

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF REVENUE



State of Rhode Island Cash Collections Report
March 2012 Summary

Fiscal Year-to-Date through March:

FY 2012 year-to-date total general revenue cash collections through March were \$2.281 billion, up \$82.0 million or 3.7 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	\$693,225,914	\$737,258,786	\$ 44,032,872	6.4 %
Sales and Use Taxes	612,785,633	637,171,331	24,385,698	4.0 %
Departmental Receipts	259,864,979	271,485,802	11,620,823	4.5 %
Lottery Transfer	228,688,246	246,164,933	17,476,687	7.6 %
All Other Revenues	404,799,825	389,297,560	(15,502,265)	-3.8 %
Total General Revenues	\$2,199,364,597	\$2,281,378,412	\$82,013,815	3.7 %

Month of March:

Total general revenue cash collections for March 2012 were \$334.0 million, up \$26.7 million or 9.7 percent, compared to March 2011. The breakdown by major revenue components is as follows:

Component	FY 2011	FY 2012	Difference	% Change
Personal Income Tax	\$ 48,120,339	\$ 66,513,512	\$ 18,393,173	38.2 %
Sales and Use Taxes	59,043,455	63,056,055	4,012,600	6.8 %
Departmental Receipts	15,368,113	15,436,181	68,068	0.4 %
Lottery Transfer	28,151,394	33,197,207	4,045,813	13.9 %
All Other Revenues	155,577,032	155,806,942	229,910	0.1 %
Total General Revenues	\$ 307,260,333	\$ 334,009,897	\$26,749,564	8.7 %

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF REVENUE



State of Rhode Island Cash Collections Report
March 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

March	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$ 2.199 Billion	\$ 2.281 Billion	\$ 82.0 Million	3.7 %
Month	\$307.3 Million	\$334.0 Million	\$ 26.7 Million	8.7 %

Fiscal Year-to-Date through March:

Fiscal Year 2012 total general revenues collected through March 2012 have increased by 3.7 percent as compared to Fiscal Year 2011 total general revenues collected through March 2011. For the fiscal year-to-date period through March 2012, total general revenues were \$2.281 billion as compared to \$2.199 billion for the same period last year, an increase of \$82.0 million.

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

FY 2011

- Business corporation taxes include cash receipts of \$25.1 million that were classified as FY 2010 cash receipts. Furthermore, FY 2011 business corporation tax cash collections include \$325,000 in receipts that should have been posted to financial institution taxes, these receipts were corrected for in January 2012 and March 2012.
- 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.

- Motor vehicle licenses and fees cash receipts were higher by \$2.0 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 \$238,818 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 March 2011 include \$1.8 million for the proceeds from the sale of state property, specifically the Smithfield Salt Barn, and a pharmaceutical manufacturer settlement.
- The lottery transfer includes \$1.6 million of cash receipts that were accrued to FY 2010.

FY 2012

- Personal income tax collections include \$12.6 million in withholding payments from the sale in Rhode Island of the winning Powerball ticket for the \$336.4 million jackpot drawing of February 11, 2012.
- Sales and use tax 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. FY 2012, sales and use taxes also 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. FY 2012 sales and use tax cash collections also 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.
- FY 2012 financial institutions tax cash collections incorporate a transfer of \$725,000 from business corporations taxes for a FY 2011 posting error corrected for in January and March 2012.
- Inheritance taxes include \$4.8 million in cash receipts from a one time large payment.
- The hospital licensing fee generated \$10.7 million more through March 2012 than March 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. The FY 2012 licenses and fees component of departmental receipts were \$75,015 less 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.

- FY 2012 other miscellaneous revenues include the receipt of a \$2.0 million settlement from UBS and a \$3.3 million settlement from Wachovia. These payments are the result of court ordered settlements 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 \$566,679 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 March:

Revenue Source	Cash Flow Differences	YTD FY 2011	YTD FY 2012
Personal Income Tax	Powerball withholding payment	\$0	\$12,576,989
Business Corporations	One time receipts from taxpayers	\$25,059,178	\$0
Business Corporations	Misposting of prior year receipts	\$325,000	\$(725,00)
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	\$(325,000)	\$725,000
MV License and Fees	Driving record abstracts misposting	\$1,960,016	\$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	\$238,818	\$0
Departmental Receipts	Teacher certification restructuring	\$0	\$(75,015)
Departmental Receipts	FY 2010 "dish" payment	\$7,082,983	\$0
Departmental Receipts	Hospital licensing fee difference	\$0	\$10,685,996
Departmental Receipts	Attorney General settlement	\$0	\$508,053
Departmental Receipts	Imaging services surcharge receipts	\$0	\$923,651
Departmental Receipts	Driving record abstracts misposting	\$(1,960,016)	\$0

Revenue Source	Cash Flow Differences	YTD FY 2011	YTD FY 2012
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	\$566,679
Other Misc. Revenues	UBS settlement payment	\$0	\$1,951,166
Other Misc. Revenues	Wachovia settlement payment	\$0	\$3,271,648
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 March:

Total general revenues collected in March 2012 have increased by 8.7 percent as compared to March 2011 total general revenue collections. March 2012 total general revenues increased by \$26.7 million from March 2011 cash collections of \$307.3 million.

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

- In March 2011, business corporation taxes include \$2.2 million from a refund posted to the state accounting system in March but paid in February. Furthermore, March 2011 business corporations taxes include \$325,000 in receipts that should have been posted to financial institution taxes, these receipts were corrected for in January 2012 and March 2012. Additionally, motor vehicle licenses and fees cash receipts were higher by \$321,984 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 \$2,109 more for physician licenses due to the biennial periodicity of collections.
- In March 2012, personal income tax collections include \$12.6 million in withholding payments from the sale in Rhode Island of the winning Powerball ticket for the \$336.4 million jackpot drawing of February 11, 2012. Additionally, March 2012 incorporates a transfer of \$300,000 from business corporation taxes to financial institution taxes for a FY 2011 posting error corrected for in March 2012. The licenses and fees component of departmental receipts were \$93,570 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. Finally, \$428,292 was received in a settlement associated with the State's Medicaid program in March 2012.

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

Revenue Source	Cash Flow Differences	March FY 2011	March FY 2012
Personal Income Tax	Powerball withholding payment	\$0	\$12,576,989
Business Corporations	Posting of February refund in March	\$(2,215,378)	\$0
Business Corporations	Misposting of prior year receipts	\$325,000	\$(300,000)
Financial Institutions	Misposting of prior year receipts	\$(325,000)	\$300,000
MV License and Fees	Driving record abstracts misposting	\$321,984	\$0
Departmental Receipts	Driving record abstracts misposting	\$(321,984)	\$0
Departmental Receipts	Physician biennial fee	\$2,109	\$0
Departmental Receipts	Teacher certification restructuring	\$0	\$93,570
Other Misc. Revenues	Medicaid program settlement	\$0	\$428,292

Taxes and Departmental Receipts

March	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$1.961 Billion	\$2.029 Billion	\$ 67.9 Million	3.5 %
Month	\$277.9 Million	\$300.4 Million	\$ 22.5 Million	8.1 %

Fiscal Year-to-Date through March:

The Rhode Island Department of Revenue reports that FY 2012 taxes and departmental receipts collected through the first nine months of the fiscal year have increased by 3.5 percent as compared to FY 2011 cash collections for the comparable period a year ago. For the fiscal year-to-date period ending March, total taxes and departmental receipts were \$2.029 billion in FY 2012 as compared to \$1.961 billion for the same period last fiscal year, an increase of \$67.9 million.

Month of March:

March 2012 taxes and departmental receipts increased by \$22.5 million, or 8.1 percent compared to cash collections in March 2011. March 2012 taxes and departmental receipts totaled \$300.4 million compared to \$277.9 million in March 2011.

Other General Revenue Sources

March	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$238.1 Million	\$252.2 Million	\$ 14.2 Million	5.7 %
Month	\$ 29.4 Million	\$ 33.6 Million	\$ 4.3 Million	14.5 %

Fiscal Year-to-Date through March:

FY 2012 other general revenue sources collected through March of FY 2012 have increased by 5.7 percent as compared to cash collections through March 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 March, total other general revenue sources were \$252.2 million in FY 2012 as compared to \$238.1 million for the same period last year, an increase of \$14.2 million.

Month of March:

Other general revenue sources cash collections totaled \$33.6 million in March 2012 compared to \$29.4 million in March 2011, an increase of \$4.3 million. This increase translates into a growth rate of 14.5 percent.

Total Taxes

March	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$1.701 Billion	\$1.758 Billion	\$ 56.2 Million	3.3 %
Month	\$262.5 Million	\$285.0 Million	\$ 22.4 Million	8.5 %

Fiscal Year-to-Date through March:

Total tax revenues for the fiscal year-to-date period through March 2012 were \$1.758 billion, or 3.3 percent more than the \$1.701 billion in total tax cash collections through March 2011.

Month of March:

March 2012 total tax revenues of \$285.0 million increased by \$22.4 million or 8.5 percent compared to March 2011 cash collections of \$262.5 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 March totaled \$6.1 million vs. \$13.1 million in FY 2011, a decrease of 53.1 percent. March

2012 total historic structure tax credit redemptions/reimbursements for all taxes totaled \$4.1 million vs. the \$6.3 million in March 2011, a decrease of \$2.2 million.

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	March 2011	March 2012
Personal Income	\$ 5,970,541	\$ 994,369	\$ 156,409	\$ 610
Business Corporations	818,010	869,855	0	0
Financial Institutions	0	0	0	0
Insurance/Non-HMOs	705,258	323,151	496,802	124,977
Insurance/HMOs	5,619,604	3,958,906	5,619,604	3,958,906
Total	\$13,113,413	\$ 6,146,281	\$ 6,272,814	\$ 4,084,493

Personal Income Taxes

March	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$693.2 Million	\$737.3 Million	\$ 44.0 Million	6.4 %
Month	\$ 48.1 Million	\$ 66.5 Million	\$ 18.4 Million	38.2 %

Fiscal Year-to-Date through March:

Actual personal income tax cash collections for FY 2012 through the first nine months of the fiscal year were up \$44.0 million, or 6.4 percent, compared to the same period last fiscal year. Total personal income tax cash collections for FY 2012 through March were \$737.3 million vs. FY 2011 cash collections of \$693.2 million through March.

The FY 2012 year-to-date personal income tax cash collections include historic structures tax credit reimbursements through March of \$994,369 vs. \$6.0 million through March of FY 2011. FY 2012 year-to-date HSTC reimbursements for personal income taxes are \$5.0 million less than the same period in FY 2011, a decrease of 83.3 percent.

Month of March:

Personal income tax collections for March 2012 totaled \$66.5 million compared to March 2011 cash collections of \$48.1 million, a difference of \$18.4 million or 38.2 percent.

March 2012 cash collections include historic structures tax credit reimbursement of \$610 vs. \$156,409 for March 2011. March 2012 HSTC reimbursements for personal income taxes are 99.6 percent less than March 2011, a decrease of \$155,799.

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 March:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$107,843,913	\$130,473,766	\$ 22,629,853	21.0 %
Final Payments*	51,456,699	49,260,426	(2,196,273)	-4.3 %
Refunds/Adjustments	(167,617,327)	(178,559,287)	(10,941,961)	6.5 %
Withholding	701,542,629	736,083,882	34,541,253	4.9 %
* Final Payments include historic structures tax credit reimbursements of \$6.0 million in fiscal year-to-date 2011 and \$994,369 in fiscal year-to-date 2012.				

Within the components of personal income tax, FY 2012 estimated payments are up \$22.6 million or 21.0 percent on a fiscal year-to-date basis through March vs. the same period last fiscal year. Final payments are down \$2.2 million or 4.3 percent through the ninth month of FY 2012 relative to FY 2011 through the ninth month. Fiscal year-to-date FY 2012 final payments cash collections include \$994,369 in reimbursed historic structures tax credits vs. \$6.0 million in fiscal year-to-date FY 2011. Refunds and adjustments are greater by \$10.9 million in FY 2012 through March vs. FY 2011 through March. For the January through March period, 267,170 income tax refunds were paid in FY 2012 at an average of \$515.15. For the same period in FY 2011, the comparable figures are 252,620 and \$461.77. Finally, FY 2012 withholding tax cash collections through the ninth month of the fiscal year are more by \$34.5 million or 4.9 percent relative to FY 2011 withholding tax cash collections through the ninth month of the fiscal year. FY 2012 through March withholding tax payments include \$12.6 million of gambling withholding tax payments due to the winning ticket for the \$336.4 million Powerball jackpot being sold in Rhode Island.

Month of March:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$ 3,640,243	\$ 4,264,483	\$ 624,240	17.1 %
Final Payments*	13,631,949	15,024,850	1,392,901	10.2 %
Refunds/Adjustments	(57,883,282)	(55,237,172)	2,646,110	-4.6 %
Withholding	88,731,429	102,461,351	13,729,922	15.5 %
* Final Payments include historic structures tax credit reimbursements of \$156,409 in March 2011 and \$610 in March 2012.				

Within the components of personal income tax, estimated payments received in March 2012 are up \$624,240 or 17.1 percent compared to March 2011. Final payments are up \$1.4 million or 10.2 percent in March of FY 2012 relative to March of FY 2011. March 2012 final payments cash collections include \$610 in reimbursed historic structures tax credits vs. \$156,409 in March 2011. Refunds and adjustments are less by \$2.6 million in March 2012 vs. March 2011. In March 2012, 109,067 income tax refunds were paid at an average of \$506.40. For the same period in FY 2011, the comparable figures are 107,756 and \$508.46. Finally, March 2012 withholding tax cash collections are \$13.7 million, or 15.5 percent, more than March 2011 withholding tax cash collections. March 2012 withholding tax payments include \$12.6 million of gambling withholding tax payments due to the winning ticket for the \$336.4 million Powerball jackpot being sold in Rhode Island.

Sales and Use Taxes

March	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$612.8 Million	\$637.2 Million	\$ 24.4 Million	4.0 %
Month	\$ 59.0 Million	\$ 63.1 Million	\$ 4.0 Million	6.8 %

Fiscal Year-to-Date through March:

Actual sales and use tax cash collections for FY 2012 through March of the fiscal year were up \$24.4 million, or 4.0 percent, compared to the same period last fiscal year. Total sales and use tax cash collections for FY 2012 through March were \$637.2 million vs. FY 2011 cash collections of \$612.8 million through March.

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 March:

Sales and use tax cash collections in March 2012 were \$4.0 million, or 6.8 percent, greater than March 2011 cash collections. Sales and use tax cash collections totaled \$63.1 million in February 2012 vs. cash collections of \$59.0 million in March 2011.

In March 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 March:

Component	FY 2011	FY 2012	Difference	% Change
Net Taxation	\$540,377,342	\$563,084,224	\$22,706,882	4.2 %
Registry Receipts	61,121,446	63,357,751	2,236,305	3.7 %
Providence Place Mall	11,042,114	11,120,449	78,335	0.7 %

Within the sales tax components, registry receipts were up 3.7 percent or \$2.2 million through March 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 \$22.7 million or 4.2 percent during FY 2012's first nine months versus the first nine months of FY 2011. Providence Place Mall (PPM) sales tax receipts were 0.7 percent higher or \$78,335 through March of FY 2012 versus the same period in FY 2011.

Month of March:

Component	FY 2011	FY 2012	Difference	% Change
Net Taxation	\$ 49,855,223	\$ 53,537,314	\$ 3,682,091	7.4 %
Registry Receipts	8,181,911	8,144,189	(37,722)	-0.5 %
Providence Place Mall	1,049,340	1,283,075	233,735	22.3 %

Within the sales tax components, registry receipts were down 0.5 percent or \$37,722 in March 2012 when compared to March 2011. Net sales tax receipts remitted directly to the Division of Taxation posted an increase of \$3.7 million or 7.4 percent in March 2012 vs. March 2011. Providence Place Mall (PPM) sales tax receipts were 22.3 percent higher or \$233,735 in March 2012 versus March 2011.

General Business Taxes

March	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$221.3 Million	\$203.7 Million	\$(17.6 Million)	-8.0 %
Month	\$129.2 Million	\$133.7 Million	\$ 4.5 Million	3.5 %

In general, businesses with Rhode Island tax liabilities make estimated payments of their tax year liabilities in March and June of the fiscal year, with 40.0 percent of the estimated total tax liability due in March and 60.0 percent of the estimated total tax liability due in June. There is one exception to this payment pattern, namely the health care provider assessment, payments of which are made on a monthly basis. Business corporations, or corporate income, tax payments are also received more consistently over the course of the fiscal year due to the 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 March:

FY 2012 total general business taxes collected through March of the fiscal year were \$203.7 million or \$17.6 million less than the \$221.3 million collected for the same period in FY 2011. Year-to-date growth in FY 2012 is -8.0 percent.

The health care provider assessment through March 2012 was \$31.2 million, an increase of 3.0 percent over the same period in FY 2011. Through the first nine months of FY 2012, bank deposit taxes totaled \$903,479 or 2.8 percent higher than the \$879,271 in bank deposits taxes received in the first nine months of FY 2011. The insurance companies gross premiums tax is down \$3.6 million or -8.1 percent on a fiscal year-to-date basis. FY 2012 insurance companies gross premiums tax cash collections through March 2012 total \$41.3 million compared to collections of \$44.9 million in FY 2011 through March 2011. Year-to-date FY 2012 insurance companies gross premiums taxes include \$4.3 million in reimbursed Historic Structures Tax Credits a decrease of 32.3 percent from year-to-date FY 2011 reimbursed HSTCs of \$6.3 million. The financial institutions tax is up \$4.5 million on a fiscal year-to-date cash basis in FY 2012 vs. FY 2011 through March. Financial institutions tax collections totaled \$3.5 million through March 2012 vs. -\$1.0 million through March 2011. Public utilities gross earnings taxes are \$44.6 million through March 2012, a decrease of 7.2 percent from collections of \$48.1 million through March 2011.

Month of March:

Total general business taxes collected in March 2012 were \$133.7 million or \$4.5 million more than the \$129.2 million collected in March 2011. This translates into an increase of 3.5 percent in total general business taxes.

The health care provider assessment for March 2012 was \$3.4 million, a decrease of 1.6 percent over March 2011 cash collections. Bank deposit taxes received in March 2012 were \$681,454 compared to cash collections of \$715,430 of bank deposit taxes in March 2011 a decrease of 4.7 percent. The insurance companies gross premiums tax is \$1.3 million more in March 2012 vs. March 2011 an increase of 3.7 percent. March 2012 insurance companies gross premiums tax cash collections totaled \$37.7 million compared to collections of \$36.3 million in March 2011. Financial institutions taxes received in March 2012 totaled \$1.7 million compared to cash collections of \$190,249 in March 2011. March 2012 insurance companies gross premiums taxes include \$4.1 million in reimbursed Historic Structures Tax Credits a decrease of 33.2 percent from March 2011 reimbursed HSTCs of \$6.1 million. Public utilities gross earnings tax receipts were \$41.4 million in March 2012, a decrease of \$1.2 million from collections of \$42.5 million in March 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 March:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$ 41,383,743	\$51,783,920	\$ 10,400,177	25.1 %
Final Payments*	78,093,922	52,562,499	(25,531,422)	-32.7 %
Refunds/Adjustments	(20,740,954)	(21,476,529)	(735,575)	3.5 %
* 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 \$10.4 million or 25.1 percent through March of FY 2012 when compared to same period last fiscal year. Final payments posted a decrease of \$25.5 million or 32.7 percent during FY 2012's first nine months versus the first nine months of FY 2011. It should be noted that FY 2011 cash receipts for business corporations taxes include \$25.1 million in final payments that were accrued back to FY 2010. Refunds and adjustments were more by \$735,575 through March of FY 2012 versus the same period in FY 2011, an increase of 3.5 percent.

Month of March:

Component	FY 2011	FY 2012	Difference	% Change
Estimated Payments	\$ 15,837,166	\$ 19,857,908	\$ 4,020,742	25.4 %
Final Payments	33,100,905	30,450,615	(2,650,291)	-8.0 %
Refunds/Adjustments	(749,333)	(1,507,502)	(758,169)	101.2 %
* Final Payments include no historic structures tax credit reimbursements in March 2012 and no historic structures tax credit reimbursements in March 2011.				

Within the business corporations tax components, estimated payments were up \$4.0 million in March 2012 vs. March 2011 an increase of 25.4 percent. Final payments posted a decrease of \$2.7 million or -8.0 percent in March 2012 when compared to March 2011. Refunds and adjustments were greater by \$758,169 or 101.2 percent in March 2012 versus March 2011.

Excise Taxes Other Than the Sales and Use Tax

March	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$147.1 Million	\$143.5 Million	\$ (3.7 Million)	-2.5 %
Month	\$ 20.2 Million	\$19.4 Million	\$ (735,448)	-3.6 %

Fiscal Year-to-Date through March:

Excise taxes other than sales and use taxes collected in the fiscal year-to-date March 2012 period totaled \$143.5 million or \$3.7 million less than the \$147.1 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 -2.5 percent.

Motor vehicle operator license and registration fees cash collections are \$989,669 less in FY 2012 through March than in FY 2011 through March. This difference yields a fiscal year-to-date growth rate for motor vehicle operator licenses and registration fees cash collections of -2.8 percent. Motor carrier fuel use tax cash collections total \$633,188 in FY 2012 through March. This is an increase of 0.4 percent over FY 2011 cash collections through March of \$630,978. FY 2012 alcohol excise taxes through March 2012 are up 4.0 percent, or \$340,822, from the \$8.5 million collected in FY 2011 through March 2011.

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 nine months of FY 2012 were down \$3.0 million, or 2.9 percent compared to the first nine 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 3.0 percent through March of FY 2012 versus through March of FY 2011.

Month of March:

Excise taxes other than sales and use taxes collected in March 2012 period totaled \$19.4 million or \$735,448 less than the \$20.2 million collected in March 2011. This translates into a growth rate in excise taxes other than the sales and use tax -3.6 percent.

Motor vehicle operator license and registration fees cash collections totaled \$7.8 million, or \$12,789, less in March 2012 than in March 2011. Motor carrier fuel use tax cash collections total \$52,884 in March 2012. This is an increase of \$15,552 over March 2011 cash collections of \$37,332. Alcohol excise taxes in March 2012 are up 30.0 percent, or \$207,803, from the \$693,372 collected in March 2011.

Total cigarette tax receipts in March 2012 were down \$946,014, or 8.1 percent compared to March 2011. This translates into a decrease in Rhode Island cigarette sales of 8.3 percent in March 2012 versus March 2011.

Other Taxes

March	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$27.0 Million	\$36.1 Million	\$ 9.1 Million	33.7 %
Month	\$ 6.0 Million	\$ 2.3 Million	\$ (3.7 Million)	-62.3 %

Fiscal Year-to-Date through March:

Other taxes collected through March of FY 2012 totaled \$36.1 million versus \$27.0 million in other taxes collected during the same period last fiscal year, an increase of \$9.1 million, or 33.7 percent. Inheritance tax collections totaled \$30.5 million through March of FY 2012, an increase of \$9.3 million from the \$21.1 million collected through the first nine 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 March of FY 2012 were down 0.9 percent, or \$8,568, relative to the same period in FY 2011. Realty transfer taxes were down by 5.2 percent through March of FY 2012 versus through March of FY 2011, a decrease of \$252,850.

Month of March:

Other taxes collected in March 2012 totaled \$2.3 million versus \$6.0 million in other taxes collected in March 2011, a decrease of \$3.7 million. Inheritance tax collections totaled \$1.8 million in March 2012, a decrease of \$3.7 million from March 2011 cash collections. Racing and athletics tax collections in March 2012 were down \$19,939 relative to March 2011. Realty transfer taxes were up by \$27,464 in March 2012 versus the \$328,814 collected in March 2011.

Total Departmental Receipts

March	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$259.9 Million	\$271.5 Million	\$11.6 Million	4.5 %
Month	\$ 15.4 Million	\$ 15.4 Million	\$ 68,608	0.4 %

Fiscal Year-to-Date through March:

FY 2012 year-to-date departmental receipts total \$271.5 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 4.5 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 \$13.9 million more than FY 2011 through March 2011. The FY 2011 Hospital Licensing Fee which was due and payable in July of FY 2012 has totaled \$134.1 million or \$10.7 million more than was received in FY 2011 for the FY 2010 hospital licensing fee. Fines and penalties are up 3.4 percent through the first nine months of FY 2012 versus the first nine months of FY 2011, or \$668,117 more than fiscal year-to-date cash collections through March 2011. In the sales and services category of departmental receipts, FY 2012 year-to-date growth is -53.2 percent from FY 2011 cash collections of \$13.6 million through March 2011. The \$7.2 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 \$4.2 million, or 29.9 percent, through March of FY 2012 versus the comparable period of FY 2011. Of this total difference, \$3.3 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 March include the estate filing fee; up \$75,500, the letter of good standing fee; up \$89,300, 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 \$53,381 through March and a non-sufficient funds check fee implemented at the Division of Motor Vehicles which has collected \$16,110 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 March:

Departmental receipts total \$15.4 million, an increase of \$68,068 from the amount that was collected in March 2011. Actual departmental receipts for March 2012 were up 0.4 percent when compared to March 2011. March 2012 growth in the licenses and fees category of departmental receipts is 5.4 percent or \$613,661 more than cash receipts in March 2011. Fines and penalties were up 21.2 percent, or \$365,277, in March 2012 versus March 2011. In the sales and services category of departmental receipts, March 2012 cash collections were \$331,901 less

or -42.2 percent than March 2011 cash collections of \$785,981. Finally, miscellaneous departmental receipts totaled \$956,820 or \$578,969 less in March 2012 vs. March 2011.

The fees affected by the enacted FY 2012 budget include the estate filing fee for which collections increased by \$10,850 in March 2012, the letter of good standing fee for which collections increased by \$4,350 in March 2012 versus March 2011, and the license fee for securities brokers and advisors which was down \$34,645 from March 2011 cash receipts of \$156,710. Similarly the new fees implemented by the enacted FY 2012 budget had revenues of \$12,210 in background checks completed by the Department of Children, Youth and Families and \$2,275 for the returned check fee implemented at the Division of Motor Vehicles for the month of March 2012.

Motor Fuel Tax, Per Penny Yield

March	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$3,161,413	\$3,162,853	\$1,440	0.0 %
Month	\$ 302,993	\$ 310,993	\$8,000	2.6 %

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 March:

The per penny yield of the state's motor fuel tax is \$1,440 more in FY 2012 through March than in FY 2011 through March.

Month of March:

The per penny yield of the state's motor fuel tax totaled \$310,993 in March 2012, an increase of \$8,000, or 2.6 percent from March 2011 monthly cash collections of \$302,993

Other Miscellaneous Revenues

March	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$ 9.4 Million	\$ 6.1 Million	\$(3.3 Million)	-35.3 %
Month	\$ 212,455	\$ 419,077	\$ 206,822	97.4 %

Fiscal Year-to-Date through March:

Other miscellaneous revenues were down 35.3 percent in FY 2012 through March when compared to the same period one year ago. FY 2012 year-to-date collections total \$6.1 million compared to \$9.4 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, \$566,679 was received in a settlement associated with the State's Medicaid program in September 2011 and March 2012.

Month of March:

March 2012 cash collections for other miscellaneous revenues were up \$206,822 compared to March 2011 cash collections of \$212,255. Finally, \$428,292 was received in a settlement associated with the State's Medicaid program in March 2012.

Lottery Transfer

March	FY 2011	FY 2012	Difference	% Change
Fiscal YTD	\$228.7 Million	\$246.2 Million	\$17.5 Million	7.6 %
Month	\$ 29.2 Million	\$ 33.2 Million	\$ 4.0 Million	13.9 %

Fiscal Year-to-Date through March:

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 7.6 percent in FY 2012 through March when compared to FY 2011 through March. FY 2012 year-to-date collections totaled \$246.2 million or \$17.5 million more than cash collections through the ninth month of FY 2011.

Month of March:

March 2012 cash collections for the lottery transfer are up \$4.0 million compared to March 2011 cash collections of \$29.2 million. The lottery transfer is up 13.9 percent in March 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 March:

Component	FY 2011	FY 2012	Difference	% Change
Traditional Games	\$ 24,203,986	\$ 24,891,858	\$ 687,872	2.8%
Keno	11,128,688	11,810,549	681,861	6.1 %
Twin River VLTs	171,033,210	187,522,356	16,489,146	9.6 %
Newport Grand VLTs	20,537,794	20,720,645	182,851	0.9 %

Within the lottery transfer components, traditional games were more by \$687,872 or 2.8 percent through the ninth month of FY 2012 when compared to same period last fiscal year. Keno cash collections posted an increase of \$681,861 or 6.1 percent during FY 2012's period through March versus the comparable period of FY 2011. The transfer from Twin River's video lottery terminals (VLTs) totaled \$187.5 million through March of FY 2012 an increase of \$16.5 million, or 9.6 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 \$20.7 million versus the \$20.5 million collected through March of FY 2011. This translates into an increase of \$182,851, or 0.9 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.

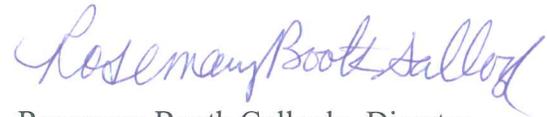
Month of March:

Component	FY 2011	FY 2012	Difference	% Change
Traditional Games	\$ 2,696,364	\$ 3,827,063	\$ 1,130,699	41.9 %
Keno	1,422,774	1,554,955	132,181	9.3 %
Twin River VLTs	22,725,436	25,310,544	2,585,108	11.4 %
Newport Grand VLTs	2,428,985	2,690,744	261,759	10.8 %

Within the lottery transfer components, traditional games were up by \$1.1 million or 41.9 percent in March of FY 2012 when compared to same month last fiscal year. Keno cash collections posted an increase of \$132,181 or 9.3 percent in March 2012 versus March 2011. The transfer from Twin River's video lottery terminals (VLTs) totaled \$25.3 million in March of FY 2012, an increase of \$2.6 million, or 11.4 percent, for the comparable month a year ago. The FY 2012 March monthly transfer from Newport Grand's VLTs totaled \$2.7 million. This translates into an increase of 10.8 percent, or \$261,759, when compared to collections in March 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

April 6, 2012

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Fiscal Year To Date

	FY 2011 YTD March	FY 2012 YTD March	Nominal Difference	Change
<u>Personal Income Tax</u>	693,225,914	737,258,786	44,032,872	6.4%
<u>General Business Taxes</u>				
Business Corporations	98,113,294	82,164,869	(15,948,425)	-16.3%
Public Utilities Gross Earnings	48,119,578	44,640,726	(3,478,852)	-7.2%
Financial Institutions	(1,041,361)	3,450,582	4,491,943	-431.4%
Insurance Companies	44,924,303	41,305,559	(3,618,744)	-8.1%
Bank Deposits	879,271	903,479	24,208	2.8%
Health Care Provider Assessment	30,316,414	31,232,996	916,582	3.0%
<u>Excise Taxes</u>				
Sales and Use	612,785,633	637,171,331	24,385,698	4.0%
Motor Vehicle	35,474,694	34,485,025	(989,669)	-2.8%
Motor Carrier Fuel Use	630,978	633,188	2,210	0.4%
Cigarettes	102,498,366	99,494,046	(3,004,320)	-2.9%
Alcohol	8,504,306	8,845,128	340,822	4.0%
Controlled Substances	-	-	-	-
<u>Other Taxes</u>				
Inheritance and Gift	21,140,790	30,485,374	9,344,584	44.2%
Racing and Athletics	954,821	946,253	(8,568)	-0.9%
Realty Transfer	4,885,772	4,632,922	(252,850)	-5.2%
Total Taxes	\$ 1,701,412,773	\$ 1,757,650,264	\$ 56,237,491	3.3%
<u>Departmental Receipts</u>				
Licenses and Fees	212,353,814	226,295,600	13,941,786	6.6%
Fines and Penalties	19,796,526	20,464,643	668,117	3.4%
Sales and Services	13,565,005	6,350,490	(7,214,515)	-53.2%
Miscellaneous	14,149,634	18,375,069	4,225,435	29.9%
Total Departmental Receipts	\$ 259,864,979	\$ 271,485,802	\$ 11,620,823	4.5%
Taxes and Departmentals	\$ 1,961,277,752	\$ 2,029,136,066	\$ 67,858,314	3.5%
<u>Other General Revenue Sources</u>				
Gas Tax Transfer	-	-	-	-
Other Miscellaneous Revenues	9,398,599	6,077,413	(3,321,186)	-35.3%
Lottery Transfer	228,688,246	246,164,933	17,476,687	7.6%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 238,086,845	\$ 252,242,346	\$ 14,155,501	5.9%
Total General Revenues	\$ 2,199,364,597	\$ 2,281,378,412	\$ 82,013,815	3.7%

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Month of March

	FY 2011 March	FY 2012 March	Nominal Difference	% Change
<u>Personal Income Tax</u>	48,120,339	66,513,512	18,393,173	38.2%
<u>General Business Taxes</u>				
Business Corporations	45,978,001	48,813,283	2,835,282	6.2%
Public Utilities Gross Earnings	42,510,945	41,358,798	(1,152,147)	-2.7%
Financial Institutions	190,249	1,745,835	1,555,586	817.7%
Insurance Companies	36,323,919	37,673,890	1,349,971	3.7%
Bank Deposits	715,430	681,454	(33,976)	-4.7%
Health Care Provider Assessment	3,486,105	3,430,692	(55,413)	-1.6%
<u>Excise Taxes</u>				
Sales and Use	59,043,455	63,056,055	4,012,600	6.8%
Motor Vehicle	7,803,372	7,790,583	(12,789)	-0.2%
Motor Carrier Fuel Use	37,332	52,884	15,552	41.7%
Cigarettes	11,622,586	10,676,572	(946,014)	-8.1%
Alcohol	693,372	901,175	207,803	30.0%
Controlled Substances	-	-	-	-
<u>Other Taxes</u>				
Inheritance and Gift	5,545,248	1,796,956	(3,748,292)	-67.6%
Racing and Athletics	129,404	109,465	(19,939)	-15.4%
Realty Transfer	328,814	356,278	27,464	8.4%
Total Taxes	\$ 262,528,571	\$ 284,957,432	\$ 22,428,861	8.5%
<u>Departmental Receipts</u>				
Licenses and Fees	11,326,540	11,940,201	613,661	5.4%
Fines and Penalties	1,719,803	2,085,080	365,277	21.2%
Sales and Services	785,981	454,080	(331,901)	-42.2%
Miscellaneous	1,535,789	956,820	(578,969)	-37.7%
Total Departmental Receipts	\$ 15,368,113	\$ 15,436,181	\$ 68,068	0.4%
Taxes and Departmentals	\$ 277,896,684	\$ 300,393,613	\$ 22,496,929	8.1%
<u>Other General Revenue Sources</u>				
Gas Tax Transfer	-	-	-	-
Other Miscellaneous Revenues	212,255	419,077	206,822	97.4%
Lottery Transfer	29,151,394	33,197,207	4,045,813	13.9%
Unclaimed Property	-	-	-	-
Total Other Sources	\$ 29,363,649	\$ 33,616,284	\$ 4,252,635	14.5%
Total General Revenues	\$ 307,260,333	\$ 334,009,897	\$ 26,749,564	8.7%