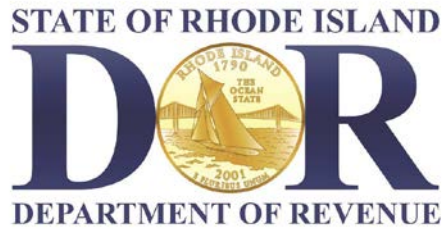


STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
GOVERNOR GINA M. RAIMONDO



Office of Revenue Analysis

Cash Collections Report as of January 2016 Summary

Fiscal Year-to-Date through January:

FY 2016 total general revenue cash collections through January were \$2.0 billion, up \$50.2 million or 2.6 percent from the same period in FY 2015. The breakdown by major revenue components is as follows:

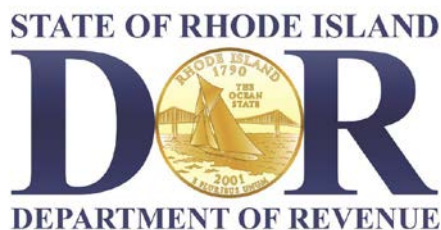
Component	FY 2016	FY 2015	Difference	% Change
Personal Income Tax	\$ 762,663,777	\$ 734,746,833	\$ 27,916,944	3.8 %
Sales and Use Taxes	597,410,065	577,968,417	19,441,648	3.4 %
Departmental Receipts	248,556,029	253,204,960	(4,648,931)	-1.8 %
Lottery Transfer	180,633,987	188,310,589	(7,676,602)	-4.1 %
All Other Revenues	222,058,624	206,920,838	15,137,786	7.3 %
Total General Revenues	\$ 2,011,322,482	\$ 1,961,151,637	\$ 50,170,845	2.6%

Month of January:

January 2016 total general revenue cash collections were \$303.8 million, up \$8.2 million or 2.8 percent from January 2015. The breakdown by major revenue components is as follows:

Component	January 2016	January 2015	Difference	% Change
Personal Income Tax	\$ 141,217,056	\$ 130,928,705	\$ 10,288,351	7.9 %
Sales and Use Taxes	88,370,563	84,317,925	4,052,638	4.8 %
Departmental Receipts	26,367,760	24,386,063	1,981,697	8.1 %
Lottery Transfer	30,881,280	30,268,040	613,240	2.0 %
All Other Revenues	17,004,177	25,775,748	(8,771,571)	-34.0 %
Total General Revenues	\$ 303,840,836	\$ 295,676,481	\$ 8,164,355	2.8 %

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



Office of Revenue Analysis

State of Rhode Island Cash Collections Report
January 2016 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 January	FY 2015 YTD January	Nominal Difference	Change
<u>Personal Income Tax</u>	\$ 762,663,777	\$ 734,746,833	\$ 27,916,944	3.8%
<u>General Business Taxes</u>				
Business Corporations	44,424,613	29,119,377	15,305,236	52.6%
Public Utilities Gross Earnings	2,172,371	2,583,592	(411,221)	-15.9%
Financial Institutions	963,991	1,812,872	(848,881)	-46.8%
Insurance Companies	6,925,941	3,540,364	3,385,577	95.6%
Bank Deposits	40,376	-	40,376	-
Health Care Provider Assessment	25,710,242	25,616,545	93,697	0.4%
<u>Excise Taxes</u>				
Sales and Use	597,410,065	577,968,417	19,441,648	3.4%
Motor Vehicle	17,981,453	23,158,783	(5,177,330)	-22.4%
Motor Carrier Fuel Use	29,807	(145,667)	175,474	-120.5%
Cigarettes	85,367,586	83,299,652	2,067,934	2.5%
Alcohol	11,617,020	11,588,546	28,474	0.2%
<u>Other Taxes</u>				
Estate and Transfer	19,583,394	19,742,175	(158,781)	-0.8%
Racing and Athletics	586,736	620,324	(33,588)	-5.4%
Realty Transfer	6,466,195	5,671,462	794,733	14.0%
Total Taxes	\$ 1,581,943,567	\$ 1,519,323,275	\$ 62,620,292	4.1%
<u>Departmental Receipts</u>				
Licenses and Fees	\$ 216,694,240	\$ 213,730,962	\$ 2,963,278	1.4%
Fines and Penalties	15,308,372	13,400,850	1,907,522	14.2%
Sales and Services	6,091,078	6,385,801	(294,723)	-4.6%
Miscellaneous	10,462,339	19,687,347	(9,225,008)	-46.9%
Total Departmental Receipts	\$ 248,556,029	\$ 253,204,960	\$ (4,648,931)	-1.8%
Taxes and Departmentals	\$ 1,830,499,596	\$ 1,772,528,235	\$ 57,971,361	3.3%
<u>Other General Revenue Sources</u>				
Other Miscellaneous Revenues	\$ 188,899	\$ 312,813	\$ (123,914)	-39.6%
Lottery Transfer	180,633,987	188,310,589	(7,676,602)	-4.1%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 180,822,886	\$ 188,623,402	\$ (7,800,516)	-4.1%
Total General Revenues	\$ 2,011,322,482	\$ 1,961,151,637	\$ 50,170,845	2.6%

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Month of January

4

	FY 2016 Month of January		FY 2015 Month of January	Nominal Difference	% Change
<u>Personal Income Tax</u>	\$ 141,217,056	\$	130,928,705	\$ 10,288,351	7.9%
<u>General Business Taxes</u>					
Business Corporations	(2,119,150)		2,145,952	(4,265,102)	-198.8%
Public Utilities Gross Earnings	491,730		280,875	210,855	75.1%
Financial Institutions	-		16,500	(16,500)	-
Insurance Companies	(151,187)		320,556	(471,743)	-147.2%
Bank Deposits	11,574		-	11,574	-
Health Care Provider Assessment	3,823,717		3,879,495	(55,778)	-1.4%
<u>Excise Taxes</u>					
Sales and Use	88,370,563		84,317,925	4,052,638	4.8%
Motor Vehicle	2,745,581		4,297,375	(1,551,794)	-36.1%
Motor Carrier Fuel Use	25,839		36,577	(10,738)	-29.4%
Cigarettes	9,243,771		10,562,891	(1,319,120)	-12.5%
Alcohol	1,737,459		2,270,600	(533,141)	-23.5%
<u>Other Taxes</u>					
Estate and Transfer	243,028		975,351	(732,323)	-75.1%
Racing and Athletics	71,400		76,397	(4,997)	-6.5%
Realty Transfer	814,832		912,074	(97,242)	-10.7%
Total Taxes	\$ 246,526,213	\$	241,021,273	\$ 5,504,940	2.3%
<u>Departmental Receipts</u>					
Licenses and Fees	\$ 17,338,337	\$	16,463,189	\$ 875,148	5.3%
Fines and Penalties	6,704,078		4,248,794	2,455,284	57.8%
Sales and Services	883,135		873,034	10,101	1.2%
Miscellaneous	1,442,210		2,801,046	(1,358,836)	-48.5%
Total Departmental Receipts	\$ 26,367,760	\$	24,386,063	\$ 1,981,697	8.1%
Taxes and Departmentals	\$ 272,893,973	\$	265,407,336	\$ 7,486,637	2.8%
<u>Other General Revenue Sources</u>					
Other Miscellaneous Revenues	\$ 65,583	\$	1,105	\$ 64,478	5835.1%
Lottery Transfer	30,881,280		30,268,040	613,240	2.0%
Unclaimed Property	-		-	-	-
Total Other Sources	\$ 30,946,863	\$	30,269,145	\$ 677,718	2.2%
Total General Revenues	\$ 303,840,836	\$	295,676,481	\$ 8,164,355	2.8%

Cash Flow Differences

Fiscal Year-To-Date through January:

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 Structures Tax Credits (HSTC) 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 in October 2015 from business corporations tax to personal income tax to properly record tax payments that were incorrectly recorded in prior months.
- Fiscal year-to-date personal income tax withholding cash collections are understated by \$827,456 and \$838,474 for the misposting of receipts to personal income tax estimated payments and final payments in November 2015. Personal income tax withholding cash collections are also understated by \$616,570 for the misposting of receipts to personal income tax estimated payments in December 2015.
- Fiscal year-to-date business corporations tax refund and adjustment cash collections include a transfer of \$(2.0 million) of receipts in October 2015 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 HSTCs which were recorded in July 2015 but accrued back to FY 2015.
- Fiscal year-to-date motor vehicle license and registration fees through January include a total of \$1.4 million of funds that were deposited but not recorded in previous months. This includes \$368,841 of funds that were transferred to the Rhode Island Highway Maintenance Account (RHIMA), yielding a net deposit of \$1.1 million.
- 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 generated \$94,747 in real estate conveyance taxes.
- Fiscal year-to-date realty transfer tax cash collections through January include \$261,346 of receipts that are designated for the Housing Resources Commission (HRC) and will be transferred in February 2016.
- For the fiscal year-to-date period through January, hospital licensing fee cash collections are \$3.5 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.

- The miscellaneous revenues component of departmental receipts includes the transfer of \$(4.8 million) of refund and other checks written off by the Office of the Treasurer and the Division of Taxation to unclaimed property in November 2015.
- Miscellaneous departmental receipts include \$484,394 in indirect cost recovery cash collections as a result of the transfer in November 2015 of refund and other check write offs to unclaimed property.
- The FY 2016 year-to-date lottery transfer includes receipts of \$1.1 million that were accrued back to FY 2015.

FY 2015

- Fiscal year-to-date 2015 personal income tax final payments include \$665,861 in Historic Structures Tax Credit (HSTC) reimbursements. The reimbursed amount of HSTCs of \$665,861 is less than the fiscal year-to-date HSTCs redemption amount of \$1,306,317, leaving \$640,456 in HSTCs that were reimbursed in July 2015.
- Fiscal year-to-date personal income tax estimated payments include a large infrequently occurring payment of \$10.0 million received in December 2014.
- 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 January of FY 2015 were greater by \$6.8 million compared to the current fiscal year. This difference is comprised of four items, operator control license and vehicle registration fees, the rental vehicle surcharge, and mispostings of funds.
 - 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, \$669,142 of rental vehicle surcharge cash receipts were recorded 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 \$4.5 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 \$6.0 million.
 - Motor vehicle registration and license fees through January of FY 2015 include \$1.2 million collected from the IRP Clearinghouse in FY 2010 and FY 2011 that were posted in January 2015.
 - Motor vehicle registration and license fee cash collections through January of FY 2015 are understated by \$384,002 as a result of the Department of Revenue's

Division of Motor Vehicle's late posting of \$355,282 in motor vehicle registration fees and \$28,720 in motor vehicle license fees that were received in January 2015 but not recorded until February 2015.

- Estate and transfer tax cash collections include a large payment of \$3.9 million received in December 2014.
- Effective July, 1 2015 the imaging services surcharge and the outpatient healthcare facility surcharge were repealed. In the license and fees component of departmental receipts, imaging services surcharge receipts through January of FY 2015 were \$857,105 greater than the same period in FY 2016. Outpatient health care facility surcharge receipts through January of FY 2015 were \$331,659 more than receipts received through January of FY 2016.
- The fines and penalties category of departmental receipts includes \$328,980 received in November 2014 from participating municipalities for red light camera violations.
- Effective July 1, 2015, the Treasury Department's defined contribution account and the Department of Elementary and Secondary Education's Davies national school breakfast and lunch program became fully exempt from the 10.0 percent indirect cost recovery charge. At this time, ORA is unable to calculate the impact of this change.
- The fiscal year-to-date miscellaneous component of departmental receipts was \$488,954 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 \$2.4 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.
- Miscellaneous departmental receipts includes \$1.1 million received in July 2014 from a settlement between the Office of the Attorney General and a pharmaceutical manufacturer, \$197,962 received in October 2014 and \$178,466 received in January 2015 from settlements with mobile telephone providers for placing third-party service charges on consumers' bills, known as "mobile cramming."
- The FY 2015 year-to-date lottery transfer includes \$270,580 that was accrued back to FY 2014.

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

Revenue Source	Cash Flow Differences	YTD FY 2016	YTD FY 2015
Personal Income Tax	Unreimbursed HSTCs	\$0	\$(640,456)
Personal Income Tax	Late reimbursement of HSTCs	\$1,355,142	\$0
Personal Income Tax	Transfer of funds incorrectly deposited	\$2,049,477	\$0
Personal Income Tax	Estimated payment receipts misposting	\$1,444,026	\$0
Personal Income Tax	Final payment receipts misposting	\$838,474	\$0
Personal Income Tax	Withholding payment receipts misposting	\$(2,282,500)	\$0
Personal Income Tax	Large PIT estimated tax payment	\$0	\$10,000,000
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	\$669,142
MV License & Reg Fees	25% transfer to RIHMA a/o 7/1/2016	\$0	\$4,508,187
MV License & Reg Fees	IRP Clearinghouse	\$0	\$1,238,369
MV License & Reg Fees	Late posting of motor vehicle fees	\$0	\$(384,002)
MV License & Reg Fees	Funds deposited but not recorded	\$1,106,524	\$0
Estate/Transfer Taxes	Large, infrequent tax payment	\$0	\$3,919,845
Realty Transfer	Controlling interest transfer tax	\$94,747	\$0
Realty Transfer	Delayed transfer to Housing Resources Comm.	\$261,346	\$0
Departmental Receipts	Hospital licensing fee difference	\$3,534,548	\$0
Departmental Receipts	Imaging services surcharge repeal	\$0	\$857,105
Departmental Receipts	Outpatient health care facility surcharge repeal	\$0	\$331,659
Departmental Receipts	Red light camera violations	\$0	\$328,980
Departmental Receipts	Transfer of refund checks to Unclaimed Prop.	\$(4,843,938)	\$0
Departmental Receipts	Cost recovery from unclaimed property	\$484,394	\$0
Departmental Receipts	Defined contribution acct ICR exemption	\$0	\$?
Departmental Receipts	Davies school lunch program ICR exemption	\$0	\$?
Departmental Receipts	Urban Institute grant receipts	\$0	\$488,954
Departmental Receipts	FY 2016 state hotel tax transfer to RICC	\$0	\$2,424,617
Departmental Receipts	Pharmaceutical manufacturer settlement	\$0	\$1,095,031
Departmental Receipts	AG settlements/recoveries	\$0	\$376,428
Lottery Transfer	Receipt of prior year revenues	\$1,062,175	\$270,580

Month of January:

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

January 2016

- 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. In January 2016, \$180 was collected due to this expansion.
- January 2016 realty transfer tax includes \$1,977 of funds designated for the Housing Resources Commission. The amount reflects the difference between the December 2015 transfer that occurred in January 2016 and the January 2016 transfer that will occur in February 2016.

January 2015

- January 2015 personal income tax final payments cash collections does not include HSTCs usage of \$22,362 in January 2015 that were reimbursed in July 2015.
- Motor vehicle license and registration fees in January of 2015 were greater by \$3.2 million compared to January 2016. This difference is comprised of three items, operator control license and vehicle registration fees, and mispostings of funds.
 - 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, January 2015 motor vehicle license and registration fees cash collections are \$1.5 million more than January 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 January 2016 cash receipts by \$915,194.
 - Motor vehicle license and registrations fees collected for January 2015 include \$1.2 million for IRP Clearinghouse receipts from FY 2010 and FY 2011.
 - Motor vehicle license and registrations fees collected for January 2015 were understated by \$384,002 for January deposits that were not posted until February.
- January 2015 alcohol excise tax cash collections were understated by an unknown amount due to a backlog in the posting of receipts by the Division of Taxation in the month of December 2014 that posted in January 2015.
- 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 January of FY 2015 were \$152,618 greater than in January of FY 2016. Outpatient health care facility surcharge receipts in January of FY 2015 were \$67,348 more than receipts received in January of FY 2016.
- Effective July 1, 2015, the Treasury Department's defined contribution account and the Department of Elementary and Secondary Education's Davies national school breakfast and lunch program account became fully exempt from the 10.0 percent indirect cost recovery charge. At this time, ORA is unable to calculate the impact of this change.

- Miscellaneous departmental receipts includes \$178,466 received in January 2015 from settlements with mobile telephone providers for placing third-party service charges on consumers' bills, known as "mobile cramming."
- In miscellaneous departmental receipts, the state hotel tax receipts received in January 2015 were \$204,916 greater than the same period in January 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 following table displays the differences in cash flows for January 2016 and January 2015.

Revenue Source	Cash Flow Differences	Jan. 2016	Jan. 2015
Personal Income Tax	Unreimbursed HSTCs	\$0	\$(22,362)
MV License & Reg Fees	25% Transfer to RIHMA a/o 7/1/2016	\$0	\$1,551,794
MV License & Reg Fees	Dec posting of Nov registration fees	\$0	\$(384,002)
MV License & Reg Fees	IRP Clearinghouse	\$0	\$1,238,369
Alcohol Taxes	Unknown amount of backlog in Dec recs	\$0	\$(?)
Realty Transfer	Controlling interest transfer tax	\$180	\$0
Realty Transfer	Delayed transfer to Housing Resources Comm.	\$1,977	\$0
Departmental Receipts	Imaging services surcharge repeal	\$0	\$129,742
Departmental Receipts	Outpatient health care facility surcharge repeal	\$0	\$39,169
Departmental Receipts	Defined contribution acct ICR exemption	\$0	\$?
Departmental Receipts	Davies school lunch program ICR exemption	\$0	\$?
Departmental Receipts	AG settlements	\$0	\$178,466
Departmental Receipts	FY 2016 state hotel tax transfer to RICC	\$0	\$204,916

Historic Structures Tax Credit Reimbursements:

FY 2016 total Historic Structures Tax Credit redemptions/reimbursements for all taxes through January were \$5,425,362 compared to \$2,319,698 reimbursed in FY 2015 through January, an increase of 133.9 percent. It should be noted that \$640,456 of Historic Structures Tax Credits (HSTCs) were redeemed but not reimbursed in FY 2015 through January. Including the amount of redeemed HSTCs that were not reimbursed, the adjusted year-to-date 2016 growth rate in HSTCs is 83.3 percent. In January 2015, \$22,362 of HSTCs were redeemed but not reimbursed compared to \$288,476 of HSTCs that were redeemed and reimbursed in January 2016. Including the amount of redeemed HSTCs that were not reimbursed in January 2015, the adjusted monthly growth rate for January 2016 in HSTCs is 1,190.0 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	January 2016	January 2015
Personal Income	\$ 3,460,225	\$ 665,861*	\$ 288,476	\$ 0 †
Business Corporations	432,162	823,225	0	0
Financial Institutions	0	0	0	0
Insurance/Non-HMOs	1,532,975	830,611	0	0
Insurance/HMOs	0	0	0	0
Total	\$ 5,425,362	\$ 2,319,698	\$ 288,476	\$ 0
* It should be noted that year-to-date \$640,456 of Historic Structures Tax Credits were redeemed against the personal income tax, however, since the bond proceeds had been depleted, these credits were not reimbursed until July 2015.				
† In January 2015 \$22,362 of Historic Structures Tax Credits were redeemed against the personal income tax but not reimbursed until July 2015.				

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 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 January:

Component	FY 2016	FY 2015	Difference	% Change
Estimated Payments	\$ 143,346,161 ^a	\$ 142,487,261 ^b	\$ 858,900	0.6 %
Final Payments *	28,890,574 ^c	29,029,637	(139,064)	-0.5 %
Refunds/Adjustments	(23,237,389) ^d	(39,971,130)	16,733,741	-41.9 %
Withholding Tax Payments	613,642,376 ^e	603,201,065	10,441,311	1.7 %
* Final Payments include Historic Structures Tax Credit reimbursements of \$3,460,225 in year-to-date FY 2016 and \$665,861 in year-to-date FY 2015. It should be noted that the fiscal year-to-date total of \$665,861 for Historic Structures Tax Credit reimbursements in FY 2015 does not include \$640,456 of unreimbursed HSTCs.				
^a FY 2016 year-to-date estimated payments includes \$1,444,026 of receipts misposted in November and December of 2015 that should have been classified as withholding payments.				
^b Includes a large infrequently occurring estimated payment of \$10.0 million received in December 2014.				
^c FY 2016 year-to-date final payments includes \$838,474 of receipts misposted in November 2015 that should have been classified as withholding payments.				
^d 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. FY 2016 YTD refunds and adjustments also include a transfer of \$2,049,477 received in October 2015 from business corporations tax revenues due to incorrect posting of payments received.				
^e FY 2016 year-to-date withholding payments is understated by \$2,282,500 of receipts that were misposted to personal income tax estimated and final payments in November and December 2015.				

Month of January:

Component	January 2016	January 2015	Difference	% Change
Estimated Payments	\$ 51,288,208	\$ 45,012,250	\$ 6,275,958	13.9 %
Final Payments *	2,075,148	2,031,552	43,595	2.1 %
Refunds/Adjustments	(4,827,967)	(4,763,232)	(64,734)	1.4 %
Withholding Tax Payments	92,659,612	88,645,187	4,014,425	4.5 %
* Final Payments include \$288,476 of Historic Structures Tax Credit (HSTC) reimbursements which were recorded in January 2016. It should be noted that the January 2015 total for HSTC reimbursements does not include \$22,362 of unreimbursed HSTCs.				

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 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 January:

Component	FY 2016	FY 2015	Difference	% Change
Net Taxation	\$ 526,801,483	\$ 512,406,801	\$ 14,394,681	2.8 %
Registry Receipts	62,390,167	56,335,382	6,054,785	10.7 %
Providence Place Mall	8,752,119	8,904,868	(152,750)	-1.7 %

Month of January:

Component	January 2016	January 2015	Difference	% Change
Net Taxation	\$ 78,509,564	\$ 74,848,141	\$ 3,661,423	4.9 %
Registry Receipts	8,176,839	7,541,955	634,883	8.4 %
Providence Place Mall	1,914,252	1,981,108	(66,857)	-3.4 %

General Business Taxes

January	FY 2016	FY 2015	Difference	% Change
Fiscal YTD	\$ 80.2 Million	\$ 62.7 Million	\$ 17.6 Million	28.0 %
Month	\$ 2.1 Million	\$ 6.6 Million	\$ (4.6 Million)	-69.0 %

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 January:

General business taxes collected through January of FY 2016 increased by 28.0 percent over general business taxes collected through January of FY 2015. FY 2016 general business taxes collected through January were \$80.2 million compared to \$62.7 million collected for the same period in FY 2015, an increase of \$17.6 million. It should be noted that insurance companies gross premiums tax cash collections for July 2015 include \$4.5 million of reimbursed Historic Structures 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 cash collections include \$432,162 in HSTC reimbursements versus \$823,225 received for the same period last year. Finally, year-to-date business corporations tax cash collections are lower by \$2,049,477 for revenues transferred to personal income tax cash collections in October 2015 for previous incorrect deposits.

Month of January:

General business taxes collected in January 2016 decreased by 69.0 percent compared to general business taxes collected in January 2015. January 2016 general business taxes collected were \$2.1 million compared to \$6.6 million collected during the same period last fiscal year, a decrease of \$4.6 million.

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 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 January:

Component	FY 2016	FY 2015	Difference	% Change
Estimated Payments	\$ 37,596,631	\$ 28,363,337	\$ 9,233,294	32.6 %
Final Payments *	21,221,412	21,253,310	(31,898)	-0.2 %
Refunds/Adjustments	(14,528,311) ^	(20,531,737) †	6,003,425	-29.2 %
* Final Payments include 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 year-to-date refunds and adjustments include a transfer of \$(2,049,477) in October 2015 to personal income tax revenues due to incorrect posting of payments received				
† FY 2015 year-to-date refunds and adjustments cash collections include a refund of \$5,121,199 in August 2014 which was accrued to FY 2014.				

Month of January:

Component	January 2016	January 2015	Difference	% Change
Estimated Payments	\$ 2,042,227	\$ 1,793,283	\$ 248,944	13.9 %
Final Payments	1,300,040	2,716,346	(1,416,306)	-52.1 %
Refunds/Adjustments	(5,126,768)	(2,349,666)	(2,777,103)	118.2 %

Excise Taxes Other Than the Sales and Use Tax

January	FY 2016	FY 2015	Difference	% Change
Fiscal YTD	\$ 115.0 Million	\$ 117.9 Million	\$ (2.9 Million)	-2.5 %
Month	\$ 13.8 Million	\$ 17.2 Million	\$ (3.4 Million)	-19.9 %

Fiscal Year-to-Date through January:

Excise taxes other than sales and use taxes collected in FY 2016 through January decreased by 2.5 percent over excise taxes other than sales and use taxes collected through January of FY 2015. FY 2016 excise taxes other than sales and use taxes collected through January were \$115.0 million compared to \$117.9 million collected for the same period last fiscal year, a decrease of \$2.9 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 \$6.0 million.

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 January of FY 2016 were up \$2.1 million, including \$754,969 of cigarette floor stock tax receipts, or 2.5 percent compared to the \$83.3 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 January of FY 2016, Rhode Island cigarette sales decreased by 3.8 percent compared to the same period last fiscal year.

Month of January:

Excise taxes other than sales and use taxes collected in January 2016 decreased 19.9 percent from excise taxes other than sales and use taxes collected in January 2015. January 2016 excise taxes other than sales and use taxes collected totaled \$13.8 million compared to \$17.2 million collected in January 2015, a decrease of \$3.4 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 \$915,194 in January 2016.

January 2016 cigarette excise tax receipts were \$9.2 million, including \$223 of cigarette floor stock tax receipts, a decrease of \$1.3 million or 12.5 percent from the \$10.6 million collected in January 2015. After accounting for any cigarette floor stock tax receipts and other tobacco products tax cash collections, the percentage change in Rhode Island cigarette sales is determined. For January 2016, Rhode Island cigarette sales decreased by 19.2 percent compared to January 2015.

Other Taxes

January	FY 2016	FY 2015	Difference	% Change
Fiscal YTD	\$ 26.6 Million	\$ 26.0 Million	\$ 602,364	2.3 %
Month	\$ 1.1 Million	\$ 2.0 Million	\$ (834,562)	-42.5 %

Fiscal Year-to-Date through January:

Other taxes collected in FY 2016 through January increased 2.3 percent over other taxes collected through January of FY 2015. FY 2016 other taxes collected through January were \$26.6 million compared to the \$26.0 million collected in the same period last fiscal year, an increase of \$602,364.

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 January were up \$794,733 or 14.0 percent compared to the same period last fiscal year. To date, \$94,474 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. It should be noted that fiscal year-to-date realty transfer tax through January includes \$261,346 of receipts designated for the Housing Resources Commission (HRC) that will be transferred in February 2016.

Month of January:

Other taxes collected in January 2016 decreased 42.5 percent over other taxes collected in January 2015. January 2016 other taxes collected totaled \$1.1 million compared to \$2.0 million collected in January 2015, a decrease of \$834,562. Realty transfer taxes collected in January were down \$97,242 or 10.7 percent compared to last January. In January 2016, \$180 of cash receipts were received from the extension of the real estate conveyance tax to the transfer of a controlling interest in real estate. It should be noted that January 2016 realty transfer tax includes \$1,977 of receipts that are designated for the Housing Resources Commission (HRC). The amount reflects the difference between the December 2015 transfer that occurred in January 2016 and the January 2016 transfer that will occur in February of 2016.

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 January:

Component	FY 2016	FY 2015	Difference	% Change
Licenses and Fees *	\$ 216,694,240	\$ 213,730,962	\$ 2,963,278	1.4 %
Fines and Penalties	15,308,372	13,400,850	1,907,522	14.2 %
Sales and Services	6,091,078	6,385,801	(294,723)	-4.6 %
Miscellaneous	10,462,339	19,687,347	(9,225,008)	-46.9 %
Total	\$ 248,556,029	\$ 253,204,960	\$ (4,648,931)	-1.8%
* Licenses and fees cash collections include hospital licensing fees of \$148,241,407 in year-to-date FY 2016 and \$144,706,859 in year-to-date FY 2015.				

The licenses and fees category of departmental receipts through January of FY 2016 was up 1.4 percent or \$3.0 million over the \$213.7 million collected through January 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 January, imaging services surcharge fees were down \$857,105. Outpatient health care facility surcharge receipts through January of FY 2016 were \$331,659 less than the previous fiscal year. In licenses and fees, the E-911 Wireless surcharge, E-911 Wireline surcharge, E911 prepaid telephone fees, and the GIS and technical fund are down \$933,511 year-to-date through January. 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.

FY 2016 miscellaneous departmental receipts through January are down \$9.2 million or 46.9 percent compared to cash collections through January of FY 2015. FY 2016 through January miscellaneous revenues includes the transfer of \$(4.8 million) of refund and other checks written off by the Office of the Treasurer and the Division of Taxation to unclaimed property. Included in the Treasury Department's cost recovery cash collections is the deposit of \$484,394 from the transfer of refund and other check write-offs from the Office of the Treasurer and the Division of Taxation to unclaimed property. 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 \$488,954 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 \$2,424,617 through January 2016 compared to the same period last fiscal year. FY 2015 miscellaneous departmental receipts include \$1.1 million from a pharmaceutical settlement payment to the Office of the Attorney General that was accrued back to the prior fiscal year and \$376,428 from two settlements with mobile telephone providers for placing third-party service charges on consumers' bills, also known as "mobile cramming."

Month of January:

Component	January 2016	January 2015	Difference	% Change
Licenses and Fees *	\$ 17,338,337	\$ 16,463,189	\$ 875,148	5.3 %
Fines and Penalties	6,704,078	4,248,794	2,455,284	57.8 %
Sales and Services	883,135	873,034	10,101	1.2 %
Miscellaneous	1,442,210	2,801,046	(1,358,836)	-48.5 %
Total	\$ 26,367,760	\$ 24,386,063	\$ 1,981,697	8.1%
* Licenses and fees include \$508,779 of hospital licensing fees in January 2016 versus \$247,630 in January 2015.				

Total departmental receipts in January 2016 increased by 8.1 percent compared to total departmental receipts in January 2015. January 2016 total departmental receipts collected were \$26.4 million compared to \$24.4 million collected in January 2015, an increase of \$2.0 million.

The licenses and fees category of departmental receipts for January 2016 was up 5.3 percent or \$875,148 from the \$16.5 million collected in January of 2015. This difference is partially attributable to license fees for securities being \$401,895 greater in January 2016 compared to January 2015. In licenses and fees, the E-911 Wireless surcharge, E-911 Wireline surcharge, E911 prepaid telephone fees, and the GIS and technical fund are down \$236,685 compared to last January. It should be noted that the hospital licensing fee cash collections are \$261,149 more than January 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 a change in the timing of payments compared to the prior fiscal year. It should also be noted that imaging services surcharge fees and outpatient health care facility surcharge fees were repealed as part of the enacted FY 2016 budget. January 2016 imaging services surcharge fees were down \$152,618. Outpatient health care facility surcharge receipts in January 2016 were \$67,348 less than the previous year.

The fines and penalties category of departmental receipts for January 2016 was up 57.8 percent or \$2.5 million from the \$4.2 million collected in January of 2015. Part of this increase is due to a \$2.3 million increase in interest on overdue taxes received in January of 2016 compared to January of 2015.

FY 2016 miscellaneous departmental receipts in January 2016 are down \$1.4 million or 48.5 percent compared to cash collections in January of 2015. Part of this difference is due to the Department of Health cost recovery account being down \$715,159 in January 2016 compared to January 2015. In addition, insurance examination fees are \$205,508 less in January 2016 compared to January 2015 and miscellaneous revenues from the Office of the Attorney General are \$178,166 less for the same period. 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 \$204,916 in January compared to the previous January.

Motor Fuel Tax, Per Penny Yield

January	FY 2016	FY 2015	Difference	% Change
Fiscal YTD	\$ 2,613,755	\$ 2,613,004	\$ 751	< 0.1 %
Month	\$ 356,399	\$ 349,720	\$ 6,679	1.9 %

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 January:

The per penny yield of the state's motor fuel tax collected in FY 2016 through January is \$751 more than in FY 2015 through January. This represents an increase of less than 0.1 percent between the two fiscal year-to-date periods. For FY 2016 through January, the per penny yield was \$2,613,755 versus \$2,613,004 for FY 2015 through January.

Month of January:

The per penny yield of the State's motor fuel tax collected in January 2016 totaled \$356,399, an increase of \$6,679 or 1.9 percent compared to the \$349,720 collected in January 2015.

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. Data on lottery transfer cash collections reflect the prior month's gaming activity.

Fiscal Year-to-Date through January:

Component	FY 2016	FY 2015	Difference	% Change
Traditional Games	\$ 18,907,149	\$ 18,688,486	\$ 218,663	1.2 %
Keno	9,221,684	8,913,704	307,980	3.5 %
Twin River VLTs	133,182,278	141,931,123	(8,748,845)	-6.2 %
Twin River Traditional Table Games	7,097,951	5,996,366	1,101,585	18.4 %
Twin River Poker Tables	71,563	0	71,563	n/a
Newport Grand VLTs	13,491,239	13,590,631	(99,392)	-0.7 %

In fiscal year-to-date 2015 Twin River could operate an average maximum of 80 traditional table games through January, nine fewer than the average maximum of 89 traditional table games that could be operated in fiscal year 2016 through January. On December 1, 2015, Twin River began operating 16 poker tables. It should be noted that in order to make space for additional table games and a poker room, Twin River had 261 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 January:

Component	January 2016	January 2015	Difference	% Change
Traditional Games	\$ 3,791,997	\$ 3,115,348	\$ 676,649	21.7 %
Keno	1,662,366	1,550,587	111,779	7.2 %
Twin River VLTs	22,321,797	22,583,662	(261,865)	-1.2 %
Twin River Traditional Table Games	1,319,296	1,126,199	193,097	17.1 %
Twin River Poker Tables	71,563	0	71,563	n/a
Newport Grand VLTs	2,124,970	2,080,645	44,325	2.1 %

It should be noted that Twin River could operate a maximum of 80 traditional table games for the month reported on in January 2015 versus operating a maximum of 92 traditional table games for the month reported on in January 2016. For the month reported on in January 2016, Twin River operated 16 poker tables. Twin River had 273 fewer VLTs operating for the month reported on in January 2016 compared to the month reported on in January 2015. 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.



Marilyn S. McConaghy, Acting Director
Rhode Island Department of Revenue
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