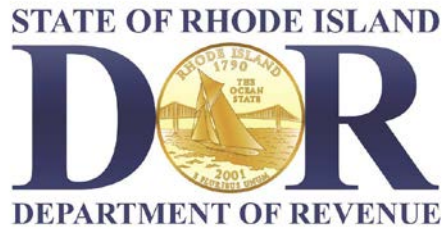


STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
GOVERNOR GINA M. RAIMONDO



Office of Revenue Analysis

Cash Collections Report as of March 2016 Summary

Fiscal Year-to-Date through March:

FY 2016 total general revenue cash collections through March were \$2.6 billion, up \$67.2 million or 2.7 percent over the same period in FY 2015. The breakdown by major revenue components is as follows:

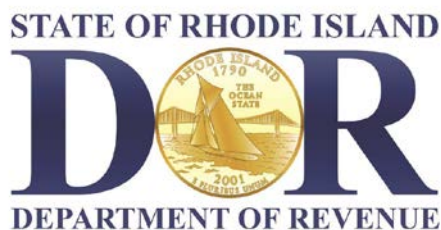
Component	FY 2016	FY 2015	Difference	% Change
Personal Income Tax	\$ 871,615,753	\$ 818,053,733	\$ 53,562,020	6.5 %
Sales and Use Taxes	735,114,896	714,162,209	20,952,687	2.9 %
Departmental Receipts	279,514,545	281,420,488	(1,905,943)	-0.7 %
Lottery Transfer	243,861,231	246,126,611	(2,265,380)	-0.9 %
All Other Revenues	430,639,886	433,797,452	(3,157,566)	-0.7 %
Total General Revenues	\$ 2,560,746,311	\$ 2,493,560,493	\$ 67,185,818	2.7%

Month of March:

March 2016 total general revenue cash collections were \$370.1 million, up \$18.3 million or 5.2 percent over March 2015. The breakdown by major revenue components is as follows:

Component	March 2016	March 2015	Difference	% Change
Personal Income Tax	\$ 81,401,298	\$ 47,953,685	\$ 33,447,613	69.7 %
Sales and Use Taxes	70,535,038	67,992,660	2,542,378	3.7 %
Departmental Receipts	14,682,667	13,226,716	1,455,951	11.0 %
Lottery Transfer	29,759,224	28,549,055	1,210,169	4.2 %
All Other Revenues	173,762,068	194,088,233	(20,326,165)	-10.5 %
Total General Revenues	\$ 370,140,295	\$ 351,810,349	\$ 18,329,946	5.2 %

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



Office of Revenue Analysis

**State of Rhode Island Cash Collections Report
March 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

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	FY 2016 YTD March	FY 2015 YTD March	Nominal Difference	Change
<u>Personal Income Tax</u>	\$ 871,615,753	\$ 818,053,733	\$ 53,562,020	6.5%
<u>General Business Taxes</u>				
Business Corporations	105,014,098	85,955,443	19,058,655	22.2%
Public Utilities Gross Earnings	44,827,761	47,237,970	(2,410,209)	-5.1%
Financial Institutions	8,689,034	18,998,750	(10,309,716)	-54.3%
Insurance Companies	56,011,277	53,138,572	2,872,705	5.4%
Bank Deposits	1,043,018	823,961	219,057	26.6%
Health Care Provider Assessment	32,753,781	32,838,320	(84,539)	-0.3%
<u>Excise Taxes</u>				
Sales and Use	735,114,896	714,162,209	20,952,687	2.9%
Motor Vehicle	27,654,845	34,464,870	(6,810,025)	-19.8%
Motor Carrier Fuel Use	(78,274)	(348,080)	269,806	-77.5%
Cigarettes	108,575,461	103,186,708	5,388,753	5.2%
Alcohol	13,961,367	13,732,891	228,476	1.7%
<u>Other Taxes</u>				
Estate and Transfer	22,542,559	31,053,503	(8,510,944)	-27.4%
Racing and Athletics	758,654	784,266	(25,612)	-3.3%
Realty Transfer	7,990,557	6,656,470	1,334,087	20.0%
Total Taxes	\$ 2,036,474,787	\$ 1,960,739,586	\$ 75,735,201	3.9%
<u>Departmental Receipts</u>				
Licenses and Fees	\$ 239,225,167	\$ 235,282,683	\$ 3,942,484	1.7%
Fines and Penalties	18,634,044	16,008,428	2,625,616	16.4%
Sales and Services	7,737,966	7,946,939	(208,973)	-2.6%
Miscellaneous	13,917,368	22,182,438	(8,265,070)	-37.3%
Total Departmental Receipts	\$ 279,514,545	\$ 281,420,488	\$ (1,905,943)	-0.7%
Taxes and Departmentals	\$ 2,315,989,332	\$ 2,242,160,074	\$ 73,829,258	3.3%
<u>Other General Revenue Sources</u>				
Other Miscellaneous Revenues	\$ 895,748	\$ 5,273,808	\$ (4,378,060)	-83.0%
Lottery Transfer	243,861,231	246,126,611	(2,265,380)	-0.9%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 244,756,979	\$ 251,400,419	\$ (6,643,440)	-2.6%
Total General Revenues	\$ 2,560,746,311	\$ 2,493,560,493	\$ 67,185,818	2.7%

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS

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Month of March

	FY 2016 Month of March	FY 2015 Month of March	Nominal Difference	% Change
<u>Personal Income Tax</u>	\$ 81,401,298	\$ 47,953,685	\$ 33,447,613	69.7%
<u>General Business Taxes</u>				
Business Corporations	55,629,099	53,795,197	1,833,902	3.4%
Public Utilities Gross Earnings	40,367,729	42,737,132	(2,369,403)	-5.5%
Financial Institutions	7,578,564	17,185,878	(9,607,314)	-55.9%
Insurance Companies	44,502,288	43,070,063	1,432,225	3.3%
Bank Deposits	1,001,976	794,773	207,203	26.1%
Health Care Provider Assessment	3,586,530	3,759,367	(172,837)	-4.6%
<u>Excise Taxes</u>				
Sales and Use	70,535,038	67,992,660	2,542,378	3.7%
Motor Vehicle	5,386,107	6,890,329	(1,504,222)	-21.8%
Motor Carrier Fuel Use	(233,058)	(282,404)	49,346	-17.5%
Cigarettes	11,252,814	10,660,800	592,014	5.6%
Alcohol	1,237,894	1,148,071	89,823	7.8%
<u>Other Taxes</u>				
Estate and Transfer	2,009,364	8,757,317	(6,747,953)	-77.1%
Racing and Athletics	98,658	89,884	8,774	9.8%
Realty Transfer	647,294	480,669	166,625	34.7%
Total Taxes	\$ 325,001,595	\$ 305,033,421	\$ 19,968,174	6.5%
<u>Departmental Receipts</u>				
Licenses and Fees	\$ 10,426,665	\$ 9,923,053	\$ 503,612	5.1%
Fines and Penalties	1,750,974	1,545,049	205,925	13.3%
Sales and Services	833,473	779,915	53,558	6.9%
Miscellaneous	1,671,555	978,699	692,856	70.8%
Total Departmental Receipts	\$ 14,682,667	\$ 13,226,716	\$ 1,455,951	11.0%
Taxes and Departmentals	\$ 339,684,262	\$ 318,260,137	\$ 21,424,125	6.7%
<u>Other General Revenue Sources</u>				
Other Miscellaneous Revenues	\$ 696,809	\$ 5,001,157	\$ (4,304,348)	-86.1%
Lottery Transfer	29,759,224	28,549,055	1,210,169	4.2%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 30,456,033	\$ 33,550,212	\$ (3,094,179)	-9.2%
Total General Revenues	\$ 370,140,295	\$ 351,810,349	\$ 18,329,946	5.2%

Cash Flow Differences

Fiscal Year-To-Date through March:

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 business corporations tax cash collections include a transfer of \$(2.0 million) of receipts to personal income tax refunds and adjustments in October 2015 to properly record tax payments that were incorrectly recorded in prior months.
- Fiscal year-to-date personal income tax refunds and adjustments cash collections include a transfer of \$389,300 of receipts from business corporations tax cash collections in February 2016 for receipts that were incorrectly recorded in prior months.
- Fiscal year-to-date business corporations tax estimated payments cash collections include a transfer of \$(403,840) of receipts from business corporations tax to public utilities gross earnings tax in February 2016 that were incorrectly recorded in prior months.
- Fiscal year-to-date public utilities gross earnings tax cash collections include a transfer of \$403,840 from business corporations tax cash collections in February 2016 that were incorrectly recorded in prior months.
- Fiscal year-to-date public utilities gross earnings tax cash collections include a transfer of \$113,439 from sales and use tax cash collections in February 2016 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.
- The fiscal year-to-date sales and use tax cash collections include a transfer of \$(113,439) of receipts to public utilities gross earnings tax in February 2016 that were incorrectly recorded in prior months.
- Fiscal year-to-date motor vehicle license and registration fees through March 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 \$100,921 in real estate conveyance taxes.

- Fiscal year-to-date realty transfer tax cash collections through March include \$238,130 of receipts that are designated for the Housing Resources Commission (HRC) and will be transferred in April 2016.
- For the fiscal year-to-date period through March, hospital licensing fee cash collections are \$4.1 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 personal income tax estimated payments include a large infrequently occurring payment of \$10.0 million received in December 2014.
- Fiscal year-to-date 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 \$1,388,386, leaving \$722,525 in unreimbursed HSTCs.
- Business corporations taxes include \$5.1 million in refunds disbursed in August 2014 that were accrued to the prior fiscal year.
- Financial institutions tax cash collections through March include \$10.4 million from prior year overpayments that were used for FY 2015 tax payments.
- Fiscal year-to-date insurance companies gross premiums tax receipts do not include \$3.7 million in unreimbursed HSTCs that were reimbursed in July 2015.
- Motor vehicle license and registration fees through March of FY 2015 were greater by \$8.0 million compared to the current fiscal year. This difference is comprised of three 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 \$6.1 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 \$9.2 million.
- Motor vehicle license and registration fees through March of FY 2015 include \$1.2 million collected from the IRP Clearinghouse in FY 2010 and FY 2011 that were posted in January 2015.
- Estate and transfer tax cash collections include large payments of \$3.9 million and \$6.1 million received in December 2014 and March 2015 respectively.
- 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 March of FY 2015 were \$1,110,081 greater than the same period in FY 2016. Outpatient health care facility surcharge receipts through March of FY 2015 were \$467,147 more than receipts received through March 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.
- 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 \$2.7 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 March and FY 2015 through March.

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	Trnsfr of funds from bus corp tax in Oct 2015	\$2,049,477	\$0
Personal Income Tax	Trnsfr of funds from bus corp tax in Feb 2016	\$389,300	\$0
Personal Income Tax	Large PIT estimated tax payment	\$0	\$10,000,000
Personal Income Tax	Unreimbursed HSTCs	\$0	\$(722,525)
Business Corp. Taxes	Transfer of funds to PIT in Oct 2015	\$(2,049,477)	\$0
Business Corp. Taxes	Transfer of funds to PIT in Feb 2016	\$(389,300)	\$0
Business Corp Taxes	Transfer of funds to public utilities in Feb 2016	\$(403,840)	\$0
Business Corp. Taxes	Refunds accrued to prior fiscal year	\$0	\$(5,121,199)
Public Utilities	Transfer of funds from bus corp tax in Feb 2016	\$403,840	\$0
Public Utilities	Transfer of funds from sales tax in Feb 2016	\$113,439	\$0
Financial Inst. Tax	Prior Year Overpayment used for FY 2015 tax	\$0	\$10,443,786
Ins Gross Premiums Tax	Late reimbursement of HSTCs	\$4,450,735	\$0
Ins Gross Premiums Tax	Unreimbursed HSTCs	\$0	\$(3,740,057)
Sales and Use Tax	Transfer of funds to pub utilities in Feb 2016	\$(113,439)	\$0
Rental Vehicle Surcharge	Prior year accrual	\$0	\$669,142
MV License & Reg Fees	Funds deposited but not recorded until Dec 2015	\$1,106,524	\$0
MV License & Reg Fees	25% transfer to RIHMA a/o 7/1/2016	\$0	\$6,140,881
MV License & Reg Fees	IRP Clearinghouse	\$0	\$1,238,369
Estate/Transfer Taxes	Large, infrequent tax payment	\$0	\$10,004,845
Realty Transfer	Controlling interest transfer tax	\$100,921	\$0
Realty Transfer	Delayed transfer to Housing Resources Comm.	\$238,130	\$0
Departmental Receipts	Hospital licensing fee difference	\$4,054,646	\$0
Departmental Receipts	Imaging services surcharge repeal	\$0	\$1,110,081
Departmental Receipts	Outpatient health care facility surcharge repeal	\$0	\$467,147
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	\$?

Revenue Source	Cash Flow Differences	YTD FY 2016	YTD FY 2015
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	\$2,738,311
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 March:

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

March 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 March 2016, \$425 was collected due to this expansion.
- March 2016 realty transfer tax includes \$60,560 of funds designated for the Housing Resources Commission. The amount reflects the difference between the February 2016 transfer that occurred in March 2016 and the March 2016 transfer that will occur in April 2016.

March 2015

- Financial institutions tax cash collections in March 2015 include \$10.4 million from prior year overpayments that were used as FY 2015 tax payments.
- March 2015 insurance companies gross premiums tax cash collections do not include HSTCs usage of \$3.7 million in March 2015 that were reimbursed in July 2015.
- 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, March 2015 motor vehicle license and registration fees cash collections are \$1,504,222 more than March 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 March 2016 cash receipts by \$1.8 million.
- March 2015 estate and transfer tax cash collections include a large infrequent tax payment of \$6.1 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 in March of FY 2015 were \$123,201 greater than in March of FY 2016. Outpatient health care facility surcharge receipts in March of FY 2015 were \$82,559 more than receipts received in March 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.
- In miscellaneous departmental receipts, the state hotel tax receipts received in March 2015 were \$156,670 greater than the same period in March 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 March 2016 and March 2015.

Revenue Source	Cash Flow Differences	Mar. 2016	Mar. 2015
Financial Inst. Tax	Prior year overpayment used for FY 15 tax	\$0	\$10,443,786
Ins. Gross Prem. Tax	Unreimbursed HSTCs	\$0	\$(3,740,057)
MV License & Reg Fees	25% Transfer to RIHMA a/o 7/1/2016	\$0	\$1,504,222
Estate/Transfer Taxes	Large, infrequent tax payment	\$0	\$6,085,000
Realty Transfer	Controlling interest transfer tax	\$425	\$0
Realty Transfer	Delayed transfer to Housing Resources Comm.	\$60,560	\$0
Departmental Receipts	Imaging services surcharge repeal	\$0	\$123,201
Departmental Receipts	Outpatient health care facility surcharge repeal	\$0	\$82,559
Departmental Receipts	Defined contribution acct ICR exemption	\$0	\$?
Departmental Receipts	Davies school lunch program ICR exemption	\$0	\$?
Departmental Receipts	FY 2016 state hotel tax transfer to RICC	\$0	\$156,670

Historic Structures Tax Credit Reimbursements:

FY 2016 total Historic Structures Tax Credit redemptions/reimbursements for all taxes through March were \$6,594,042 compared to \$2,319,698 reimbursed in FY 2015 through March, an increase of 184.3 percent. It should be noted that \$4,462,582 of Historic Structures Tax Credits (HSTCs) were redeemed but not reimbursed in FY 2015 through March. Including the amount of redeemed HSTCs that were not reimbursed, the adjusted year-to-date 2016 growth rate in HSTCs is -2.8 percent. In March 2015, \$3.7 million of HSTCs were redeemed but not reimbursed compared to \$586,394 of HSTCs that were redeemed and reimbursed in March 2016. Including the amount of redeemed HSTCs that were not reimbursed in March 2015, the adjusted monthly growth rate for March 2016 in HSTCs is -84.3 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	March 2016	March 2015
Personal Income	\$ 3,496,823	\$ 665,861*	\$ 6,394	\$ 0
Business Corporations	432,162	823,225	0	0
Financial Institutions	0	0	0	0
Insurance/Non-HMOs	2,112,975	830,611†	\$ 580,000	0‡
Insurance/HMOs	0	0‡	0	0‡
Total	\$ 6,041,960	\$ 2,319,698	\$ 586,394	\$ 0
<p>* It should be noted that year-to-date \$722,525 of Historic Structures Tax Credits were redeemed against the personal income tax, since the bond proceeds had been depleted, these credits were not reimbursed until July 2015.</p> <p>† In FY 2015 year-to-date and in March 2015, \$1,945,857 of Historic Structures Tax Credits were redeemed against the non-health insurance gross premiums tax but not reimbursed until July 2015.</p> <p>‡ In FY 2015 year-to-date and in March 2015, \$1,794,200 of Historic Structures Tax Credits were redeemed against the health insurance gross premiums tax but not reimbursed until July 2015.</p>				

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. For the January through March 2016 period, 232,522 income tax refunds were paid for TY 2015 at an average of \$527.98. For the same period in the prior year, 270,030 income tax refunds were paid for TY 2014 at an average of \$527.35.

Fiscal Year-to-Date through March:

Component	FY 2016	FY 2015	Difference	% Change
Estimated Payments	\$ 154,681,964 ^a	\$ 149,579,404 ^a	\$ 5,102,560	3.4 %
Final Payments *	43,406,142	48,085,413	(4,679,271)	-9.7 %
Refunds/Adjustments	(146,363,370) ^b	(181,684,819)	35,321,449	-19.4 %
Withholding Tax Payments	819,877,962	802,077,364	17,800,598	2.2 %
* Final Payments include Historic Structures Tax Credit reimbursements of \$3,496,823 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 \$722,525 of unreimbursed HSTCs.				
^a Includes a large infrequently occurring estimated payment of \$10.0 million received in December 2014.				
^b 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 and a transfer of \$389,300 received in February 2016 from business corporations tax revenues due to incorrect posting of payments received. FY 2016 YTD refunds and adjustments do not include \$57,009,069 in refunds that were on the error register or awaiting confirmation from the Division of Taxation prior to their disbursement.				

Month of March:

Component	March 2016	March 2015	Difference	% Change
Estimated Payments	\$ 4,811,370	\$ 4,370,379	\$ 440,991	10.1 %
Final Payments *	11,972,183	14,569,406	(2,597,223)	-17.8 %
Refunds/Adjustments	(43,352,985) [†]	(76,170,616)	32,817,631	-43.1 %
Withholding Tax Payments	107,957,677	105,184,516	2,773,161	2.6 %
* Final Payments include \$6,394 of Historic Structures Tax Credit (HSTC) reimbursements which were recorded in March 2016.				
[†] March 2016 refunds and adjustments do not include \$10,220,872 in refunds that were on the error register or awaiting confirmation from the Division of Taxation prior to their disbursement.				

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 March:

Component	FY 2016	FY 2015	Difference	% Change
Net Taxation	\$ 645,540,461	\$ 632,377,799	\$ 13,162,662	2.1 %
Registry Receipts	78,731,938	70,489,808	8,242,130	11.7 %
Providence Place Mall	10,773,967	10,948,687	(174,720)	-1.6 %

Month of March:

Component	March 2016	March 2015	Difference	% Change
Net Taxation	\$ 59,678,151	\$ 59,392,589	\$ 285,562	0.5 %
Registry Receipts	9,543,625	8,419,302	1,124,323	13.4 %
Providence Place Mall	1,034,408	999,377	35,031	3.5 %

General Business Taxes

March	FY 2016	FY 2015	Difference	% Change
Fiscal YTD	\$ 248.3 Million	\$ 239.0 Million	\$ 9.3 Million	3.9 %
Month	\$ 152.7 Million	\$ 161.3 Million	\$(8.7 Million)	-5.4 %

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 March:

General business taxes collected through March of FY 2016 increased by 3.9 percent over general business taxes collected through March of FY 2015. FY 2016 general business taxes collected through March were \$248.3 million compared to \$239.0 million collected for the same period in FY 2015, an increase of \$9.3 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 (HSTC) which were recorded in July 2015 but accrued back to FY 2015. Fiscal year-to-date through March 2015 insurance companies gross premiums tax cash collections does not include \$3.7 million in unreimbursed HSTCs. 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. Year-to-date business corporations tax cash collections are lower by \$2,438,777 for revenues transferred to personal income tax cash

collections in October 2015 and February 2016 for previous incorrect deposits. Year-to-date business corporations tax cash collections are lower by \$403,840 for revenues transferred to public utilities gross earnings tax cash collections in February 2016 for previous incorrect deposits. Finally, FY 2016 financial institutions tax cash collections through March were \$8.7 million, a decrease of \$10.3 million or 54.3 percent compared to the same period last year. Included in the FY 2015 year-to-date cash collections for financial institutions tax is \$10.4 million from prior year overpayments that were used as FY 2015 tax payments.

Month of March:

General business taxes collected in March 2016 decreased by 5.4 percent compared to general business taxes collected in March 2015. March 2016 general business taxes collected were \$152.7 million compared to \$161.3 million collected during the same period last fiscal year, a decrease of \$8.7 million. It should be noted that insurance companies gross premiums tax cash collections in March 2015 does not include \$3.7 million in unreimbursed HSTCs. March 2016 financial institutions tax cash collections were \$7.6 million, a decrease of \$9.6 million or 55.9 percent from March 2015. Included in the March 2015 cash collections for financial institutions tax is \$10.4 million from prior year overpayments that were used as FY 2015 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 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 March:

Component	FY 2016	FY 2015	Difference	% Change
Estimated Payments	\$ 62,871,786	\$ 56,599,045	\$ 6,272,741	11.1 %
Final Payments *	59,971,698	59,084,119	887,579	1.5 %
Refunds/Adjustments	(17,985,070) [^]	(29,769,728) [†]	11,784,658	-39.6 %
* 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 and a transfer of \$(389,300) in February 2016 to personal income tax revenues due to incorrect posting of payments received. FY 2016 year-to-date refunds and adjustments payments include a transfer of \$(403,840) to public utilities gross earnings tax in February 2016 due to incorrect posting of payments.				
[†] 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 March:

Component	March 2016	March 2015	Difference	% Change
Estimated Payments	\$ 21,359,884	\$ 26,705,272	\$ (5,345,388)	-20.0 %
Final Payments	36,109,665	35,085,629	1,024,036	2.9 %
Refunds/Adjustments	(1,857,386)	(7,053,701)	5,196,315	-73.7 %

Excise Taxes Other Than the Sales and Use Tax

March	FY 2016	FY 2015	Difference	% Change
Fiscal YTD	\$ 150.1 Million	\$ 151.0 Million	\$ (922,990)	-0.6 %
Month	\$ 17.6 Million	\$ 18.4 Million	\$ (773,039)	-4.2 %

Fiscal Year-to-Date through March:

Excise taxes other than sales and use taxes collected in FY 2016 through March decreased by 0.6 percent over excise taxes other than sales and use taxes collected through March of FY 2015. FY 2016 excise taxes other than sales and use taxes collected through March were \$150.1 million compared to \$151.0 million collected for the same period last fiscal year, a decrease of \$922,990. 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 operator 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 \$9.2 million. It should also be noted that YTD 2015 motor vehicle operator license and registration fee cash collections include \$1.2 million collected from the IRP Clearinghouse in FY 2010 and FY 2011 that were deposited in January 2015.

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 March of FY 2016 were \$108.6 million, including \$755,969 of cigarette floor stock tax receipts and \$4.5 million of other tobacco product taxes, which is up \$5.4 million, or 5.2 percent, compared to the \$103.2 million, including no cigarette floor stock tax receipts and \$3.9 million of other tobacco product taxes, 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 March of FY 2016, Rhode Island cigarette sales decreased by 1.4 percent compared to the same period last fiscal year.

Month of March:

Excise taxes other than sales and use taxes collected in March 2016 decreased 4.2 percent from excise taxes other than sales and use taxes collected in March 2015. March 2016 excise taxes

other than sales and use taxes collected totaled \$17.6 million compared to \$18.4 million collected in March 2015, a decrease of \$773,039. 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 \$1.8 million in March 2016.

March 2016 cigarette excise tax receipts were \$11.3 million, including \$1,000 in cigarette floor stock tax receipts and \$505,266 in other tobacco products taxes, an increase of \$592,014 or 5.6 percent over the \$10.7 million, including no cigarette floor stock tax receipts and \$378,813 of other tobacco products taxes, collected in March 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 March 2016, Rhode Island cigarette sales decreased by 2.4 percent compared to March 2015.

Other Taxes

March	FY 2016	FY 2015	Difference	% Change
Fiscal YTD	\$ 31.3 Million	\$ 38.5 Million	\$ (7.2 million)	-18.7 %
Month	\$ 2.8 Million	\$ 9.3 Million	\$ (6.6 million)	-70.5 %

Fiscal Year-to-Date through March:

Other taxes collected in FY 2016 through March decreased 18.7 percent from other taxes collected through March of FY 2015. FY 2016 other taxes collected through March were \$31.3 million compared to the \$38.5 million collected in the same period last fiscal year, a decrease of \$7.2 million.

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 March were up \$1.3 million or 20.0 percent compared to the same period last fiscal year. To date, \$100,921 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 March includes \$238,130 of receipts designated for the Housing Resources Commission (HRC) that will be transferred in April 2016.

Month of March:

Other taxes collected in March 2016 decreased 70.5 percent over other taxes collected in March 2015. March 2016 other taxes collected totaled \$2.8 million compared to \$9.3 million collected in March 2015, a decrease of \$6.6 million. Realty transfer taxes collected in March were up \$166,625 or 34.7 percent compared to last March. In March 2016, \$425 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 March 2016 realty transfer tax includes \$60,560 of

receipts that are designated for the Housing Resources Commission (HRC). The amount reflects the difference between the February 2016 transfer that occurred in March 2016 and the March 2016 transfer that will occur in April of 2016. March 2016 estate and transfer tax cash collections totaled \$2.0 million, a decrease of \$6.7 million or 77.1 percent from March 2015 cash collections of \$8.8 million. March 2015 estate and transfer cash collections include a large, infrequently occurring payment of \$6.1 million.

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 March:

Component	FY 2016	FY 2015	Difference	% Change
Licenses and Fees *	\$ 239,225,167	\$ 235,282,683	\$ 3,942,484	1.7 %
Fines and Penalties	18,634,044	16,008,428	2,625,616	16.4 %
Sales and Services	7,737,966	7,946,939	(208,973)	-2.6 %
Miscellaneous	13,917,368	22,182,438	(8,265,070)	-37.3 %
Total	\$ 279,514,545	\$ 281,420,488	\$ (1,905,943)	-0.7 %
* Licenses and fees cash collections include hospital licensing fees of \$149,258,965 in year-to-date FY 2016 and \$145,204,809 in year-to-date FY 2015.				

The licenses and fees category of departmental receipts through March of FY 2016 was up 1.7 percent or \$3.9 million over the \$235.3 million collected through March 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 March, imaging services surcharge fees were down \$1.1 million. Outpatient health care facility surcharge receipts through March of FY 2016 were \$467,147 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 \$690,131 year-to-date through March. 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 March are down \$8.3 million or 37.3 percent compared to cash collections through March of FY 2015. FY 2016 through March 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 in November 2015. 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 \$2.7 million through March 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 March:

Component	March 2016	March 2015	Difference	% Change
Licenses and Fees *	\$ 10,426,665	\$ 9,923,053	\$ 503,612	5.1 %
Fines and Penalties	1,750,974	1,545,049	205,925	13.3 %
Sales and Services	833,473	779,915	53,558	6.9 %
Miscellaneous	1,671,555	978,699	692,856	70.8 %
Total	\$ 14,682,667	\$ 13,226,716	\$ 1,455,951	11.0 %
* Licenses and fees include \$508,779 of hospital licensing fees in March 2016 versus \$248,730 in March 2015.				

Total departmental receipts in March 2016 increased by 11.0 percent compared to total departmental receipts in March 2015. March 2016 total departmental receipts collected were \$14.7 million compared to \$13.2 million collected in March 2015, an increase of \$1.5 million.

The licenses and fees category of departmental receipts for March 2016 was up 5.1 percent or \$503,612 from the \$9.9 million collected in March of 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 up \$99,629 compared to last March. It should be noted that the hospital licensing fee cash collections are \$260,049 more than March 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. March 2016 imaging services surcharge fees were down \$123,201. Outpatient health care facility surcharge receipts in March 2016 were \$82,559 less than the previous year.

The fines and penalties category of departmental receipts for March 2016 was up 13.3 percent or \$205,925 from the \$1.5 million collected in March of 2015. Part of this increase is due to \$142,197 in insurance verification license reinstatement fees that were enacted in August 2015.

FY 2016 miscellaneous departmental receipts in March 2016 are up \$692,856 or 70.8 percent compared to cash collections in March of 2015. Part of this difference is due to a Department of

Health cost recovery account being up \$948,530 in March 2016 compared to March 2015. 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 \$156,670 in March compared to the previous March.

Motor Fuel Tax, Per Penny Yield

March	FY 2016	FY 2015	Difference	% Change
Fiscal YTD	\$ 3,320,108	\$ 3,288,668	\$ 31,440	1.0 %
Month	\$ 348,795	\$ 310,112	\$ 38,683	12.5 %

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 March:

The per penny yield of the state's motor fuel tax collected in FY 2016 through March is \$31,440 more than in FY 2015 through March. This represents an increase of 1.0 percent between the two fiscal year-to-date periods. For FY 2016 through March, the per penny yield was \$3,320,108 versus \$3,288,668 for FY 2015 through March.

Month of March:

The per penny yield of the State's motor fuel tax collected in March 2016 totaled \$348,795, an increase of \$38,683 or 12.5 percent compared to the \$310,112 collected in March 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 March:

Component	FY 2016	FY 2015	Difference	% Change
Traditional Games	\$ 28,876,001	\$ 26,201,021	\$ 2,674,980	10.2 %
Keno	12,192,833	11,641,861	550,972	4.7 %
Twin River VLTs	177,168,482	183,966,138	(6,797,656)	-3.7 %
Twin River Traditional Table Games	9,656,856	8,002,706	1,654,150	20.7 %
Twin River Poker Tables	226,807	0	226,807	n/a
Newport Grand VLTs	17,862,746	17,466,995	395,751	2.3 %

In fiscal year-to-date 2015, Twin River could operate an average maximum of 80 traditional table games through March, ten fewer than the average maximum of 90 traditional table games that could be operated in fiscal year 2016 through March. 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 265 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 March:

Component	Mar. 2016	Mar. 2015	Difference	% Change
Traditional Games	\$ 2,974,699	\$ 3,877,274	\$ (902,575)	-23.3 %
Keno	1,442,927	1,363,945	78,982	5.8 %
Twin River VLTs	22,219,539	20,609,398	1,610,141	7.8 %
Twin River Traditional Table Games	1,257,222	956,134	301,088	31.5 %
Twin River Poker Tables	76,396	0	76,396	n/a
Newport Grand VLTs	2,200,505	1,937,147	263,358	13.6 %

It should be noted that Twin River could operate a maximum of 80 traditional table games for the month reported on in March 2015 versus operating a maximum of 92 traditional table games for the month reported on in March 2016. For the month reported on in March 2016, Twin River operated 16 poker tables. Twin River had 274 fewer VLTs operating for the month reported on in March 2016 compared to the month reported on in March 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.

A handwritten signature in black ink, appearing to read "R. Hull", is positioned above a horizontal line that spans the width of the page.

Robert S. Hull, Director
Rhode Island Department of Revenue
May 10, 2016