

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF REVENUE



State of Rhode Island Cash Collections Report
February 2012 Summary

Fiscal Year-to-Date through February:

FY 2012 year-to-date total general revenue cash collections through February were \$1.947 billion, up \$55.3 million or 2.9 percent, from the same period last fiscal year. The breakdown by major revenue components is as follows:

Component	FY 2011	FY 2012	Difference	% Change
Personal Income Tax	\$645,105,575	\$670,745,274	\$ 25,639,699	4.0 %
Sales and Use Taxes	553,742,178	574,115,276	20,373,098	3.7 %
Departmental Receipts	244,496,866	256,049,621	11,552,755	4.7 %
Lottery Transfer	199,536,852	212,967,726	13,430,874	6.7 %
All Other Revenues	249,222,793	233,490,618	(15,732,175)	-6.3 %
Total General Revenues	\$1,892,104,264	\$1,947,368,515	\$55,264,251	2.9 %

Month of February:

Total general revenue cash collections for February 2012 were \$149.4 million, down \$9.8 million or 6.2 percent, compared to February 2011. The breakdown by major revenue components is as follows:

Component	FY 2011	FY 2012	Difference	% Change
Personal Income Tax	\$ 26,073,223	\$ 16,425,923	\$ (9,647,300)	-37.0 %
Sales and Use Taxes	57,407,921	59,190,157	1,782,236	3.1 %
Departmental Receipts	11,837,334	13,669,250	1,861,916	15.7 %
Lottery Transfer	27,104,333	28,420,405	1,316,072	4.9 %
All Other Revenues	36,832,076	31,684,725	(5,147,351)	-14.0 %
Total General Revenues	\$ 159,254,887	\$ 149,420,460	\$(9,834,427)	-6.2 %

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF REVENUE



State of Rhode Island Cash Collections Report
February 2012 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 RI General Law § 35-16-1). *Users of the 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.*

Total General Revenues

February	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$ 1.892 Billion	\$ 1.947 Billion	\$ 55.3 Million	2.9 %
Month	\$159.3 Million	\$149.4 Million	\$(9.8 Million)	-6.2 %

Fiscal Year-to-Date through February:

Fiscal Year 2012 total general revenues collected through February 2012 have increased by 2.9 percent as compared to Fiscal Year 2011 total general revenues collected through February 2011. For the fiscal year-to-date period through February 2012, total general revenues were \$1.947 billion as compared to \$1.892 billion for the same period last year, an increase of \$55.3 million.

The following cash flow differences between FY 2011 and FY 2012 should be noted:

- In FY 2011, business corporation taxes include cash receipts of \$25.1 million that were classified as FY 2010 cash receipts and \$2.2 million from a refund paid in February but not posted to the state accounting system until March. Public utilities gross earnings tax collections include \$3.3 million in receipts derived from an audit completed in FY 2010. Financial institution taxes include \$1.8 million for a prior year refund. Additionally, motor vehicle licenses and fees cash receipts were higher by \$1.6 million as a result of the misposting of driving record abstracts receipts by the Division of Motor Vehicles. These receipts belong within the licenses and fees category of departmental receipts. The licenses and fees component of departmental receipts was \$236,709 more for physician

licenses due to the biennial periodicity of collections. Furthermore, \$7.1 million in departmental sales and services revenues were received in July 2010 due to the late posting of Eleanor Slater Hospital's disproportionate share ("dish") receipts. These receipts were supposed to be posted in June of the prior fiscal year. Further, other miscellaneous revenues through February 2011 include \$1.8 million for the proceeds from the sale of state property, specifically the Smithfield Salt Barn, and a pharmaceutical manufacturer settlement. Finally, the lottery transfer includes \$1.6 million of cash receipts that were accrued to FY 2010.

- In FY 2012, cash collections include \$2.1 million from an audit of prior year sales activity and \$1.1 million in revenue from the posting of a separate top 100 list of business tax delinquents. Of the \$2.1 million received from the audit, \$1.3 million is unpaid sales and use tax and \$778,203 is interest on the late payments. Similarly, of the \$1.1 million generated by the top 100 business delinquents list, \$424,642 is unpaid sales tax, \$649,530 is interest charges and \$33,672 is a penalty on the late payment. In FY 2012, sales and use taxes include an unknown amount of additional revenue from the sales and use tax base expansion signed into law by Governor Chafee on June 30, 2011. The sales and use tax base expansion took effect on October 1, 2011 and receipts were remitted to the Division of Taxation for the first time in November 2011. Additionally, sales and use taxes include a refund of \$2.1 million paid in February 2012 for prior year sales and use tax activity, specifically November 1, 2005 through August 31, 2010. Public utilities gross earnings tax collections include \$628,000 in receipts derived from an audit completed in FY 2012. Additionally, FY 2012 incorporates a transfer of \$425,000 from business corporations taxes to financial institution taxes for a prior year posting error corrected for in January 2012. In FY 2012, inheritance taxes include \$4.8 million in cash receipts from a one time large payment. In FY 2012, the hospital licensing fee generated \$10.6 million more through February 2012 than February January 2011. Additionally, \$923,651 more in departmental licenses and fees were received in August and October 2011 from imaging service surcharge fees. This increase is due to an audit recovery for the payment of bills for prior fiscal years. Additionally, FY 2012 licenses and fees component of departmental receipts were \$168,585 fewer for teacher certification fees due to the implementation of a restructured fee schedule. This fee schedule was implemented in January 2012, with receipts being remitted to the State for the first time in February 2012. The FY 2012 cash flow difference also includes, \$508,053 in departmental miscellaneous revenues deposited in July 2011 as a result of a settlement agreement between the Office of the Attorney General and a major pharmaceutical manufacturer and the receipt of a \$2.0 million settlement from UBS. This payment is the result of a court ordered settlement associated with the investment of the escrow fund for the 2002 refunding of the State's debt when the State received the bond proceeds from the Tobacco Settlement Financing Corporation (TSFC). FY 2012 other miscellaneous revenues also include a cash flow difference of \$138,387 from a settlement associated with the State's Medicaid program. The FY 2012 lottery transfer nets out the State's share of the cost of the Twin River and Newport Grand marketing programs from July to October. As a result, the FY 2012 lottery transfer cash receipts are less by the amount of the marketing expenses of \$1.3 million. Finally, the October 2011 lottery transfer includes \$2.7 million of cash receipts that were accrued to FY 2011.

The table below displays fiscal year-to-date the differences in cash flows for FY 2011 and FY 2012 through February:

Revenue Source	Cash Flow Differences	YTD FY 2011	YTD FY 2012
Business Corporations	One time receipts from taxpayers	\$25,059,178	\$0
Business Corporations	Late posting of February refund	\$2,215,378	\$0
Business Corporations	Misposting of prior year receipts	\$0	\$(425,00)
Public Utilities	Audit recovery	\$3,301,779	\$628,000
Financial Institutions	Financial institutions prior FY refund	\$(1,751,207)	\$0
Financial Institutions	Misposting of prior year receipts	\$0	\$425,000
MV License and Fees	Driving record abstracts misposting	\$1,638,032	\$0
Sales and Use Taxes	One time audit payment	\$0	\$1,314,319
Sales and Use Taxes	Payment from tax delinquent	\$0	\$424,642
Sales and Use Taxes	Refund paid for prior year activity	\$0	\$(2,083,626)
Inheritance and Gift	Large payment	\$0	\$4,750,597
Departmental Receipts	Physician biennial fee	\$236,709	\$0
Departmental Receipts	Teacher certification restructuring	\$0	\$(168,585)
Departmental Receipts	FY 2010 "dish" payment	\$7,082,983	\$0
Departmental Receipts	Hospital licensing fee difference	\$0	\$10,611,572
Departmental Receipts	Attorney General settlement	\$0	\$508,053
Departmental Receipts	Imaging services surcharge receipts	\$0	\$923,651
Departmental Receipts	Driving record abstracts misposting	\$(1,638,032)	\$0
Departmental Receipts	Interest from one time audit payment	\$0	\$778,203
Departmental Receipts	Interest from tax delinquent payment	\$0	\$649,530
Departmental Receipts	Penalty from tax delinquent payment	\$0	\$33,672
Other Misc. Revenues	Medicaid program settlement	\$1,022,439	\$138,387
Other Misc. Revenues	UBS settlement payment	\$0	\$1,951,166
Other Misc. Revenues	Pharmaceutical manufacturer sttlmnt	\$839,235	\$0
Other Misc. Revenues	Smithfield Salt Barn sale	\$985,560	\$0
Lottery Transfer	Joint marketing program	\$0	\$(1,312,267)
Lottery Transfer	Cash accrued to prior fiscal year	\$1,646,003	\$2,731,761

Month of February:

Total general revenues collected in February 2012 have decreased by 6.2 percent as compared to February 2011 total general revenue collections. February 2012 total general revenues decreased by \$9.8 million from February 2011 cash collections of \$159.3 million.

The following cash flow differences between February 2011 and February 2012 should be noted:

- In February 2011, business corporation taxes include \$2.2 million from a refund paid in February but not posted to the state accounting system until March. Additionally, motor vehicle licenses and fees cash receipts were higher by \$336,352 as a result of the misposting of driving record abstracts receipts by the Division of Motor Vehicles. These receipts belong within the licenses and fees category of departmental receipts. Finally, the licenses and fees component of departmental receipts was \$10,898 more for physician licenses due to the biennial periodicity of collections.
- In February 2012, sales and use taxes include a refund of \$2.1 million for prior year sales and use tax activity, specifically November 1, 2005 through August 31, 2010. Additionally, sales and use taxes include an unknown amount of additional revenue from the sales and use tax base expansion signed into law by Governor Chafee on June 30, 2011. Finally, the licenses and fees component of departmental receipts were \$101,120 more for teacher certification fees due to the implementation of a restructured fee schedule. This fee schedule was implemented in January 2012, with receipts being remitted to the State for the first time in February of 2012.

The table below displays the monthly differences in cash flows for FY 2011 and FY 2012 for February:

Revenue Source	Cash Flow Differences	February FY 2011	February FY 2012
Sales and Use Taxes	Refund paid for prior year activity	\$0	\$(2,083,626)
Business Corporations	Late posting of February refund	\$2,215,378	\$0
MV License and Fees	Driving record abstracts misposting	\$336,352	\$0
Departmental Receipts	Driving record abstracts misposting	\$(336,352)	\$0
Departmental Receipts	Physician biennial fee	\$10,898	\$0
Departmental Receipts	Teacher certification restructuring	\$0	\$101,120

Taxes and Departmental Receipts

February	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$1.683 Billion	\$1.729 Billion	\$ 45.4 Million	2.7 %
Month	\$126.3 Million	\$117.6 Million	\$(8.7 Million)	-6.9 %

Fiscal Year-to-Date through February:

The Rhode Island Department of Revenue reports that FY 2012 taxes and departmental receipts collected through the first eight months of the fiscal year have increased by 2.7 percent as compared to FY 2011 cash collections for the comparable period a year ago. For the fiscal year-to-date period ending February, total taxes and departmental receipts were \$1.729 billion in FY 2012 as compared to \$1.683 billion for the same period last fiscal year, an increase of \$45.4 million.

Month of February:

February 2012 taxes and departmental receipts decreased by \$8.7 million, or -6.9 percent compared to cash collections in February 2011. February 2012 taxes and departmental receipts totaled \$117.6 million compared to \$126.3 million in February 2011.

Other General Revenue Sources

February	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$208.7 Million	\$218.6 Million	\$ 9.9 Million	4.7 %
Month	\$ 32.9 Million	\$ 31.8 Million	\$(1.2 Million)	-3.5 %

Fiscal Year-to-Date through February:

FY 2012 other general revenue sources collected through February of FY 2012 have increased by 4.7 percent as compared to cash collections through February of FY 2011. Other general revenue sources include other miscellaneous revenues, the lottery transfer to the general fund, and unclaimed property that is transferred to the State in June of each fiscal year. For the fiscal year-to-date period ending February, total other general revenue sources were \$218.6 million in FY 2012 as compared to \$208.7 million for the same period last year, an increase of \$9.9 million.

Month of February:

Other general revenue sources cash collections totaled \$31.8 million in February 2012 compared to \$32.9 million in February 2011, a decrease of \$1.2 million. This decrease translates into a growth rate of -3.5 percent.

Total Taxes

February	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$1.439 Billion	\$1.473 Billion	\$ 33.8 Million	2.3 %
Month	\$114.5 Million	\$103.9 Million	\$(10.5 Million)	-9.2 %

Fiscal Year-to-Date through February:

Total tax revenues for the fiscal year-to-date period through February 2012 were \$1.473 billion, or 2.3 percent more than the \$1.439 billion in total tax cash collections through February 2011.

Month of February:

February 2012 total tax revenues of \$103.9 million decreased by \$10.5 million or 9.2 percent compared to February 2011 cash collections of \$114.5 million.

Historic Structure Tax Credit Reimbursements:

It is important to note that any historic structures tax credits redeemed from FY 2009 onward are reimbursed from the Historic Tax Credit Fund's bond proceeds upon receipt of the tax credit certificate. Prior to FY 2009, the redemption of historic structures tax credit (HSTC) certificates were deducted directly from realized tax receipts. Thus, the actual revenues for the tax types that had HSTCs redeemed to offset an actual tax liability were net revenues (i.e., total collection *less* HSTC redemptions). Since FY 2009, the actual revenues for the tax types that have HSTCs redeemed to offset an actual tax liability are gross revenues (i.e., total collections *plus* HSTC reimbursements).

In FY 2012, total historic structure tax credit redemptions/reimbursements for all taxes through February totaled \$2.1 million vs. \$6.8 million in FY 2011, a decrease of 69.9 percent. February 2012 total historic structure tax credit redemptions/reimbursements for all taxes totaled \$701,177 vs. the \$294,618 in February 2011, an increase of \$406,559.

The breakdown of the reimbursement of redeemed historic structures tax credits (HSTCs) by tax type is shown below:

Historic Structure Tax Credits	Year-to-Date		Monthly	
	FY 2011	FY 2012	February 2011	February 2012
Personal Income	\$ 5,814,132	\$ 993,579	\$ 87,136	\$ 5,349
Business Corporations	818,010	869,855	0	500,000
Financial Institutions	0	0	0	0
Insurance/Non-HMOs	208,456	198,174	207,482	195,828
Insurance/HMOs	0	0	0	0
Total	\$ 6,840,598	\$2,061,608	\$ 294,618	\$ 701,177

Personal Income Taxes

February	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$645.1 Million	\$670.7 Million	\$25.6 Million	4.0 %
Month	\$ 26.1 Million	\$ 16.4 Million	\$(9.6 Million)	-37.0 %

Fiscal Year-to-Date through February:

Actual personal income tax cash collections for FY 2012 through the first eight months of the fiscal year were up \$25.6 million, or 4.0 percent, compared to the same period last fiscal year. Total personal income tax cash collections for FY 2012 through February were \$670.7 million vs. FY 2011 cash collections of \$645.1 million through February.

The FY 2012 year-to-date personal income tax cash collections include historic structures tax credit reimbursements through February of \$993,579 vs. \$5.8 million through February of FY 2011. FY 2012 year-to-date HSTC reimbursements for personal income taxes are \$4.8 million less than the same period in FY 2011, a decrease of 82.9 percent.

Month of February:

Personal income tax collections for February 2012 totaled \$16.4 million compared to February 2011 cash collections of \$26.1 million, a difference of -\$9.6 million or -37.0 percent.

February 2012 cash collections include historic structures tax credit reimbursement of \$5,349 vs. \$87,136 for February 2011. February 2012 HSTC reimbursements for personal income taxes are 93.9 percent less than February 2011, a decrease of \$81,787.

Personal Income Tax Cash Collections by Component:

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

Fiscal Year-to-Date through February:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$104,203,670	\$126,209,283	\$ 22,005,613	21.1 %
Final Payments*	37,824,750	34,235,576	(3,589,174)	-9.5 %
Refunds/Adjustments	(109,734,044)	(123,322,115)	(13,588,071)	12.4 %
Withholding	612,811,200	633,622,531	20,811,331	3.4 %
* Final Payments include historic structures tax credit reimbursements of \$5.8 million in fiscal year-to-date 2011 and \$993,579 in fiscal year-to-date 2012.				

Within the components of personal income tax, FY 2012 estimated payments are up \$22.0 million or 21.1 percent on a fiscal year-to-date basis through February vs. the same period last fiscal year. Final payments are down \$3.6 million or 9.5 percent through the eighth month of FY 2012 relative to FY 2011 through the eighth month. Fiscal year-to-date FY 2012 final payments cash collections include \$993,579 in reimbursed historic structures tax credits vs. \$5.8 million in fiscal year-to-date FY 2011. Refunds and adjustments are greater by \$13.6 million in FY 2012 through February vs. FY 2011 through February. For the January through February period, 158,011 income tax refunds were paid in FY 2012 at an average of \$561.90. For the same period in FY 2011, the comparable figures are 141,615 and \$440.16. Finally, FY 2012 withholding tax cash collections through the eighth month of the fiscal year are more by \$20.8 million or 3.4 percent relative to FY 2011 withholding tax cash collections through the eighth month of the fiscal year.

Month of February:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$ 1,937,622	\$ 3,050,921	\$ 1,113,299	57.5 %
Final Payments*	4,375,258	4,559,338	184,080	4.2 %
Refunds/Adjustments	(54,858,437)	(74,689,828)	(19,831,391)	36.2 %
Withholding	74,618,780	83,505,492	8,886,712	11.9 %
* Final Payments include historic structures tax credit reimbursements of \$87,136 in February 2011 and \$5,349 in February 2012.				

Within the components of personal income tax, estimated payments received in February 2012 are up \$1.1 million or 57.5 percent compared to February 2011. Final payments are up \$184,080 or 4.2 percent in the first eighth months of FY 2012 relative to the first eighth months of FY 2011. February 2012 final payments cash collections include \$5,349 in reimbursed historic structures tax credits vs. \$87,136 in February 2011. Refunds and adjustments are greater by \$19.8 million in February 2012 vs. February 2011. In February 2012, 140,844 income tax refunds were paid at an average of \$513.56. For the same period in FY 2011, the comparable

figures are 121,877 and \$435.43. Finally, February 2012 withholding tax cash collections are \$8.9 million, or 11.9 percent, more than February 2011 withholding tax cash collections.

Sales and Use Taxes

February	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$553.7 Million	\$574.1 Million	\$ 20.4 Million	3.7 %
Month	\$ 57.4 Million	\$ 59.2 Million	\$ 1.8 Million	3.1 %

Fiscal Year-to-Date through February:

Actual sales and use tax cash collections for FY 2012 through February of the fiscal year were up \$20.4 million, or 3.7 percent, compared to the same period last fiscal year. Total sales and use tax cash collections for FY 2012 through February were \$574.1 million vs. FY 2011 cash collections of \$553.7 million through February.

In FY 2012, sales and use taxes include an unknown amount of additional revenue from the sales and use tax base expansion signed into law by Governor Chafee on June 30, 2011. The sales and use tax base expansion took effect on October 1, 2011 and receipts were remitted to the Division of Taxation for the first time in November 2011.

Month of February:

Sales and use tax cash collections in February 2012 were \$1.8 million, or 3.1 percent, greater than February 2011 cash collections. Sales and use tax cash collections totaled \$59.2 million in February 2012 vs. cash collections of \$57.4 million in February 2011.

In February 2012, sales and use taxes include an unknown amount of additional revenue from the sales and use tax base expansion signed into law by Governor Chafee on June 30, 2011.

Sales and Use Tax Cash Collections by Component:

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

Fiscal Year-to-Date through February:

Component	FY 2011	FY 2012	Difference	% Change
Net Taxation	\$490,522,119	\$509,461,945	\$18,939,826	3.9 %
Registry Receipts	52,939,535	55,213,562	2,274,027	4.3 %
Providence Place Mall	9,992,774	9,837,374	(155,400)	-1.6 %

Within the sales tax components, registry receipts were up 4.3 percent or \$2.3 million through February of FY 2012 when compared to same period last fiscal year. Net sales tax receipts remitted directly to the Division of Taxation posted an increase of \$18.9 million or 3.9 percent during FY 2012's first eight months versus the first eight months of FY 2011. Providence Place Mall (PPM) sales tax receipts were 1.6 percent lower or -\$155,400 through February of FY 2012 versus the same period in FY 2011.

Month of February:

Component	FY 2011	FY 2012	Difference	% Change
Net Taxation	\$ 51,322,431	\$ 51,615,089	\$ 292,658	0.6 %
Registry Receipts	5,008,334	6,526,482	1,518,148	30.3 %
Providence Place Mall	996,941	974,912	7,971	0.8 %

Within the sales tax components, registry receipts were up 30.3 percent or \$1.5 million in February 2012 when compared to February 2011. Net sales tax receipts remitted directly to the Division of Taxation posted an increase of \$292,658 or 0.6 percent in February 2012 vs. February 2011. Providence Place Mall (PPM) sales tax receipts were 0.8 percent higher or \$7,971 in February 2012 versus February 2011.

General Business Taxes

February	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$92.1 Million	\$70.0 Million	\$(22.1 Million)	-24.0 %
Month	\$14.4 Million	\$10.0 Million	\$ (4.4 Million)	-30.8 %

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 health care provider assessments, 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 number of filers that are on extension at any given point in time and the varying fiscal years of corporations. As a result, both business corporations 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 February:

FY 2012 total general business taxes collected through February 2012 of the fiscal year-to-date were \$70.0 million or \$22.1 million less than the \$92.1 million collected for the same period in FY 2011. Year-to-date growth in FY 2012 is -24.0 percent.

Health care provider assessment taxes through February 2012 were \$27.8 million, an increase of 3.6 percent over the same period in FY 2011. Bank deposit taxes tend to post irregularly until March, when the first 40.0 percent of estimated total tax liability is due. Through the first eight months of FY 2012, bank deposit taxes totaled \$222,025 compared to receipts of \$163,841 for the first eight months of FY 2011. The insurance companies gross premiums tax is down \$5.0 million year-to-date. FY 2012 insurance companies gross premiums tax cash collections through February 2012 total \$3.6 million compared to collections of \$8.6 million in FY 2011 through February 2011. In general, insurance companies gross premiums taxes tend to post irregularly until March, when the first 40.0 percent of total tax liability is due. The financial institutions tax is up \$2.9 million on a fiscal year-to-date cash basis in FY 2012 vs. FY 2011 through February. Financial institutions tax collections totaled \$1.7 million through February 2012 vs. -\$1.2 million through February 2011. Public utilities gross earnings taxes were \$3.3 million through February 2012, a decrease of 41.5 percent from collections of \$5.6 million through February 2011.

Month of February:

Total general business taxes collected in February 2012 were \$10.0 million or \$4.4 million less than the \$14.4 million collected in February 2011. This translates into a decrease of 30.8 percent in total general business taxes.

Health care provider assessment taxes for February 2012 were \$3.5 million, an increase of 14.1 percent over February 2011 cash collections. Bank deposit taxes received in February 2012 were \$16,479 compared to cash collections of -\$640 of bank deposit taxes in February 2011. The insurance companies gross premiums tax is \$4.0 million less in February 2012 vs. February 2011. February 2012 insurance companies gross premiums tax cash collections totaled \$3.2 million compared to collections of \$7.2 million in February 2011. Financial institutions taxes received in February 2012 totaled -\$98,055 compared to cash collections of \$108,885 in February 2011. Public utilities gross earnings taxes were \$221,353 in February 2012, a decrease of \$1.0 million from collections of \$1.2 million in February 2011.

Business Corporations Tax Cash Collections by Component:

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

Fiscal Year-to-Date through February:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$ 25,546,577	\$31,926,012	\$ 6,379,435	25.0 %
Final Payments*	44,993,016	22,111,884	(22,881,132)	-50.9 %
Refunds/Adjustments	(19,991,621)	(19,969,027)	22,594	-0.1 %
* Final Payments include historic structures tax credit reimbursements of \$818,010 in fiscal year-to-date 2011 and \$869,855 in fiscal year-to-date 2012.				

Within the business corporations tax components, estimated payments were up by \$6.4 million or 25.0 percent through February of FY 2012 when compared to same period last fiscal year. Final payments posted a decrease of \$22.9 million or 50.9 percent during FY 2012's first eight months versus the first eight months of FY 2011. It should be noted that FY 2011 cash receipts for business include \$25.1 million in final payments that were accrued back to FY 2010 and \$2.2 million from a refund paid in February but not posted to the state accounting system until March. Refunds and adjustments were fewer by \$22,594 through February of FY 2012 versus the same period in FY 2011, a decrease of 0.1 percent.

Month of February:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$ 745,764	\$ 1,223,828	\$ 478,064	64.1 %
Final Payments	2,632,343	3,803,190	1,170,848	44.5 %
Refunds/Adjustments	(2,759,479)	(1,396,059)	1,363,421	-49.4 %
* Final Payments include historic structures tax credit reimbursements of \$500,000 in February 2012 and no historic structures tax credit reimbursements in February 2011.				

Within the business corporations tax components, estimated payments were up \$478,064 in February 2012 vs. February 2011. Final payments posted an increase of \$1.2 million or 44.5 percent in February 2012 when compared to February 2011. Refunds and adjustments were fewer by \$1.4 million in February 2012 versus February 2011, a decrease of 49.4 percent.

Excise Taxes Other Than the Sales and Use Tax

February	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$127.0 Million	\$124.0 Million	\$ (2.9 Million)	-2.3 %
Month	\$ 13.6 Million	\$14.9 Million	\$ 1.3 Million	9.6 %

Fiscal Year-to-Date through February:

Excise taxes other than sales and use taxes collected in the fiscal year-to-date February 2012 period totaled \$124.0 million or \$2.9 million less than the \$127.0 million collected for the same period in FY 2011. The actual year-to-date growth rate in excise taxes other than the sales and use tax is -2.3 percent.

Motor vehicle operator license and registration fees cash collections are \$976,880 less in FY 2012 through February than in FY 2011 through February. This difference yields a fiscal year-to-date growth rate for motor vehicle operator licenses and registration fees cash collections of -3.5 percent. Motor carrier fuel use tax cash collections total \$580,304 in FY 2012 through February. This is a decrease of 2.2 percent over FY 2011 cash collections through February of \$593,646. FY 2012 alcohol excise taxes through February 2012 are up 1.7 percent, or \$133,019, from the \$7.8 million collected in FY 2011 through February 2010.

Rhode Island cigarettes tax receipts are comprised of excise taxes collected on the sale of cigarettes, 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 on cigarettes. Total cigarette tax receipts through the first eight months of FY 2012 were down \$2.1 million, or 2.3 percent compared to the first eight months of FY 2011.

Finally, the change in cigarette sales is determined. First, cigarette floor stock tax and smokeless tobacco products tax collections are netted out of the data yielding only cigarette tax collections. The result is a decrease in Rhode Island cigarette sales of 2.3 percent through February of FY 2012 versus through February of FY 2011.

Month of February:

Excise taxes other than sales and use taxes collected in February 2012 period totaled \$14.9 million or \$1.3 million more than the \$13.6 million collected in February 2011. This translates into a growth rate in excise taxes other than the sales and use tax 9.6 percent.

Motor vehicle operator license and registration fees cash collections totaled \$4.2 million, or \$291,169, less in February 2012 than in February 2011. Motor carrier fuel use tax cash collections total \$58,306 in February 2012. This is an increase of \$16,674 over February 2011 cash collections of \$41,632. Alcohol excise taxes in February 2012 are up 4.9 percent, or \$34,157, from the \$702,702 collected in February 2011.

Total cigarette tax receipts in February 2012 were up \$1.5 million, or 18.5 percent compared to February 2011. This translates into an increase in Rhode Island cigarette sales of 19.6 percent in February 2012 versus February 2011.

Other Taxes

February	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$21.0 Million	\$33.8 Million	\$12.8 Million	61.1 %
Month	\$ 3.0 Million	\$ 3.5 Million	\$ 470,686	15.5 %

Fiscal Year-to-Date through February:

Other taxes collected through February of FY 2012 totaled \$33.8 million versus \$21.0 million in other taxes collected during the same period last fiscal year, an increase of \$12.8 million, or 61.1 percent. Inheritance tax collections totaled \$28.7 million through February of FY 2012, an increase of \$13.1 million from the \$15.6 million collected through the first eight months of FY 2011. In FY 2012, inheritance taxes include \$4.8 million in cash receipts from a November 2011 large one time payment. Racing and athletics tax collections through February of FY 2012 were up 1.4 percent, or \$11,371, relative to the same period in FY 2011. Realty transfer taxes were down by 6.2 percent through February of FY 2012 versus through February of FY 2011, a decrease of \$280,314.

Month of February:

Other taxes collected in February 2012 totaled \$3.5 million versus \$3.0 million in other taxes collected in February 2011, an increase of \$470,686. Inheritance tax collections totaled \$3.0 million in February 2012, an increase of \$508,292 February 2011 cash collections. Racing and athletics tax collections in February 2012 were up \$31,342 relative to February 2011. Realty transfer taxes were down by \$68,948 in February 2012 versus the \$449,212 collected in February 2011.

Total Departmental Receipts

February	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$244.5 Million	\$256.0 Million	\$11.6 Million	4.7 %
Month	\$ 11.8 Million	\$ 13.7 Million	\$ 1.9 Million	15.7 %

Fiscal Year-to-Date through February:

FY 2012 year-to-date departmental receipts total \$256.0 million, an increase of \$11.6 million from the amount that was collected last fiscal year at this time. Actual departmental cash receipts for FY 2012 were up 4.7 percent when compared to cash receipts collected during the same period a year ago. FY 2012 year-to-date growth in the licenses and fees category of departmental receipts is 6.6 percent or \$13.3 million more than FY 2011 through February 2011. The FY 2011 Hospital Licensing Fee which was to be received in July of FY 2012 has totaled \$133.5 million or \$10.6 million more than was received in FY 2011 for the FY 2010 hospital licensing fee. Fines and penalties are up 1.7 percent through the first eight months of FY 2012 versus the first eight months of FY 2011, or \$302,840 more then fiscal year-to-date cash

collections through February 2011. In the sales and services category of departmental receipts, FY 2012 year-to-date growth is -53.9 percent from FY 2011 cash collections of \$12.8 million through February 2011. The \$6.9 million decrease in sales and services departmental receipts incorporates the delayed posting of the \$7.1 million disproportionate share (“dish”) payment made by the Eleanor Slater Hospital in FY 2011. Finally, miscellaneous departmental revenues were up \$4.8 million, or 38.1 percent, through February of FY 2012 versus the comparable period of FY 2011. Of this total difference, \$2.8 million is attributable to a reclassification of the drinking water protection fund in FY 2012 from the licenses and fees category to miscellaneous departmental revenue.

In the enacted FY 2012 budget signed into law by Governor Chafee on June 30, 2011 several departmental receipt fees were either increased or newly established. The increased fees through February include the estate filing fee; up \$64,650, the letter of good standing fee; up \$84,950, and the license fee for securities brokers and advisors; up \$1.8 million. New fees implemented this fiscal year include background checks completed by the Department of Children, Youth and Families which has collected \$41,171 through February and a non-sufficient funds check fee implemented at the Division of Motor Vehicles which has collected \$13,835 through the first eight months. A new grant of \$125,000 from the Urban Institute for work support strategies also increased departmental receipts in FY 2012.

Month of February:

Departmental receipts total \$13.7 million, an increase of \$1.9 million from the amount that was collected in February 2011. Actual departmental receipts for February 2012 were up 15.7 percent when compared to February 2011. February 2012 growth in the licenses and fees category of departmental receipts is 6.2 percent or \$562,257 more than cash receipts in February 2011. Fines and penalties were up 8.9 percent, or \$105,918, in February 2012 versus February 2011. In the sales and services category of departmental receipts, February 2012 cash collections were \$1.0 million or 42.9 percent more than February 2011 cash collections of \$709,267. Finally, miscellaneous departmental receipts were totaled \$1.7 million, or \$889,162 more in February 2012 vs. February 2011.

The fees affected by the enacted FY 2012 budget include the estate filing fee for which collections increased by \$7,250 in February 2012, the letter of good standing fee for which collections increased by \$13,575 in February 2012 versus February 2011, and the license fee for securities brokers and advisors which was up \$11,325 from February 2011 cash receipts of \$107,090. Similarly the new fees implemented by the enacted FY 2012 budget had revenues of \$7,810 in background checks completed by the Department of Children, Youth and Families and \$2,700 for the returned check fee implemented at the Division of Motor Vehicles for the month of February 2012.

Motor Fuel Tax, Per Penny Yield

February	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$2,858,419	\$2,851,965	\$(6,454)	-0.2 %
Month	\$ 330,447	\$ 322,035	\$(8,412)	-2.5 %

The State's motor fuel tax consists of a \$0.32 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. 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 February:

The per penny yield of the state's motor fuel tax is \$6,454 less in FY 2012 through February than in FY 2011 through February. This represents a decrease of 0.2 percent between the two fiscal year-to-date periods.

Month of February:

The per penny yield of the state's motor fuel tax totaled \$322,035 in February 2012, a decrease of \$8,412, or 2.5 percent from February 2011 monthly cash collections of \$330,447

Other Miscellaneous Revenues

February	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$9.2 Million	\$5.7 Million	\$(3.5 Million)	-38.4 %
Month	\$5.8 Million	\$3.4 Million	\$(2.5 Million)	-42.5 %

Fiscal Year-to-Date through February:

Other miscellaneous revenues were down 38.4 percent in FY 2012 through February when compared to the same period one year ago. FY 2012 year-to-date collections total \$5.7 million compared to \$9.2 million collected at this time last fiscal year. In FY 2011, \$985,560 was deposited as a result of the sale of the Smithfield Salt Barn that was posted in July 2010 as well as \$839,235 which was received from a pharmaceutical manufacturer settlement in October 2010. Additionally, in FY 2011 \$1.0 million was deposited as a result of a settlement with the State's Medicaid program and \$5.5 million was received for the payment of child support enforcement. In FY 2012, a total of \$5.3 million has been deposited as a result of the transfer in August 2011 of a \$2.0 million settlement with UBS and the transfer in March 2012 of a \$3.3 million settlement with Wachovia both associated with the bidding of a guaranteed investment contract related to the investment of proceeds from the state's securitization of its Master Settlement Agreement payments. Finally, \$138,387 was received in a settlement associated with the State's Medicaid program in September 2011.

Month of February:

February 2012 cash collections for other miscellaneous revenues were down \$2.5 million compared to February 2011 cash collections of \$5.8 million. In February 2011, \$5.5 million was received for the payment of child support enforcement. In February 2012, \$3.3 million was received via a transfer from the Tobacco Settlement Financing Corporation.

Lottery Transfer

February	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$199.5 Million	\$213.0 Million	\$13.4 Million	6.7 %
Month	\$ 27.1 Million	\$ 28.4 Million	\$ 1.3 Million	4.9 %

Fiscal Year-to-Date through February:

The lottery transfer to the general fund does not commence until August of each fiscal year when July lottery receipts are transferred. The lottery transfer is up 6.7 percent in FY 2012 through February when compared to FY 2011 through February. FY 2012 year-to-date collections totaled \$213.0 million or \$13.4 million more than cash collections through the eighth month of FY 2011.

Month of February:

February 2012 cash collections for the lottery transfer are up \$1.3 million compared to February 2011 cash collections of \$27.1 million. The lottery transfer is up 4.9 percent in February of FY 2012 when compared to the same period one year ago.

Lottery Transfer Cash Collections by Component:

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

Fiscal Year-to-Date through February:

Component	FY 2011	FY 2012	Difference	% Change
Traditional Games	\$ 21,507,622	\$ 21,064,795	\$ (442,827)	-2.1%
Keno	9,705,914	10,255,594	549,680	5.7 %
Twin River VLTs	148,307,775	162,211,811	13,904,036	9.4 %
Newport Grand VLTs	18,108,809	18,029,901	(78,908)	-0.4 %

Within the lottery transfer components, traditional games were less by \$442,827 or 2.1 percent through the eighth month of FY 2012 when compared to same period last fiscal year. Keno cash

collections posted an increase of \$549,680 or 5.7 percent during FY 2012's period through February versus the comparable period of FY 2011. The transfer from Twin River's video lottery terminals (VLTs) totaled \$162.2 million through February of FY 2012 an increase of \$13.9 million, or 9.4 percent, from FY 2011 cash collections for the comparable period a year ago. The FY 2012 year-to-date transfer from Newport Grand's VLTs totaled \$18.0 million versus the \$18.1 million collected through February of FY 2011. This translates into a decrease of \$78,908, or -0.4 percent. It should be noted that both Twin River and Newport Grand VLT cash collections do not reflect unclaimed prizes, distressed receipts and the state's payment to either Newport Grand's or Twin River's marketing program.

Month of February:

Component	FY 2011	FY 2012	Difference	% Change
Traditional Games	\$ 2,853,296	\$ 2,803,024	\$ (50,272)	-1.8 %
Keno	1,438,741	1,387,066	(51,675)	-3.6 %
Twin River VLTs	20,645,846	22,077,892	1,432,046	6.9 %
Newport Grand VLTs	2,315,363	2,328,223	12,860	0.6 %

Within the lottery transfer components, traditional games were less by \$50,272 or 1.8 percent in February of FY 2012 when compared to same month last fiscal year. Keno cash collections posted a decrease of \$51,675 or 3.6 percent in February 2012 versus February 2011. The transfer from Twin River's video lottery terminals (VLTs) totaled \$22.1 million in February of FY 2012, an increase of \$1.4 million, or 6.9 percent, for the comparable month a year ago. The FY 2012 February monthly transfer from Newport Grand's VLTs totaled \$2.3 million. This translates into an increase of 0.6 percent, or \$12,860, when compared to collections in February of FY 2011.

Unclaimed Property Transfer

The unclaimed property transfer to the general fund occurs in June of every fiscal year.



Rosemary Booth Gallogly, Director
Rhode Island Department of Revenue

March 12, 2012

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Fiscal Year To Date

	FY 2011 YTD February	FY 2012 YTD February	Nominal Difference	Change
<u>Personal Income Tax</u>	645,105,575	670,745,274	25,639,699	4.0%
<u>General Business Taxes</u>				
Business Corporations	52,135,293	33,351,586	(18,783,707)	-36.0%
Public Utilities Gross Earnings	5,608,633	3,281,928	(2,326,705)	-41.5%
Financial Institutions	(1,231,610)	1,704,747	2,936,357	-238.4%
Insurance Companies	8,600,384	3,631,669	(4,968,715)	-57.8%
Bank Deposits	163,841	222,025	58,184	35.5%
Health Care Provider Assessment	26,830,309	27,802,304	971,995	3.6%
<u>Excise Taxes</u>				
Sales and Use	553,742,178	574,115,276	20,373,098	3.7%
Motor Vehicle	27,671,322	26,694,442	(976,880)	-3.5%
Motor Carrier Fuel Use	593,646	580,304	(13,342)	-2.2%
Cigarettes	90,875,780	88,817,474	(2,058,306)	-2.3%
Alcohol	7,810,934	7,943,953	133,019	1.7%
Controlled Substances	-	-	-	-
<u>Other Taxes</u>				
Inheritance and Gift	15,595,542	28,688,418	13,092,876	84.0%
Racing and Athletics	825,417	836,788	11,371	1.4%
Realty Transfer	4,556,958	4,276,644	(280,314)	-6.2%
Total Taxes	\$ 1,438,884,202	\$ 1,472,692,832	\$ 33,808,630	2.3%
<u>Departmental Receipts</u>				
Licenses and Fees	201,027,274	214,355,399	13,328,125	6.6%
Fines and Penalties	18,076,723	18,379,563	302,840	1.7%
Sales and Services	12,779,024	5,896,410	(6,882,614)	-53.9%
Miscellaneous	12,613,845	17,418,249	4,804,404	38.1%
Total Departmental Receipts	\$ 244,496,866	\$ 256,049,621	\$ 11,552,755	4.7%
Taxes and Departmentals	\$ 1,683,381,068	\$ 1,728,742,453	\$ 45,361,385	2.7%
<u>Other General Revenue Sources</u>				
Other Miscellaneous Revenues	9,186,344	5,658,336	(3,528,008)	-38.4%
Lottery Transfer	199,536,852	212,967,726	13,430,874	6.7%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 208,723,196	\$ 218,626,062	\$ 9,902,866	4.7%
Total General Revenues	\$ 1,892,104,264	\$ 1,947,368,515	\$ 55,264,251	2.9%

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Month of February

	FY 2011 February	FY 2012 February	Nominal Difference	% Change
<u>Personal Income Tax</u>	26,073,223	16,425,923	(9,647,300)	-37.0%
<u>General Business Taxes</u>				
Business Corporations	2,842,490	3,126,693	284,203	10.0%
Public Utilities Gross Earnings	1,226,479	221,353	(1,005,126)	-82.0%
Financial Institutions	108,885	(98,055)	(206,940)	-190.1%
Insurance Companies	7,153,221	3,193,014	(3,960,207)	-55.4%
Bank Deposits	(640)	16,479	17,119	-
Health Care Provider Assessment	3,078,779	3,511,857	433,078	14.1%
<u>Excise Taxes</u>				
Sales and Use	57,407,921	59,190,157	1,782,236	3.1%
Motor Vehicle	4,494,027	4,202,858	(291,169)	-6.5%
Motor Carrier Fuel Use	41,632	58,306	16,674	40.1%
Cigarettes	8,322,440	9,860,443	1,538,003	18.5%
Alcohol	702,702	736,859	34,157	4.9%
Controlled Substances	-	-	-	-
<u>Other Taxes</u>				
Inheritance and Gift	2,489,119	2,997,411	508,292	20.4%
Racing and Athletics	94,750	126,092	31,342	33.1%
Realty Transfer	449,212	380,264	(68,948)	-15.3%
Total Taxes	\$ 114,484,240	\$ 103,949,654	\$ (10,534,586)	-9.2%
<u>Departmental Receipts</u>				
Licenses and Fees	9,086,217	9,648,474	562,257	6.2%
Fines and Penalties	1,194,398	1,300,316	105,918	8.9%
Sales and Services	709,267	1,013,846	304,579	42.9%
Miscellaneous	847,452	1,736,614	889,162	104.9%
Total Departmental Receipts	\$ 11,837,334	\$ 13,699,250	\$ 1,861,916	15.7%
Taxes and Departmentals	\$ 126,321,574	\$ 117,648,904	\$ (8,672,670)	-6.9%
<u>Other General Revenue Sources</u>				
Other Miscellaneous Revenues	5,828,980	3,351,151	(2,477,829)	-42.5%
Lottery Transfer	27,104,333	28,420,405	1,316,072	4.9%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 32,933,313	\$ 31,771,556	\$ (1,161,757)	-3.5%
Total General Revenues	\$ 159,254,887	\$ 149,420,460	\$ (9,834,427)	-6.2%