- Effective July 1, 2015 the imaging services surcharge and the outpatient healthcare facility surcharge were repealed. In license and fees departmental receipts, imaging services surcharge receipts through October of FY 2015 were \$430,078 greater than the same period in FY 2016. Outpatient health care facility surcharge receipts through October of FY 2015 were \$176,764 more than receipts received through October of FY 2016.
- FY 2015 departmental receipts fines and penalties cash collections through October are overstated by \$1.6 million for various court-related fines and fees posted by the Judiciary in October 2014 that are traditionally posted in November.
- In miscellaneous departmental receipts, the Treasury Department and the Department of Elementary and Secondary Education indirect cost recovery receipts through October of FY 2015 were \$368,569 more than the same period in FY 2016. Effective July 1, 2015, these accounts became fully exempt from the 10.0 percent indirect cost recovery charge.
- The miscellaneous revenues component of departmental receipts includes \$1.1 million received in July 2014 from a settlement brought by the Office of the Attorney General against a pharmaceutical manufacturer which was accrued back to FY 2014.
- The fiscal year-to-date miscellaneous component of departmental receipts was \$202,688 higher for the Urban Institute Work Strategies grant within the Department of Human Services due to the reclassification of these revenues as restricted receipts in FY 2016.
- In year-to-date FY 2015 miscellaneous departmental receipts, the state hotel tax receipts received were \$1.4 million greater than the same period in FY 2016. Effective July 1, 2015 the state's share and the statewide tourism district's share of the state 5.0 percent hotel tax was transferred from general revenues to the Rhode Island Commerce Corporation (RICC) for a state level tourism promotion and business attraction campaign.
- The October 2014 lottery transfer includes receipts of \$270,580 that were accrued back to FY 2014.

The following table displays the differences in cash flows for FY 2016 through October and FY 2015 through October.

Revenue Source	Cash Flow Differences	YTD FY 2016	YTD FY 2015
Personal Income Tax	Late reimbursement of HSTCs	\$1,355,142	\$0
Personal Income Tax	Transfer of funds incorrectly deposited	\$2,049,477	\$0
Business Corp. Taxes	Transfer of funds incorrectly deposited	\$(2,049,477)	\$0
Business Corp. Taxes	Refunds accrued to prior fiscal year	\$0	\$(5,121,199)
Ins Gross Premiums Tax	Late reimbursement of HSTCs	\$4,450,735	\$0
Rental Vehicle Surcharge	Prior year accrual	\$0	\$755,850
MV License & Reg Fees	25% transfer to RIHMA a/o 7/1/2016	\$0	\$3,506,975
Other Taxes	Real estate conveyance tax	\$49,450	\$0
Departmental Receipts	Hospital licensing fee difference	\$2,753,299	\$0
Departmental Receipts	Imaging services surcharge repeal	\$0	\$430,078
Departmental Receipts	Outpatient health care facility surcharge repeal	\$0	\$176,764
Departmental Receipts	Cost recovery exemption	\$0	\$368,569
Departmental Receipts	Pharmaceutical manufacturer settlement	\$0	\$1,095,031
Departmental Receipts	Urban Institute grant receipts	\$0	\$202,688
Departmental Receipts	FY 2016 state hotel tax transfer to RICC	\$0	\$1,440,819
Departmental Receipts	Early posting of court fines and fees	\$0	\$1,634,616
Lottery Transfer	Receipt of prior year revenues	\$1,062,175	\$270,580

Month of October:

The following cash flow differences between October 2015 and October 2014 should be noted:

October 2015

- October 2015 personal income tax refund and adjustment cash collections include \$2.0 million of receipts that were moved from business corporations tax to personal income tax to properly record tax payments that were incorrectly recorded in prior months.
- October 2015 business corporations tax refund and adjustment cash collections include a transfer of \$(2.0 million) of receipts from business corporations tax to personal income tax to properly record tax payments that were incorrectly recorded in prior months.
- Effective July 1, 2015 the real estate conveyance tax was expanded to apply to the transfer of a controlling interest in a limited liability company, corporation, partnership, or other entity that owns real estate in Rhode Island. Due to this expansion, \$49,450 has been collected in October 2015.

- The October lottery transfer includes receipts of \$1,062,175 that were accrued back to FY 2015.

October 2014

- October 2014 motor vehicle license and registration fees cash collections are \$871,816 more than October 2015 motor vehicle license and registration fees cash collections. It should be noted that the transfer of 25.0 percent of FY 2016 motor vehicle license and registration fee to RIHMA reduced October 2015 cash receipts by \$1,014,765.
- Effective July, 1 2015 the imaging services surcharge and the outpatient healthcare facility surcharge were repealed. In license and fees departmental receipts, imaging services surcharge receipts in October of FY 2015 were \$145,058 greater than the same period in FY 2016. Outpatient health care facility surcharge receipts in October of FY 2015 were \$49,985 more than receipts received in October of FY 2016.
- October 2014 departmental receipts fines and penalties cash collections are overstated by \$1.6 million for various court-related fines and fees posted by the Judiciary in October 2014 that are traditionally posted in November.
- In miscellaneous departmental receipts, the Treasury Department and the Department of Elementary and Secondary Education indirect cost recovery receipts in October 2014 were \$378,629 greater than the same period in October 2015. Effective July 1, 2015, these accounts became fully exempt from the 10.0 percent indirect cost recovery charge.
- In miscellaneous departmental receipts, the state hotel tax receipts received in October 2014 were \$564,813 greater than the same period in October 2015. Effective July 1, 2015 the state's share and the statewide tourism district's share of the state 5.0 percent hotel tax was transferred from general revenues to the Rhode Island Commerce Corporation (RICC) for a state level tourism promotion and business attraction campaign.
- The October 2014 lottery transfer includes receipts of \$270,580 that were accrued back to FY 2014.

The following table displays the differences in cash flows for October 2015 and October 2014.

Revenue Source	Cash Flow Differences	Oct. 2015	Oct. 2014
Personal Income Tax	Transfer of funds incorrectly deposited	\$2,049,477	\$0
Business Corp. Taxes	Transfer of funds incorrectly deposited	\$(2,049,477)	\$0
MV License & Reg Fees	25% Transfer to RIHMA a/o 7/1/2016	\$0	\$1,014,765
Other Taxes	Real estate conveyance tax	\$49,450	\$0
Departmental Receipts	Imaging services surcharge repeal	\$0	\$145,058
Departmental Receipts	Outpatient health care facility surcharge repeal	\$0	\$49,985
Departmental Receipts	Cost recovery exemption	\$0	\$378,629
Departmental Receipts	FY 2016 state hotel tax transfer to RICC	\$0	\$564,813
Departmental Receipts	Early posting of court fines and fees	\$0	\$1,634,616
Lottery Transfer	Receipt of prior year revenues	\$1,062,175	\$270,580

Historic Structure Tax Credit Reimbursements:

FY 2016 total historic structure tax credit redemptions/reimbursements for all taxes through October totaled \$4,740,703 compared to \$1,276,208 reimbursed in FY 2015 through October, an increase of 271.5 percent.

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

Tax Type	Year-to-Date		Monthly	
	FY 2016	FY 2015	October 2015	October 2014
Personal Income	\$ 2,775,566	\$ 452,983	\$ 2,295,026	\$ 273,942
Business Corporations	432,162	823,225	432,162	823,225
Financial Institutions	0	0	0	0
Insurance/Non-HMOs	1,532,975	0	0	0
Insurance/HMOs	0	0	0	0
Total	\$ 4,740,703	\$ 1,276,208	\$ 2,727,188	\$ 1,097,168

Personal Income Tax Cash Collections by Component

The tables below are based on data provided by the Division of Taxation and break down personal income tax cash collections by component on both a fiscal year-to-date and monthly basis. It should be noted that slight differences may exist between the figures reported by the Division of Taxation and those reported by the Controller due to timing differences in the posting of revenues.

Fiscal Year-to-Date through October:

Component	FY 2016	FY 2015	Difference	% Change
Estimated Payments	\$ 61,254,944	\$ 56,490,487	\$ 4,764,457	8.4 %
Final Payments *	21,367,767	19,123,181	2,244,586	11.7 %
Refunds/Adjustments	(12,696,210) †	(19,998,972)	7,302,762	-36.5 %
Withholding Tax Payments	327,750,235	318,433,968	9,316,267	2.9 %

* Final Payments include historic structures tax credit reimbursements of \$2,775,566 in year-to-date FY 2016 and \$452,983 in year-to-date FY 2015.

† Refunds and adjustments include an adjustment of \$1,355,142 for reimbursed FY 2015 HSTCs which were recorded in July 2015 but accrued back to FY 2015 and a transfer of \$2,049,477 received in October 2015 from business corporations tax receipts to correct for improperly recorded prior tax payments.

Month of October:

Component	October 2015	October 2014	Difference	% Change
Estimated Payments	\$ 5,524,105	\$ 6,178,257	\$ (654,152)	-10.6 %
Final Payments *	10,180,100	9,024,929	1,155,170	12.8 %
Refunds/Adjustments	(795,159) †	(5,287,224)	4,492,066	-85.0 %
Withholding Tax Payments	77,612,882	77,574,223	38,658	0.0 %
* Final Payments include \$2,295,026 of historic structures tax credit (HSTC) reimbursements which were recorded in October 2015, versus \$273,942 of October 2014 HSTC reimbursements which were recorded in October 2014.				
† October 2015 refunds and adjustments includes a transfer of \$2,049,477 from business corporations tax receipts to correct for improperly recorded prior payments.				

Sales and Use Taxes Cash Collections by Component

The tables below are based on data provided by the Division of Taxation and break down sales and use tax cash collections by component on both a fiscal year-to-date and monthly basis. It should be noted that slight differences may exist between the figures reported by the Division of Taxation and those reported by the Controller due to timing differences in the posting of revenues.

Fiscal Year-to-Date through October:

Component	FY 2016	FY 2015	Difference	% Change
Net Taxation	\$ 309,435,213	\$ 299,265,103	\$ 10,170,110	3.4 %
Registry Receipts	37,461,766	34,245,357	3,216,409	9.4 %
Providence Place Mall	4,515,324	4,557,148	(41,824)	-0.9 %

Month of October:

Component	October 2015	October 2014	Difference	% Change
Net Taxation	\$ 73,190,524	\$ 73,153,484	\$ 37,040	0.1 %
Registry Receipts	9,323,785	8,958,084	365,702	4.1 %
Providence Place Mall	1,198,696	1,222,941	(24,245)	-2.0 %

General Business Taxes

October	FY 2016	FY 2015	Difference	% Change
Fiscal YTD	\$ 51.8 Million	\$ 35.7 Million	\$ 16.1 Million	44.9 %
Month	\$ 4.1 Million	\$ 8.5 Million	\$ (4.4 Million)	-51.6 %

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

Fiscal Year-to-Date through October:

General business taxes collected through October of FY 2016 increased by 44.9 percent over general business taxes collected through October of FY 2015. FY 2016 general business taxes collected through October were \$51.8 million compared to \$35.7 million collected for the same period in FY 2015, an increase of \$16.1 million. It should be noted that insurance company gross premiums tax cash collections for July 2015 include \$4.5 million of reimbursed historic structure tax credits which were recorded in July 2015 but accrued back to FY 2015. It should also be noted that FY 2016 business corporations tax includes \$432,162 in HSTC reimbursements versus \$823,225 received for the same period last year. Finally, FY 2016 business corporations tax cash collections are lower by \$2.0 million for revenues transferred to personal income tax cash collections in October 2015 for previous incorrect deposits of tax payments.

Month of October:

General business taxes collected in October 2015 decreased by 51.6 percent compared to general business taxes collected in October 2014. October 2015 general business taxes collected were \$4.1 million compared to \$8.5 million collected during the same period last fiscal year, a decrease of \$4.4 million. There were \$823,225 of historic structure tax credit (HSTC) reimbursements in October 2014 versus \$432,162 of October 2015 HSTC reimbursements for business corporations tax. Additionally, business corporations tax cash collections in October 2015 are lower by \$2.0 million for revenues transferred to personal income tax cash collections due to previous incorrect deposits of tax payments.

Business Corporations Tax Cash Collections by Component:

The tables below are based on data provided by the Division of Taxation and break down business corporation tax cash collections by component on both a fiscal year-to-date and monthly basis. It should be noted that slight differences may exist between the figures reported by the Division of Taxation and those reported by the Controller due to timing differences in the posting of revenues.

Fiscal Year-to-Date through October:

Component	FY 2016	FY 2015	Difference	% Change
Estimated Payments	\$ 22,410,455	\$ 17,926,315	\$ 4,484,140	25.0 %
Final Payments *	12,639,416	12,290,153	349,263	2.8 %
Refunds/Adjustments	(6,290,747) ^	(13,367,245) †	7,076,497	-52.9 %

* Final Payments includes historic structures tax credit reimbursements of \$432,162 in year-to-date FY 2016 and \$823,225 in year-to-date FY 2015.

^ FY 2016 YTD refunds and adjustments include a transfer of \$(2,049,477) in October 2015 to personal income tax receipts to correct for improperly recorded prior payments.

† FY 2015 YTD refunds and adjustments cash collections include a refund of \$5,121,199 which was paid out in August 2014 but accrued to FY 2014.

Month of October:

Component	October 2015	October 2014	Difference	% Change
Estimated Payments	\$ 784,546	\$ 2,915,321	\$ (2,130,775)	-73.1 %
Final Payments *	2,527,036	4,395,086	(1,868,050)	-42.5 %
Refunds/Adjustments	(4,002,097) ^	(3,782,728)	(219,369)	5.8 %

* Final Payments includes historic structures tax credit reimbursements of \$432,162 in October 2015 and \$823,225 in October 2014.

^ October 2015 refunds and adjustments include a transfer of \$(2,049,477) in October 2015 to personal income tax receipts to correct for improperly recorded prior payments.

Excise Taxes Other Than the Sales and Use Tax

October	FY 2016	FY 2015	Difference	% Change
Fiscal YTD	\$ 69.0 Million	\$ 71.8 Million	\$ (2.8 Million)	-3.9 %
Month	\$ 15.6 Million	\$ 18.1 Million	\$ (2.5 Million)	-13.7 %

Fiscal Year-to-Date through October:

Excise taxes other than sales and use taxes collected in FY 2016 through October decreased by 3.9 percent over excise taxes other than sales and use taxes collected through October of FY 2015. FY 2016 excise taxes other than sales and use taxes collected through October were \$69.0 million compared to \$71.8 million collected for the same period last fiscal year, a decrease of \$2.8 million. It is important to note that, during the 2014 session, the General Assembly enacted legislation to transfer 25.0 percent of revenues derived from motor vehicle license and registration fees from general revenues to the Rhode Island Highway Maintenance Account (RIHMA) effective July 1, 2015. To date, this transfer has totaled \$3,506,975.

Rhode Island cigarettes tax receipts are comprised of excise taxes collected on the sale of cigarettes and smokeless tobacco (which also includes cigars and pipe tobacco), and a one-time cigarette floor stock tax. The cigarette floor stock tax is imposed only when there is an increase in the excise tax rate on cigarettes. Total cigarette excise tax cash receipts through October of FY 2016 were up \$1.6 million, including \$740,134 of cigarette floor stock tax receipts, or 3.1 percent compared to the \$50.4 million collected for the same period last fiscal year. Finally, the change in cigarette sales is determined. Cigarette floor stock tax and other tobacco products tax cash collections are netted out of the cigarettes tax cash receipts data, yielding only cigarette excise tax cash collections. Through October of FY 2016, Rhode Island cigarette sales decreased by 2.3 percent compared to the same period last fiscal year.

Month of October:

Excise taxes other than sales and use taxes collected in October 2015 decreased 13.7 percent from excise taxes other than sales and use taxes collected in October 2014. October 2015 excise taxes other than sales and use taxes collected totaled \$15.6 million compared to \$18.1 million collected in October 2014, a decrease of \$2.5 million. It is important to note that during the 2014 session the General Assembly enacted legislation to transfer 25.0 percent of revenues derived from motor vehicle license and registration fees from general revenues to the Rhode Island Highway Maintenance Account (RIHMA) effective July 1, 2015. This transfer totaled \$1,014,765 in October 2015.

October 2015 cigarette excise tax receipts were \$10.9 million, including \$4,980 of cigarette floor stock tax receipts, a decrease of \$1.8 million or 13.9 percent from the \$12.7 million collected in October 2014. After accounting for any cigarette floor stock receipts and other tobacco products tax cash collections, the percentage change in Rhode Island cigarette sales is determined. For October 2015, Rhode Island cigarette sales decreased by 19.2 percent compared to October 2014.

Other Taxes

October	FY 2016	FY 2015	Difference	% Change
Fiscal YTD	\$ 13.9 Million	\$ 14.0 Million	\$ (127,810)	-0.9 %
Month	\$ 3.7 Million	\$ 2.9 Million	\$ 817,105	28.1 %

Fiscal Year-to-Date through October:

Other taxes collected in FY 2016 through October decreased 0.9 percent over other taxes collected through October of FY 2015. FY 2015 other taxes collected through October were \$13.9 million compared to the \$14.0 million collected in the same period last fiscal year, a decrease of \$127,810.

Effective July 1, 2015 the real estate conveyance tax was extended to subject the transfer of a controlling interest in a limited liability company (LLC), corporation, partnership, or other entity that owns real estate in Rhode Island to the real estate conveyance tax. FY 2016 realty transfer taxes collected through October were up \$142,401 or 4.2 percent compared to the same period

last fiscal year. To date, \$49,450 of cash receipts have been received from the extension of the real estate conveyance tax to the transfer of a controlling interest in real estate.

Month of October:

Other taxes collected in October 2015 increased 28.1 percent over other taxes collected in October 2014. October 2015 other taxes collected totaled \$3.7 million compared to \$2.9 million collected in October 2014, an increase of \$817,105. Other taxes in October 2015 include \$49,450 of cash receipts that were received from the extension of the real estate conveyance tax to the transfer of a controlling interest in real estate.

Departmental Receipts Cash Collections by Component

The tables below are based on data provided by the Controller and break down departmental receipts cash collections by component on both a fiscal year-to-date and monthly basis.

Fiscal Year-to-Date through October:

Component	FY 2016	FY 2015	Difference	% Change
Licenses and Fees *	\$ 181,466,054	\$ 180,828,089	\$ 637,965	0.4 %
Fines and Penalties	7,342,313	7,687,642 †	(345,329)	-4.5 %
Sales and Services	3,661,771	4,000,275	(338,504)	-8.5 %
Miscellaneous	10,332,558	13,467,481	(3,134,923)	-23.3 %
Total	\$ 202,802,696	\$ 205,983,487	\$ (3,180,791)	-1.5%
* Licenses and fees cash collections include hospital licensing fees of \$146,715,070 in year-to-date FY 2016 and \$143,961,771 in year-to-date FY 2015.				
† Fines and penalties cash collections in FY 2015 include \$1,634,616 of various court-related fees posted in October 2014 that should have been posted in November 2014.				

The licenses and fees category of departmental receipts through October of FY 2016 was up 0.4 percent or \$637,965 over the \$180.8 million collected through October of FY 2015. In the enacted FY 2016 budget, signed into law by Governor Raimondo on June 25, 2015, numerous license fees were eliminated for select occupations and the outpatient health care facility and imaging services surcharges were repealed. Through October imaging services surcharge fees were down \$430,078. Outpatient health care facility surcharge receipts through October of FY 2016 were \$176,764 less than the previous fiscal year. In licenses and fees, the E-911 Wireless and E-911 Wireline surcharges are down \$546,936 year-to-date through October. It is also important to note that numerous licenses included in the licenses and fees category of departmental receipts are renewed on a biennial or triennial basis, which skews the fiscal year-to-date comparisons.

The fines and penalties category of departmental receipts through October of FY 2016 was down 4.5 percent or \$345,329 compared to the \$7.7 million collected through October of FY 2015. This decline is partially the result of the Judiciary's early posting of \$1.6 million in court-related

finances and penalties in October 2014 which should have been posted in November 2014.

FY 2016 miscellaneous departmental receipts through October are down \$3.1 million or 23.3 percent compared to cash collections through October of FY 2015. In the enacted FY 2016 budget, the Treasury Department and the Department of Elementary and Secondary Education cost recovery accounts are exempt from the 10.0 percent indirect cost recovery charge. Compared to the prior fiscal year, these two cost recovery receipts were down \$368,569. Also enacted in the FY 2016 budget, the Urban Institute Work Strategies grant received by the Department of Human Services (DHS) has been transferred from miscellaneous departmental receipts in general revenues to a restricted receipt account. As a result, cash collections for this grant are down \$202,688 compared to the prior fiscal year. During the 2015 session, the General Assembly accepted the Governor's proposal to transfer the state's share and the statewide tourism district's share of the state 5.0 percent hotel tax from general revenues to the Rhode Island Commerce Corporation (RICC) for a state level tourism promotion and business attraction campaign. Due to this transfer, state hotel tax revenues are down \$1.4 million through October 2015 compared to the same period last fiscal year.

Month of October:

Component	October 2015	October 2014	Difference	% Change
Licenses and Fees *	\$ 10,119,134	\$ 11,283,834	\$ (1,164,700)	-10.3 %
Fines and Penalties	4,982,120	5,023,467 †	(41,347)	-0.8 %
Sales and Services	1,038,336	1,187,382	(149,046)	-12.6 %
Miscellaneous	3,552,606	4,849,630	(1,297,024)	-26.7 %
Total	\$ 19,692,196	\$ 22,344,313	\$ (2,652,117)	-11.9%
* Licenses and fees include \$508,779 of hospital licensing fees in October 2015 versus \$248,729 in October 2014.				
† Fines and penalties cash collections in October 2014 include \$1,634,616 of various court-related fees posted in October that should have been posted in November 2014.				

Total departmental receipts in October 2015 decreased by 11.9 percent compared to total departmental receipts in October 2014. October 2015 total departmental receipts collected were \$19.7 million compared to \$22.3 million collected in October 2014, a decrease of \$2.7 million.

The licenses and fees category of departmental receipts for October 2015 was down 10.3 percent or \$1.2 million from the \$11.3 million collected in October of 2014. It should be noted that imaging services surcharge fees and outpatient health care facility surcharge fees were repealed as part of the enacted FY 2016 budget. October 2015 imaging services surcharge fees were down \$145,058. Outpatient health care facility surcharge receipts in October 2015 were \$49,985 less than the previous year. In licenses and fees, the October 2015 E-911 Wireless and E-911 Wireline surcharges are down \$489,061 compared to October 2014. Beach parking fees in October were down \$440,799 as a result of the newly negotiated beach parking concession contract that took effect in July 2015.

The October 2014 fines and penalties category of departmental receipts also include the Judiciary's early posting of \$1.6 million in court-related fines and penalties in October 2014 which should have been posted in November 2014.

FY 2016 miscellaneous departmental receipts in October 2015 are down \$1.3 million or 26.7 percent compared to cash collections in October of 2014. In the enacted FY 2016 budget, the Treasury Department and the Department of Elementary and Secondary Education cost recovery accounts are exempt from the 10.0 percent indirect cost recovery charge. Compared to October 2014, these two cost recovery receipts were down \$378,629. Due to the transfer of the state's share and the statewide tourism district's share of the state 5.0 percent hotel tax from general revenues to the RICC for a state level tourism promotion and business attraction campaign, state hotel tax revenues are down \$564,813 in October compared to the previous October.

Motor Fuel Tax, Per Penny Yield

October	FY 2016	FY 2015	Difference	% Change
Fiscal YTD	\$ 1,501,763	\$ 1,503,962	\$ (2,199)	-0.1 %
Month	\$ 366,812	\$ 355,672	\$ 11,140	3.1 %

In FY 2016, the State's motor fuel tax consists of a \$0.33 per gallon excise tax on the distribution of motor fuel in the State and an additional \$0.01 per gallon surcharge for motor fuel that is delivered to an underground storage tank, while in FY 2015 the same tax rates were \$0.32 per gallon and \$0.01 per gallon respectively. Increased revenues from the increase in the motor fuel excise tax, if any, will be realized in August 2015 and thereafter. No portion of the motor fuel tax is designated as general revenues. The data provided in this section of the report is for informational purposes only.

Fiscal Year-to-Date through October:

The per penny yield of the state's motor fuel tax collected in FY 2016 through October is \$2,199 less than in FY 2015 through October. This represents a decrease of 0.1 percent between the two fiscal year-to-date periods. For FY 2016 through October, the per penny yield was \$1,501,763 versus \$1,503,962 for FY 2015 through October.

Month of October:

The per penny yield of the State's motor fuel tax collected in October 2015 totaled \$366,812, an increase of \$11,140 or 3.1 percent over the \$355,672 collected in October 2014.

Lottery Transfer Cash Collections by Component

The tables below are based on data provided by the Division of Lottery and break down the lottery transfer cash collections by component on both a fiscal year-to-date and monthly basis. It

should be noted that slight differences may exist between the figures reported by the Division of Lottery and those reported by the Controller due to timing differences in the posting of revenues.

Fiscal Year-to-Date through October:

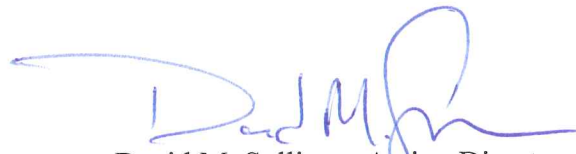
Component	FY 2016	FY 2015	Difference	% Change
Traditional Games	\$ 9,386,686	\$ 9,278,615	\$ 108,071	1.2 %
Keno	4,467,820	4,378,411	89,409	2.0 %
Twin River VLTs	66,957,366	73,577,024	(6,619,658)	-9.0 %
Twin River Table Games	3,358,276	2,952,431	405,845	13.7 %
Newport Grand VLTs	6,897,900	7,199,173	(301,273)	-4.2 %

In fiscal year-to-date 2016 Twin River could operate an average maximum of 86 table games through October versus an average maximum of 80 table games that could be open in fiscal year 2015 through October. It should be noted that in order to make space for additional table games and a poker room that will open in November 2015, Twin River had 250 fewer VLTs operating in fiscal year-to-date 2016 compared to the same period last fiscal year. Both Twin River and Newport Grand VLT cash collections do not reflect unclaimed prizes, distressed communities relief program receipts, or the State's payment to either Newport Grand's or Twin River's marketing program.

Month of October:

Component	October 2015	October 2014	Difference	% Change
Traditional Games	\$ 3,258,470	\$ 3,182,228	\$ 76,242	2.4 %
Keno	1,538,363	1,510,841	27,522	1.8 %
Twin River VLTs	21,341,838	22,784,002	(1,442,164)	-6.3 %
Twin River Table Games	1,009,155	913,994	95,161	10.4 %
Newport Grand VLTs	2,237,141	2,193,164	43,977	2.0 %

It should be noted that Twin River could operate a maximum of 92 table games in October 2015 versus operating a maximum of 80 table games in October 2014. Twin River had 274 fewer VLTs operating in October 2015 compared to October 2014. Both Twin River and Newport Grand VLT cash collections do not reflect unclaimed prizes, distressed communities relief program receipts, or the State's payment to either Newport Grand's or Twin River's marketing program.



David M. Sullivan, Acting Director
Rhode Island Department of Revenue
November 20, 2015