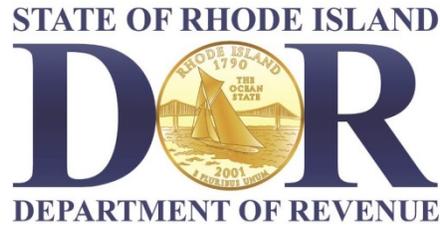


STATE OF RHODE ISLAND
GOVERNOR GINA M. RAIMONDO



Office of Revenue Analysis

State of Rhode Island Revenue Brief
Special Report on Preliminary FY 2020 Revenues

This special edition of the State of Rhode Island Revenue Brief is the traditional fiscal year-end report on preliminary revenues. This special report assesses the current fiscal year revenues on an accrual basis. That is, it considers total fiscal year revenues, which are equal to cash collections plus the net accrual between consecutive fiscal years. This report's focus is on preliminary FY 2020 revenues and the fiscal year revenue estimates as adopted in the final enacted FY 2020 budget. Finally, the growth rates cited refer to preliminary FY 2020 revenues compared to final enacted FY 2020 revenue estimates or compared to audited FY 2019 revenues.

The data contained in this report is drawn from two sources, the Division of Taxation and the Office of Accounts and Controls. This report makes minimal adjustments to the data that is reported and only to ensure that the Division of Taxation's data is consistent with Office of Accounts and Controls' data. Small but insignificant differences in figures between the two data sources can be expected. In addition, due to rounding, figures may also vary by a dollar or two.

This report includes three tables. The first table, *Preliminary FY 2020 to Final Enacted FY 2020*, displays the amounts, difference, and variance of preliminary FY 2020 revenues to final enacted FY 2020 revenues. The second table, *Preliminary FY 2020 to Audited FY 2019*, displays the amounts, difference, and year-over-year growth of preliminary FY 2020 revenues to final audited FY 2019 revenues. The last table, *Final Enacted FY 2020 to Audited FY 2019*, displays the amounts, difference, and variance of final enacted FY 2020 revenues to final audited FY 2019 revenues.

STATE OF RHODE ISLAND SPECIAL REPORT ON PRELIMINARY REVENUES
Preliminary FY 2020 vs. Final Enacted FY 2020

	Preliminary Revenues FY 2020 †	Final Enacted Revenues FY 2020 †	Difference	Variance
<u>Personal Income Tax</u>	\$ 1,405,508,489	\$ 1,358,900,000	\$ 46,608,489	3.4%
<u>General Business Taxes</u>				
Business Corporations	148,605,498	132,900,000	15,705,498	11.8%
Public Utilities Gross Earnings	108,634,550	100,000,000	8,634,550	8.6%
Financial Institutions	44,612,483	24,400,000	20,212,483	82.8%
Insurance Companies	130,470,985	125,000,000	5,470,985	4.4%
Bank Deposits	3,325,217	3,100,000	225,217	7.3%
Health Care Provider Assessment	42,600,285	41,600,000	1,000,285	2.4%
<u>Excise Taxes</u>				
Sales and Use *	1,167,418,649	1,129,000,000	38,418,649	3.4%
Motor Vehicle	937,239	1,000,000	(62,761)	-6.3%
Cigarettes	137,604,200	138,100,000	(495,800)	-0.4%
Alcohol	20,235,116	20,300,000	(64,884)	-0.3%
Controlled Substances *	4,813	-	4,813	n/a
<u>Other Taxes</u>				
Estate and Transfer	55,290,559	58,100,000	(2,809,441)	-4.8%
Racing and Athletics	820,670	900,000	(79,330)	-8.8%
Realty Transfer	13,925,096	14,200,000	(274,904)	-1.9%
Total Taxes	\$ 3,279,993,849	\$ 3,147,500,000	\$ 132,493,849	4.2%
<u>Departmental Receipts</u>	\$ 435,208,268	\$ 440,595,000	\$ (5,386,732)	-1.2%
Taxes and Departmentals	\$ 3,715,202,117	\$ 3,588,095,000	\$ 127,107,117	3.5%
<u>Other General Revenue Sources</u>				
Other Miscellaneous Revenues	52,794,681	53,263,498	(468,817)	-0.9%
Lottery Transfer	283,870,548	268,600,000	15,270,548	5.7%
Unclaimed Property	12,080,719	12,200,000	(119,281)	-1.0%
Total Other Sources	\$ 348,745,948	\$ 334,063,498	\$ 14,682,450	4.4%
Total General Revenues	\$ 4,063,948,065	\$ 3,922,158,498	\$ 141,789,567	3.6%

* The Controller's Audited General Fund Revenue Report for FY 2020 includes Controlled Substances Revenues in Sales and Use Tax Revenues. This report treats these revenue sources separately.

† The transfer of \$120 million from the Budget Stabilization Fund is not considered to be revenue and thus is not included in these figures.

PIT Component	Preliminary FY 2020	Final Enacted FY 2020	Difference	Variance
Estimated payments	\$ 202,186,334	\$ 230,400,000	\$ (28,213,666)	-12.2%
Final payments	\$ 182,291,211	270,000,000	(87,708,789)	-32.5%
Withholding	\$ 1,263,376,575	1,235,000,000	28,376,575	2.3%
Refunds	\$ (358,198,139)	(382,000,000)	23,801,861	-6.2%
<i>Net Accrual</i>	<i>115,852,509</i>	<i>5,500,000</i>	<i>110,352,509</i>	<i>2006.4%</i>
Total	\$ 1,405,508,489	\$ 1,358,900,000	\$ 46,608,489	3.4%

STATE OF RHODE ISLAND SPECIAL REPORT ON PRELIMINARY REVENUES
Preliminary FY 2020 vs. Audited FY 2019

	Preliminary Revenues FY 2020 †	Audited Revenues FY 2019	Difference	Year-over-Year Growth
Personal Income Tax	\$ 1,405,508,489	\$ 1,396,962,571	\$ 8,545,918	0.6%
General Business Taxes				
Business Corporations	148,605,498	155,110,673	(6,505,175)	-4.2%
Public Utilities Gross Earnings	108,634,550	101,612,604	7,021,946	6.9%
Financial Institutions	44,612,483	21,145,195	23,467,288	111.0%
Insurance Companies	130,470,985	116,968,195	13,502,790	11.5%
Bank Deposits	3,325,217	2,899,581	425,636	14.7%
Health Care Provider Assessment	42,600,285	43,945,864	(1,345,579)	-3.1%
Excise Taxes				
Sales and Use *	1,167,418,649	1,125,687,845	41,730,805	3.7%
Motor Vehicle	937,239	1,034,994	(97,755)	-9.4%
Cigarettes	137,604,200	138,859,128	(1,254,928)	-0.9%
Alcohol	20,235,116	20,436,502	(201,386)	-1.0%
Controlled Substances *	4,813	10,429	(5,616)	-53.8%
Other Taxes				
Estate and Transfer	55,290,559	48,019,188	7,271,371	15.1%
Racing and Athletics	820,670	1,151,342	(330,672)	-28.7%
Realty Transfer	13,925,096	12,748,199	1,176,897	9.2%
Total Taxes	\$ 3,279,993,849	\$ 3,186,592,309	\$ 93,401,540	2.9%
Departmental Receipts	435,208,268	416,720,527	18,487,740	4.4%
Taxes and Departmentals	\$ 3,715,202,117	\$ 3,603,312,836	\$ 111,889,281	3.1%
Other General Revenue Sources				
Other Miscellaneous Revenues	52,794,681	12,367,090	40,427,591	326.9%
Lottery Transfer	283,870,548	397,321,087	(113,450,539)	-28.6%
Unclaimed Property	12,080,719	11,578,604	502,115	4.3%
Total Other Sources	\$ 348,745,948	\$ 421,266,781	\$ (72,520,833)	-17.2%
Total General Revenues	\$ 4,063,948,065	\$ 4,024,579,617	\$ 39,368,448	1.0%

* The Controller's Audited General Fund Revenue Reports for FY 2020 and FY 2019 include Controlled Substances Revenues in Sales and Use Tax Revenues. This report treats these revenue sources separately.

† The transfer of \$120 million from the Budget Stabilization Fund is not considered to be revenue and thus is not included in these figures.

PIT Component	Preliminary FY 2020	Audited FY 2019	Difference	Year-over-Year Growth
Estimated payments	\$ 202,186,334	\$ 232,469,625	\$ (30,283,292)	-13.0%
Final payments	182,291,211	275,412,370	(93,121,159)	-33.8%
Withholding	1,263,376,575	1,220,200,763	43,175,812	3.5%
Refunds	(358,198,139)	(348,388,840)	(9,809,299)	2.8%
<i>Net Accrual</i>	<i>115,852,509</i>	<i>17,268,652</i>	<i>98,583,857</i>	<i>570.9%</i>
Total	\$ 1,405,508,489	\$ 1,396,962,571	\$ 8,545,918	0.6%

STATE OF RHODE ISLAND SPECIAL REPORT ON PRELIMINARY REVENUES
Final Enacted FY 2020 vs. Audited FY 2019

	Final Enacted Revenues FY 2020 †	Audited Revenues FY 2019	Difference	Variance
Personal Income Tax	\$ 1,358,900,000	\$ 1,396,962,571	\$ (38,062,571)	-2.7%
General Business Taxes				
Business Corporations	132,900,000	155,110,673	(22,210,673)	-14.3%
Public Utilities Gross Earnings	100,000,000	101,612,604	(1,612,604)	-1.6%
Financial Institutions	24,400,000	21,145,195	3,254,805	15.4%
Insurance Companies	125,000,000	116,968,195	8,031,805	6.9%
Bank Deposits	3,100,000	2,899,581	200,419	6.9%
Health Care Provider Assessment	41,600,000	43,945,864	(2,345,864)	-5.3%
Excise Taxes				
Sales and Use *	1,129,000,000	1,125,687,845	3,312,155	0.3%
Motor Vehicle	1,000,000	1,034,994	(34,994)	-3.4%
Cigarettes	138,100,000	138,859,128	(759,128)	-0.5%
Alcohol	20,300,000	20,436,502	(136,502)	-0.7%
Controlled Substances *	-	10,429	(10,429)	n/a
Other Taxes				
Estate and Transfer	58,100,000	48,019,188	10,080,812	21.0%
Racing and Athletics	900,000	1,151,342	(251,342)	-21.8%
Realty Transfer	14,200,000	12,748,199	1,451,801	11.4%
Total Taxes	\$ 3,147,500,000	\$ 3,186,592,309	\$ (39,092,309)	-1.2%
Departmental Receipts	440,595,000	416,720,527	23,874,473	5.7%
Taxes and Departmentals	\$ 3,588,095,000	\$ 3,603,312,836	\$ (15,217,836)	-0.4%
Other General Revenue Sources				
Other Miscellaneous Revenues	53,263,498	12,367,090	40,896,408	330.7%
Lottery Transfer	268,600,000	397,321,087	(128,721,087)	-32.4%
Unclaimed Property	12,200,000	11,578,604	621,396	5.4%
Total Other Sources	\$ 334,063,498	\$ 421,266,781	\$ (87,203,283)	-20.7%
Total General Revenues	\$ 3,922,158,498	\$ 4,024,579,617	\$ (102,421,119)	-2.5%

* The Controller's Audited General Fund Revenue Reports for FY 2019 and FY 2018 include Controlled Substances Revenues in Sales and Use Tax Revenues. This report treats these revenue sources separately.

† The transfer of \$120 million from the Budget Stabilization Fund is not considered to be revenue and thus is not included in these figures.

PIT Component	Final Enacted FY 2020	Audited FY 2018	Difference	Variance
Estimated payments	\$ 230,400,000	\$ 232,469,625	\$ (2,069,625)	-0.9%
Final payments	270,000,000	275,412,370	(5,412,370)	-2.0%
Withholding	1,235,000,000	1,220,200,763	14,799,237	1.2%
Refunds	(382,000,000)	(348,388,840)	(33,611,160)	9.6%
Net Accrual	5,500,000	17,268,652	(11,768,652)	-68.2%
Total	\$ 1,358,900,000	\$ 1,396,962,571	\$ (38,062,571)	-2.7%

Total General Revenues

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 4,063,948,065	\$ 3,922,158,498	\$ 141,789,567
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	1.0 %	-2.5 %	3.6 %

The State of Rhode Island Department of Revenue reports that preliminary FY 2020 total general revenues were 3.6% more than the final enacted FY 2020 total general revenue estimate of \$3.922 billion, a surplus of \$141.8 million.

Preliminary FY 2020 total general revenues of \$4.064 billion were up \$39.4 million compared to audited FY 2019 total general revenues of \$4.025 billion, which translates into a growth rate of 1.0%.

The General Assembly's final enacted FY 2020 total general revenue estimate was \$3.922 billion, or 2.5%, less than audited FY 2019 total general revenues.

Total Taxes and Departmental Receipts

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 3,715,202,117	\$ 3,588,095,000	\$ 127,107,117
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	3.1 %	-0.4 %	3.5 %

Preliminary FY 2020 total taxes and departmental receipts were 3.5% more than the final enacted FY 2020 estimate of \$3.588 billion, a surplus of \$127.1 million.

Preliminary FY 2020 total taxes and departmental receipts of \$3.715 billion were up \$111.9 million compared to audited FY 2019 total taxes and departmental receipts of \$3.603 billion, which translates into a growth rate of 3.1%.

The final enacted FY 2020 total taxes and departmental receipts estimate was \$3.588 billion, or 0.4%, below audited FY 2019 total taxes and departmental receipts.

Other General Revenue Sources

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 348,745,948	\$ 334,063,498	\$ 14,682,450
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	-17.2 %	-20.7 %	4.4 %

Preliminary FY 2020 other general revenue sources were 4.4% more than the final enacted FY 2020 estimate of \$334.1 million, an overage of \$14.7 million.

Preliminary FY 2020 other general revenue sources of \$348.7 million were down \$72.5 million compared to audited FY 2019 other general revenue sources of \$421.3 million, which translates into a growth rate of -17.2%.

The final enacted FY 2020 other general revenue sources estimate was \$87.2 million, or 20.7%, less than audited FY 2019 other general revenue sources.

Total Taxes

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 3,279,993,849	\$ 3,147,500,000	\$ 132,493,849
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	2.9 %	-1.2 %	4.2 %

Preliminary FY 2020 revenues for total taxes were 4.2% more than the final enacted FY 2020 estimate of \$3.148 billion, a surplus of \$132.5 million.

Preliminary FY 2020 total taxes revenues of \$3.280 billion were up \$93.4 million compared to audited FY 2019 total taxes revenues of \$3.187 billion, which translates into a growth rate of 2.9%.

The final enacted FY 2020 total taxes estimate was \$39.1 million, or 1.2 percent, below audited FY 2019 total tax revenues.

Historic Structures Tax Credit Reimbursements

In FY 2020, total historic structure tax credit redemptions/reimbursements for all taxes totaled \$25.1 million versus \$19.0 million in FY 2019, an increase of \$6.1 million or a growth rate of 32.2%.

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

Historic Structures Tax Credit Reimbursements by Tax Type				
Tax Type	FY 2020	FY 2019	Difference	% Change
Personal Income	\$ 7,387,722	\$ 5,072,677	\$ 2,315,045	45.6 %
Business Corporation	155,961	16,357	139,604	853.5 %
Financial Institutions	10,000,000	0	10,000,000	n/a
Insurance	1,936,570	1,206,374	730,196	60.5 %
Insurance/HMOs	2,370,107	7,000,000	(4,629,893)	-66.1 %
Non-Profit Partner Refund	3,257,801	5,703,379	(2,445,578)	-42.9 %
Total	\$ 25,108,161	\$ 18,998,787	\$ 6,109,374	32.2 %

Personal Income Taxes

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 1,405,508,489	\$ 1,358,900,000	\$ 46,608,489
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	0.6 %	-2.7 %	3.4 %

According to the Controller's Preliminary General Fund Revenue Report, FY 2020 personal income tax revenues were 3.4% more than the final enacted FY 2020 estimate of \$1.359 billion, an excess of \$46.6 million.

Preliminary FY 2020 personal income tax revenues of \$1.406 billion were up \$8.5 million compared to audited FY 2019 personal income tax revenues of \$1.397 billion, which translates into a growth rate of 0.6%.

The final enacted FY 2020 personal income tax revenue estimate was \$38.1 million, or 2.7%, less than audited FY 2019 personal income tax revenues.

The table below provides the component breakdown of the preliminary FY 2020 personal income tax revenues, as provided by the Division of Taxation, and the final enacted FY 2020 estimates for personal income tax revenues:

Component	FY 2020 Preliminary	FY 2020 Final Enacted	Variance	Percentage Change
Estimated Payments	\$ 202,186,334	\$ 230,400,000	\$ (28,213,666)	-12.2 %
Final Payments * ^	182,291,211	270,000,000	(87,708,789)	-32.5 %
Withholding	1,263,376,575	1,235,000,000	28,376,575	2.3 %
Refunds/Adjustments	(358,198,139)	(382,000,000)	23,801,861	-6.2 %
Net Accrual	115,852,509	5,500,000	110,352,509	2,006.4 %
Total	\$ 1,405,508,489	\$ 1,358,900,000	\$ 46,608,489	3.4 %
<p>* FY 2020 Preliminary Close personal income tax final payments include \$7.4 million of historic structures tax credit (HSTC) redemptions. An undetermined amount of HSTC redemptions were also included in the FY 2020 Final Enacted personal income tax final payments estimate.</p> <p>^ Includes \$47.8 million of personal income tax payments from pass-through entities made on behalf of their shareholders that were originally deposited as business corporation tax revenues.</p>				

The table below provides the component breakdown of personal income tax revenues, as provided by the Division of Taxation, and compares preliminary FY 2020 revenues to audited FY 2019 revenues:

Component	FY 2020 Preliminary	FY 2019 Audited	Nominal Difference	Percent Difference
Estimated Payments	\$ 202,186,334	\$ 232,469,625	\$ (30,283,292)	-13.0 %
Final Payments *· ^	182,291,211	275,412,370	(93,121,159)	-33.8 %
Withholding	1,263,376,575	1,220,200,763	43,175,812	3.5 %
Refunds/Adjustments	(358,198,139)	(348,388,840)	(9,809,299)	2.8 %
Net Accrual †	115,852,509	17,268,652	98,583,857	570.9 %
Total	\$ 1,405,508,489	\$ 1,396,962,571	\$ 8,545,918	0.6 %
* Final payments include historic structures tax credit (HSTC) reimbursements of \$7,387,722 in preliminary FY 2020 and \$5,072,677 in audited FY 2019.				
^ Includes \$47.8 million of personal income tax payments from pass-through entities made on behalf of their shareholders that were originally deposited as business corporation tax revenues.				
† Net Accrual figures are from the Office of the Controller's Preliminary General Fund Revenue Report for FY 2020 and the Final General Fund Revenue Report for FY 2019.				

The preliminary FY 2020 personal income tax net accrual was \$98.6 million greater than the audited FY 2019 net accrual of \$17.3 million. One reason for this large discrepancy is the delaying of the personal income tax return due date from April 15, 2020 to July 15, 2020. This delay resulted in the booking of a receivable for FY 2020 of \$150,368,000 and a payable of \$(19,311,000). In addition, the payment of personal income tax estimates was delayed from April 15, 2020 and June 15, 2020 to July 15, 2020 which resulted in the posting of a receivable for FY 2020 of \$29,000,000. These posted receivables and the posted payable reflected revenues that would have been received as cash in FY 2020 had the payment and return due dates not been delayed into FY 2021. Finally, the FY 2020 net accrual also includes a payable for \$(18,787,024) to reflect the liability the state may face from the repeal of the limitation on active loss deductions for non-corporate taxpayers for TY 2018 – TY 2020 that was passed as part of the CARES Act in May 2020. Net of these COVID-19 related receivables and payables, the FY 2020 personal income tax net accrual was \$(25,417,467).

Business Corporation Taxes

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 148,605,498	\$ 132,900,000	\$ 15,705,498
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	-4.2 %	-14.3 %	11.8 %

Rhode Island business corporation tax revenues are comprised of taxes collected from the corporate income tax and taxes on nonresident contractors and political organizations. Preliminary FY 2020 business corporation tax revenues were 11.8% more than the final enacted FY 2020 estimate of \$132.9 million, an excess of \$15.7 million.

Preliminary FY 2020 business corporation tax revenues of \$148.6 million were down \$6.5 million compared to audited FY 2019 business corporation tax revenues of \$127.7 million, which translates into a growth rate of -4.2%.

The final enacted FY 2020 business corporation tax revenue estimate was \$22.2 million, or 14.3%, less than audited FY 2019 business corporation tax revenues.

The table below provides the component breakdown of corporate income tax revenues, as provided by the Division of Taxation, and compares preliminary FY 2020 revenues to audited FY 2019 revenues:

Component	FY 2020 Preliminary	FY 2019 Audited	Nominal Difference	Percent Difference
Estimated Payments [^]	\$ 101,280,558	\$ 114,867,685	\$ (13,587,127)	-11.8 %
Final Payments ^{◇, *}	72,566,587	98,611,232	(26,044,645)	-26.4 %
Refunds	(34,557,934)	(40,912,751)	6,354,817	-15.5 %
Adjustments	(17,691,477)	(18,208,797)	517,320	-2.8 %
Net Accrual [†]	26,954,426	193,654	26,760,772	13,818.9 %
Total	\$ 148,552,160	\$ 154,551,022	\$ (5,998,962)	-3.9 %
[^] Does not include \$38.1 million of business corporation tax estimated payments received from pass-through entities that were made to cover the personal income tax liabilities of shareholders and transferred to personal income tax final payments. [◇] Does not include \$9.7 million of business corporation tax final payments received from pass through entities that were made to cover the personal income tax liabilities of shareholders and transferred to personal income tax final payments. [*] Final payments include historic structures tax credit (HSTC) reimbursements of \$155,961 in preliminary FY 2020 and \$16,357 in audited FY 2019. [†] Net Accrual figures are from the Controller's Preliminary General Fund Revenue Report for FY 2020 and Final General Fund Revenue Report for FY 2019.				

The preliminary FY 2020 business corporation tax net accrual was \$26.8 million greater than the audited FY 2019 net accrual of \$193,654. The reason for this large discrepancy is the delaying of the business corporation tax return due date from April 15, 2020 to July 15, 2020 and the delay in the business corporation tax estimated payments due dates from April 15, 2020 and June 15, 2020 to July 15, 2020. In the case of the delay in the tax return due date, a receivable for \$13,100,000 and a payable for \$(822,000) were booked against FY 2020 revenues. In the case of the delay in the estimated payments due dates, a receivable for \$15,000,000 was posted for FY 2020. These posted receivables and the posted payable reflected revenues that would have been received as cash in FY 2020 had the payment and return due dates not been delayed into FY 2021. Net of these COVID-19 related receivables and payables, the FY 2020 personal income tax net accrual was \$(254,574).

Public Utilities Gross Earnings Taxes

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 108,634,550	\$ 100,000,000	\$ 8,634,550
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	6.9 %	-1.6 %	8.6 %

Preliminary FY 2020 public utilities gross earnings tax revenues were 8.6% more than the final enacted FY 2020 public utilities gross earnings tax revenue estimate of \$100.0 million, an overage of \$8.6 million.

Preliminary FY 2020 public utilities gross earnings tax revenues of \$108.6 million were up \$7.0 million compared to audited FY 2019 public utilities gross earnings tax revenues of \$101.6 million, which translates into a growth rate of 6.9%. Preliminary FY 2020 public utilities gross earnings tax revenues include cash collections of \$106.0 million and a net accrual of \$2.6 million. FY 2020 public utilities gross earnings tax cash collections increased by \$2.9 million from audited FY 2019 cash collections. The public utilities gross earnings tax net accrual increased by \$4.1 million from the FY 2019 net accrual of \$(1.4 million), which represents a growth rate of -284.9%.

The final enacted FY 2020 public utilities gross earnings tax revenue estimate was \$1.6 million, or 1.6% below audited FY 2019 public utilities gross earnings tax revenues.

Financial Institution Taxes

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 44,612,483	\$ 24,400,000	\$ 20,212,483
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	111.0 %	15.4 %	82.8 %

Preliminary FY 2020 financial institution tax revenues were 82.8% more than the final enacted FY 2020 estimate of \$24.4 million, a surplus of \$20.2 million.

Preliminary FY 2020 financial institution tax revenues of \$44.6 million were up \$23.5 million compared to audited FY 2019 financial institution tax revenues of \$21.1 million, which translates into a growth rate of 111.0%. Preliminary FY 2020 financial institution tax revenues include \$10.0 million in reimbursed historic structures tax credit (HSTC) redemptions. In audited FY 2019, financial institution tax revenues did not include any HSTC reimbursements. Preliminary FY 2020 financial institution tax revenues include cash collections of \$43.8 million and a FY 2020 net accrual of \$764,479. FY 2020 financial institution tax cash collections increased by \$21.9 million from FY 2019 cash collections. The preliminary FY 2020 adjusted net accrual increased by \$1.6 million from the audited FY 2019 adjusted net accrual of \$(804,690).

The final enacted FY 2020 financial institutions tax revenue estimate was \$24.4 million, an increase of \$3.3 million, or 15.4%, from audited FY 2019 financial institutions tax revenues of \$21.1 million.

Insurance Company Gross Premiums Taxes

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Non-Health Insurance	\$ 75,299,583	\$ 74,500,000	\$ 799,583
Health Insurance	55,171,401	50,500,000	4,671,401
Total Revenues	\$ 130,470,894	\$ 125,000,000	\$ 5,470,984
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	11.5 %	6.9 %	4.4 %

Preliminary FY 2020 insurance company gross premiums tax revenues were 4.4% more than the final enacted FY 2020 estimate of \$125.0 million, a surplus of \$5.5 million.

Preliminary FY 2020 insurance company gross premiums tax revenues of \$130.5 million were up \$13.5 million compared to audited FY 2019 insurance company gross premiums tax revenues of \$117.0 million, which translates into a growth rate of 11.5%. Preliminary FY 2020 insurance company gross premiums tax revenues include \$4.3 million of historic structures tax credit (HSTC) reimbursements and audited FY 2019 insurance company gross premiums tax revenues included \$8.2 million of HSTC reimbursements.

The final enacted FY 2020 insurance company gross premiums tax revenue estimate was \$8.0 million, or 6.9%, above audited FY 2019 insurance company gross premiums tax revenues.

The table below provides the component breakdown of insurance company gross premiums tax revenues, as provided in the Controller's Preliminary General Fund Revenue Report for FY 2020 and Final General Fund Revenue Report for FY 2019, and compares preliminary FY 2020 revenues to audited FY 2019 revenues:

Component	FY 2020 Preliminary	FY 2019 Audited	Nominal Difference	Percent Difference
<u>Non-Health Insurance</u>				
Cash	\$ 74,517,008	\$ 66,108,545	\$ 8,408,463	12.7 %
Net Accrual ^	782,575	524,571	258,004	49.2 %
Total	\$ 75,299,583	\$ 66,633,116	\$ 8,666,467	13.0 %
<u>Health Insurance</u>				
Cash	\$ 42,798,401	\$ 51,043,079	\$ (8,244,678)	-16.2 %
Net Accrual *	12,373,000	(708,000)	13,081,000	-1,847.6 %
Total	\$ 55,171,401	\$ 50,335,079	\$ 4,836,322	9.6 %
^ The Non-Health Insurance net accrual includes a receivable of \$680,000 that was posted to FY 2020 as a result of the delay in the final return due date from April 15, 2020 to July 15, 2020.				
* The Health Insurance net accrual includes a receivable of \$13,029,000 that was booked to FY 2020 as a result of the delay in the estimated payment due dates from April 15, 2020 and June 15, 2020 to July 15, 2020.				

Bank Deposit Taxes

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 3,325,217	\$ 3,100,000	\$ 225,217
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	14.7 %	6.9 %	7.3 %

Preliminary FY 2020 bank deposit tax revenues were 7.3% more than the final enacted FY 2020 estimate of \$3.1 million, an excess of \$225,217.

Preliminary FY 2020 bank deposit tax revenues of \$3.3 million were up \$425,636 compared to audited FY 2019 bank deposit tax revenues of \$2.9 million, which translates into a growth rate of 14.7%. The preliminary FY 2020 net accrual was \$(151,054) vs. an audited FY 2019 net accrual of \$258,785.

The final enacted FY 2020 bank deposit tax revenue estimate was projected to increase by \$200,419, or 6.9%, over audited FY 2019 bank deposit tax revenues.

Health Care Provider Assessment

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 42,600,285	\$ 41,600,000	\$ 1,000,285
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	-3.1 %	-5.3 %	2.4 %

Preliminary FY 2020 health care provider assessment revenues were 2.4% more than the final enacted FY 2020 estimate, a surplus of \$1.0 million.

Preliminary FY 2020 health care provider assessment revenues of \$42.6 million were down \$1.3 million compared to audited FY 2019 health care provider assessment revenues of \$43.9 million, a growth rate of -3.1%. Preliminary FY 2020 health care provider assessment revenues include cash collections of \$42.6 million and a net accrual of \$(40,714). FY 2020 health care provider assessment cash collections decreased by \$1.3 million from FY 2019 cash collections. The FY 2020 net accrual decreased by \$1,567 compared to the FY 2019 net accrual of \$(39,147), a growth rate of 4.0%.

The final enacted FY 2020 health care provider assessment revenue estimate was \$41.6 million, a decrease of \$2.3 million, or 5.3%, over audited FY 2019 health care provider assessment revenues.

Sales and Use Taxes

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 1,167,418,649	\$ 1,129,000,000	\$ 38,418,649
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	3.7 %	0.3 %	3.4 %

Preliminary FY 2020 sales and use tax revenues were 3.4% more than the final enacted FY 2020 estimate of \$1.129 billion, an overage of \$38.4 million.

Preliminary FY 2020 sales and use tax revenues of \$1.167 billion were up \$41.7 million compared to audited FY 2019 sales and use tax revenues of \$1.126 billion, a growth rate of 3.7%.

The final enacted FY 2020 sales and use tax revenue estimate was \$3.3 million, or 0.3%, over audited FY 2019 sales and use tax revenues.

The table below provides the component breakdown for sales and use tax revenues, as provided by the Division of Taxation, and compares preliminary FY 2020 revenues to audited FY 2019 revenues:

Component	Preliminary FY 2020	Audited FY 2019	Nominal Difference	Percent Difference
Net Taxation *	\$ 853,720,829	\$ 789,774,309	\$ 63,946,520	8.1 %
Providence Place Mall ^	2,048,314	10,849,099	(8,800,785)	-81.1 %
<i>Subtotal Net Taxation</i>	<i>\$ 855,769,143</i>	<i>\$ 800,623,408</i>	<i>\$ 55,145,735</i>	<i>6.9 %</i>
Meal & Bev Sales Tax	188,021,529	199,187,348	(11,165,819)	-5.6%
Motor Vehicle Use Tax	113,521,401	120,310,870	(6,789,469)	-5.6%
<i>Total Receipts</i>	<i>\$ 1,157,312,073</i>	<i>\$ 1,120,121,626</i>	<i>\$ 37,190,447</i>	<i>3.3%</i>
Net Accrual †	10,106,576	5,525,481	4,581,095	82.9 %
Total Revenue	\$ 1,167,418,649	\$ 1,125,647,107	\$ 41,771,542	3.7 %
* The Net Taxation component includes nonsufficient funds checks of \$20,045 in preliminary FY 2020. The comparable audited FY 2019 figure is \$(36,231).				
^ Effective September 2019, Providence Place Mall sales tax receipts were no longer recorded separately from Net Taxation sales tax receipts.				
† Net Accrual figures are from the Controller's Preliminary General Fund Revenue Report for FY 2020 and Final General Fund Revenue Report for FY 2019.				

Motor Vehicle License and Fees

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 937,239	\$ 1,000,000	\$ (62,761)
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	-9.4%	-3.4 %	-6.3 %

Preliminary FY 2020 motor vehicle operator license and vehicle registration fee revenues were 6.3% less than the final enacted FY 2020 estimate of \$1.0 million, a shortage of \$62,761.

Preliminary FY 2020 motor vehicle operator license and vehicle registration fee revenues of \$937,239 were down \$97,755 compared to audited FY 2019 motor vehicle operator license and vehicle registration fee revenues of \$1.03 million, which translates into a growth rate of -9.4%.

For FY 2020 and FY 2019, all revenues collected from motor vehicle license and registration fees were transferred from general revenues to the Rhode Island Highway Maintenance Account (RIHMA) in the Intermodal Surface Transportation Fund, except revenues from duplicate license and license update fees.

Preliminary FY 2020 license and registration fees were \$937,239, which includes cash collections of \$947,465 and a net accrual of \$(10,226). FY 2020 cash collections were down \$81,359, or 7.9%, compared to FY 2019 cash collections. The audited FY 2020 net accrual is 165.7% below the FY 2019 net accrual of \$6,170.

The final enacted FY 2020 motor vehicle operator license and vehicle registration fee revenues estimate was \$1.0 million, or 3.4%, less than audited FY 2019 motor vehicle operator license and vehicle registration fee revenues.

Cigarettes Taxes

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Cigarettes, w/ Floor Stock	\$ 127,906,950	\$ 128,300,000	\$ (393,050)
Other Tobacco Products	9,697,250	9,800,000	(102,750)
Total Revenues	\$ 137,604,200	\$ 138,100,000	\$ (495,800)
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	-0.9 %	-0.5 %	-0.4 %

Rhode Island cigarettes tax revenues are made up of excise taxes collected on the sale of cigarettes, a tax on the wholesale price of other tobacco products such as cigars, pipe tobacco, and smokeless tobacco, and a cigarette floor stock tax, which is imposed when the cigarette excise tax rate is increased. Preliminary FY 2020 cigarettes tax revenues, including other tobacco products and any cigarette floor stock taxes, were down \$495,800, or 0.4% from the final enacted FY 2020 estimate of \$138.1 million.

Preliminary FY 2020 cigarettes tax revenues of \$137.6 million were down \$1.3 million compared to audited FY 2019 cigarettes tax revenues of \$138.9 million, a growth rate of -0.9%.

The final enacted FY 2020 cigarettes tax revenue estimate was \$759,128, or 0.5 percent, less than audited FY 2019 cigarettes tax revenues.

The table below provides the component breakdown for cigarettes tax revenues, as provided in the Controller's Preliminary General Fund Revenue Report for FY 2020 and Final General Fund

Revenue Report for FY 2019, and compares preliminary FY 2020 revenues to audited FY 2019 revenues:

Component	FY 2020 Preliminary	FY 2019 Audited	Nominal Difference	Percent Difference
<u>Cigarettes, including Floor Stock</u>				
Cash	\$ 129,044,125	\$ 127,836,981	\$ 1,207,144	0.9 %
Net Accrual	(1,137,174)	1,128,874	(2,266,048)	-200.7 %
Total Cigarettes	\$ 127,906,951	\$ 128,965,855	\$ (1,058,904)	-0.8 %
<u>Other Tobacco Products</u>				
Cash	\$ 9,717,281	\$ 9,490,041	\$ 227,240	2.4 %
Net Accrual	(20,031)	403,232	(423,263)	-105.0 %
Total Other Tobacco	\$ 9,697,250	\$ 9,893,273	\$ (196,023)	-2.0 %

Finally, the change in Rhode Island cigarette sales between preliminary FY 2020 and audited FY 2019 is determined by netting out the value of cigarette floor stock tax and other tobacco products tax revenues in each fiscal year. After netting out these receipts, it is determined that the sale of packs of cigarettes in Rhode Island rose by 1.0% in FY 2020.

Alcohol Taxes

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 20,235,116	\$ 20,300,000	\$ (64,884)
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	-1.0 %	-0.7 %	-0.3 %

Preliminary FY 2020 alcohol excise tax revenues were 0.3% less than the final enacted FY 2020 estimate, a deficit of \$64,884.

Preliminary FY 2020 alcohol tax revenues of \$20.2 million were down \$201,386 compared to audited FY 2019 alcohol excise tax revenues, a growth rate of -1.0%. Preliminary FY 2020 alcohol excise tax revenues include cash collections of \$20.1 million and a net accrual of \$119,506. FY 2020 alcohol tax cash collections decreased by \$611,595 over FY 2019 cash collections. The FY 2020 alcohol excise tax preliminary net accrual is 141.1% less, or \$410,210, than the audited FY 2019 net accrual of \$(290,704).

The final enacted FY 2020 alcohol excise tax revenue estimate was \$20.3 million, a decrease of \$136,502, or 0.7%, from audited FY 2019 alcohol tax revenues of \$20.4 million.

Controlled Substances

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 4,813	\$ 0	\$ 4,813
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	-53.8 %	n/a	n/a

Preliminary FY 2020 controlled substances revenues consist of \$6,421 in cash collections, which is a decrease of \$579 from FY 2019 cash collections of \$7,000, and a net accrual of \$(1,608), which represents a decrease of 146.9% from the audited FY 2019 net accrual of \$3,429. There was no final enacted FY 2020 controlled substances revenue estimate.

Estate and Transfer Taxes

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 55,290,559	\$ 58,100,000	\$ (2,809,441)
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	15.1 %	21.0 %	-4.8 %

Preliminary FY 2020 estate and transfer tax revenues were \$2.8 million, or 4.8%, less than the final enacted FY 2020 estimate of \$58.1 million.

Preliminary FY 2020 estate and transfer tax revenues of \$55.3 million were up \$7.3 million compared to audited FY 2019 estate and transfer tax revenues of \$48.0 million, a growth rate of 15.1%. Preliminary FY 2020 estate and transfer tax revenues include cash collections of \$56.3 million and a net accrual of \$(1.0 million). FY 2020 estate and transfer tax cash collections increased by \$12.8 million from FY 2019 cash collections, and the preliminary FY 2020 estate and transfer tax net accrual decreased by \$5.5 million over the audited FY 2019 net accrual of \$4.5 million, which is a variance of -123.1%.

The final enacted FY 2020 estate and transfer tax revenue estimate was \$10.1 million, or 21.0%, more than audited FY 2019 estate and transfer tax revenues.

Racing and Athletics Taxes

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 820,670	\$ 900,000	\$ (79,330)
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	-28.7 %	-21.8 %	-8.8 %

Preliminary FY 2020 racing and athletics tax revenues were 8.8% less than the final enacted FY 2020 estimate of \$900,000, a deficit of \$79,330.

Preliminary FY 2020 racing and athletics tax revenues of \$820,670 were down \$330,672 compared to audited FY 2019 racing and athletics tax revenues of \$1.15 million, which translates into a growth rate of -28.7%. It should be noted that due to the COVID-19 pandemic, no racing and

athletics tax revenues were received in the months of April through June 2020. Preliminary FY 2020 racing and athletics tax revenues include cash collections of \$845,140 and a net accrual of \$(24,471). FY 2020 racing and athletics tax cash collections are \$300,855 less than FY 2019 cash collections. The preliminary FY 2020 racing and athletics tax net accrual decreased by \$29,818 from the audited FY 2019 net accrual of \$5,347, a variance of -557.7 percent.

The final enacted FY 2020 racing and athletics tax revenue estimate was \$251,342, or 21.8% below audited FY 2019 racing and athletics tax revenues.

Realty Transfer Taxes

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 13,925,096	\$ 14,200,000	\$ (274,904)
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	9.2 %	11.4 %	-1.9 %

Preliminary FY 2020 realty transfer tax revenues were 1.9% less than the final enacted FY 2020 estimate of \$14.2 million, a deficit of \$274,904.

Preliminary FY 2020 realty transfer tax revenues of \$13.9 million were up \$1.2 million compared to audited FY 2019 realty transfer tax revenues of \$12.7 million, which translates into a growth rate of 9.2%. Preliminary FY 2020 realty transfer tax revenues include cash collections of \$13.5 million and a net accrual of \$375,822. FY 2020 realty transfer tax cash collections decreased by \$823,697 from FY 2019 cash collections. The preliminary FY 2020 realty transfer tax net accrual increased by \$2.0 million from the audited FY 2019 net accrual of \$(1.6 million), which translates to a growth rate of -123.1%.

The final enacted FY 2020 realty transfer tax revenue estimate was \$1.5 million, or 11.4%, more than audited FY 2019 realty transfer tax revenues.

Total Departmental Receipts

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 435,208,268	\$ 440,595,000	\$ (5,386,732)
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	4.4 %	5.7 %	-1.2 %

Preliminary FY 2020 total departmental receipts were 1.2 percent less than the final enacted FY 2020 estimate of \$440.6 million, a deficit of \$5.4 million.

Preliminary FY 2020 total departmental receipts of \$435.2 million were up \$18.5 million compared to audited FY 2019 total departmental receipts of \$416.7 million, which translates into a growth rate of 4.4%.

The final enacted FY 2020 total departmental receipts estimate was \$23.9 million, or 5.7%, above audited FY 2019 total departmental receipts.

The table below provides the breakdown of total departmental receipts by category, as provided in the Controller's Preliminary General Fund Revenue Report for FY 2020 and Final General Fund Revenue Report for FY 2019, and compares preliminary FY 2020 revenues to audited FY 2019 revenues:

Category	FY 2020 Preliminary	FY 2019 Audited	Nominal Difference	Percent Difference
<u>Licenses and Fees</u>				
Cash	\$ 328,473,622	\$ 327,153,631	\$ 1,320,011	0.4 %
Net Accrual	11,531,517	(114,958)	11,646,475	-10,131.1 %
Total Licenses and Fees	\$ 340,005,159	\$ 327,038,673	\$ 12,966,486	4.0 %
<u>Fines and Penalties</u>				
Cash	\$ 45,266,244	\$ 49,587,118	\$ (4,320,874)	-8.7 %
Net Accrual	(399,417)	(272,415)	(127,002)	46.6 %
Total Fines and Penalties	\$ 44,866,827	\$ 49,314,703	\$ (4,447,876)	-9.0 %
<u>Sales and Services</u>				
Cash	\$ 11,132,790	\$ 10,802,042	\$ 330,748	3.1 %
Net Accrual	58,075	(8,460)	66,535	-786.5 %
Total Sales and Services	\$ 11,190,865	\$ 10,793,582	\$ 397,283	3.7 %
<u>Miscellaneous Departmental Receipts</u>				
Cash	\$ 39,147,417	\$ 29,569,969	\$ 9,577,448	32.4 %
Net Accrual	(2,000)	3,600	(5,600)	-155.6 %
Total Misc. Dept. Receipts	\$ 39,145,417	\$ 29,573,569	\$ 9,571,848	32.4 %

It should be noted that, in the licenses and fees component of departmental receipts, the hospital licensing fee rate remained at 6.0% in FY 2020 but the base to which the rate applied was advanced from hospital FY 2017 net patient revenues in FY 2019 to hospital FY 2018 net patient revenues in FY 2020. As a result, FY 2020 hospital licensing fee revenues were \$193.8 million, an increase of \$13.0 million from FY 2019 hospital licensing fee revenues of \$180.8 million. The preliminary FY 2020 hospital licensing fee receivable was \$187.0 million, and the audited FY 2019 hospital licensing fee receivable was \$174.0 million, which translates into a hospital licensing fee net accrual of \$13.0 in FY 2020.

Per Penny Motor Fuel Tax Yield

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>ORA Estimated</u>	<u>Variance</u>
Revenues	\$ 4,135,558	\$ 4,257,788	\$ (122,230)
	From FY 2019 Audited	From ORA Estimated	
Percentage Change	-15.4 %	-12.9 %	-2.9 %

The State's per gallon motor fuel tax increased from \$0.33 to \$0.34 on July 1, 2019. The State's motor fuel tax is dedicated to the funding of transportation. The State's motor fuel tax is allocated to the Rhode Island Department of Transportation which receives \$0.2025 of the \$0.34 per gallon motor fuel tax, the Rhode Island Public Transit Authority which receives \$0.0925 of the \$0.34 per gallon motor fuel tax, the Department of Human Services which receives \$0.01 of the \$0.34 per gallon motor fuel tax for its elderly transportation program and the Rhode Island Turnpike and Bridge Authority which receives \$0.035 of the \$0.34 per gallon motor fuel tax for the maintenance and repair of the Jamestown Verrazano Bridge, the Mount Hope Bridge, the Newport Pell Bridge, and the Sakonnet River Bridge. The ORA Estimated figure above is the Office of Revenue Analysis' projection of the motor fuel tax per penny yield as it was computed in May 2020.

Based on information provided by the Office of Accounts and Controls, the preliminary FY 2020 per penny yield of the State's motor fuel tax was \$4.1 million, a decrease of \$122,230 from the Office of Revenue Analysis' projection of the per penny yield. This increase translates into a -2.9% growth rate. The preliminary FY 2020 per penny yield was down \$752,270, or 15.4%, compared to the audited FY 2019 per penny yield. The projected per penny yield of \$4.3 million was \$630,039 less than the audited FY 2019 motor fuel tax per penny yield of \$4.9 million, or a growth rate of -12.9%.

Other Miscellaneous Revenues

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 52,794,681	\$ 53,263,498	\$ (468,817)
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	326.9 %	330.7 %	-0.9 %

Preliminary FY 2020 other miscellaneous revenues were 0.9% less than the final enacted FY 2020 estimate of \$53.3 million, a shortfall of \$468,817.

Preliminary FY 2020 other miscellaneous revenues of \$52.8 million were up \$40.4 million compared to audited FY 2019 other miscellaneous revenues of \$12.4 million, a growth rate of 326.9%. Preliminary FY 2020 other miscellaneous revenues include approximately \$39.3 million in non-recurring revenue transfers vs. \$5.6 million in audited FY 2019.

The final enacted FY 2020 other miscellaneous revenue estimate was \$40.9 million, or 330.7%, more than audited FY 2019 other miscellaneous revenues.

Lottery Transfer

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Traditional Games	\$ 54,217,008	\$ 51,100,000	\$ 3,117,008
VLT	213,108,730	201,100,000	12,008,730
Table Games	7,045,780	7,000,000	45,780
On-Site Sports Betting	7,556,607	7,500,000	56,607
Remote Sports Betting	1,942,421	1,900,000	42,421
Revenues	\$ 283,870,546	\$ 268,600,000	\$ 15,270,546
	<u>From FY 2019 Audited</u>	<u>From Final Enacted</u>	
Percentage Change	-28.6 %	-32.4 %	5.7 %

The preliminary FY 2020 lottery transfer to the State's general fund was up 5.7% compared to the final enacted FY 2020 estimate of \$268.6 million, a surplus of \$15.3 million. Within the components of the lottery transfer, as provided by the Division of Lottery, the preliminary FY 2020 transfer from instant and monitor games was \$3.1 million above the final enacted FY 2020 instant and monitor games transfer estimate of \$51.1 million, a variance of 6.1%. With respect to the State's share of video lottery net terminal income (NTI), the preliminary FY 2020 video lottery transfer was 6.0% more than the final enacted FY 2020 video lottery transfer estimate of \$201.1 million, a surplus of \$12.0 million. The preliminary FY 2020 table games transfer was not significantly different from the final enacted FY 2020 table games transfer estimate of \$7.0 million. Similarly, the preliminary FY 2020 on-site and remote sports betting transfers were closely in line with the final enacted FY 2020 on-site and remote sports betting transfer estimates.

The table below provides the component breakdown of revenues from the lottery transfer, as provided by the Division of Lottery, and compares preliminary FY 2020 revenues to audited FY 2019 revenues:

Component	FY 2020 Preliminary	FY 2019 Audited	Nominal Difference	Percent Difference
Traditional Games	\$ 54,217,008	\$ 59,795,046	\$ (5,578,038)	-9.3 %
VLT	213,108,730	314,481,489	(101,372,759)	-32.2 %
Table Games	7,045,780	20,021,278	(12,975,498)	-64.8 %
On-Site Sports Betting	7,556,607	3,023,106	4,533,501	150.0%
Remote Sports Betting	1,942,421	0	1,942,421	n/a
Total	\$ 283,870,546	\$ 397,320,919	\$ (113,450,373)	-28.6 %

The preliminary FY 2020 lottery transfer was \$283.9 million, \$113.5 million less than the audited FY 2019 lottery transfer of \$397.3 million, which translates into a growth rate of -28.6%. The preliminary FY 2020 lottery transfer includes cash collections of \$283.1 million and a net accrual of \$815,018. The FY 2020 lottery transfer cash collections decreased by \$110.7 million from FY 2019 cash collections. The preliminary FY 2020 lottery transfer net accrual is 76.9 percent less than the audited FY 2019 net accrual of \$3.5 million.

The large differences in the FY 2020 preliminary lottery revenues vs. the audited FY 2019 lottery revenues are the result of the COVID-19 pandemic which closed the state's two casinos, the Twin River Casino hotel and the Tiverton Casino Hotel for nearly three months (from mid-March until the second week of June).

Unclaimed Property Transfer

<u>FY 2020</u>	<u>Preliminary Close</u>	<u>Final Enacted</u>	<u>Variance</u>
Revenues	\$ 12,080,719	\$ 12,200,000	\$ (119,281)
	<u>From FY 2019 Audited</u>		<u>From Final Enacted</u>
Percentage Change	4.3 %	5.4 %	-1.0 %

According to the Controller's Preliminary General Fund Revenue Report, the FY 2020 unclaimed property transfer was 1.0% less than the final enacted FY 2020 estimate of \$12.2 million, a shortfall of \$119,281.

The unclaimed property transfer of \$12.1 million for preliminary FY 2020 was up 4.3%, or \$502,115, compared to the audited FY 2019 unclaimed property transfer of \$11.6 million.

The final enacted FY 2020 unclaimed property transfer estimate was \$621,396, or a 5.4 percent, more than the audited FY 2019 unclaimed property transfer.



Mark A. Furcolo, Director
Department of Revenue

September 11, 2020