

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
GOVERNOR LINCOLN D. CHAFEE



DEPARTMENT OF REVENUE
Office of Revenue Analysis

Cash Collections Report November 2012 Summary

Fiscal Year-to-Date through November:

FY 2013 total general revenue cash collections through November were \$1.298 billion, up \$27.6 million, or 2.2 percent, from the same period in FY 2012. The breakdown by major revenue components is as follows:

| Component | FY 2012 | FY 2013* | Difference | % Change |
|--|-------------------------|-------------------------|----------------------|--------------|
| Personal Income Tax | \$ 423,079,146 | \$ 425,364,699 | \$ 2,285,553 | 0.5 % |
| Sales and Use Taxes | 370,615,588 | 381,932,357 | 11,316,769 | 3.1 % |
| Departmental Receipts | 203,533,392 | 201,533,320 | (2,000,072) | -1.0 % |
| Lottery Transfer | 125,080,994 | 129,007,472 | 3,926,478 | 3.1 % |
| All Other Revenues | 147,656,568 | 159,738,774 | 12,082,206 | 8.2 % |
| Total General Revenues | \$ 1,269,965,688 | \$ 1,297,576,622 | \$ 27,610,934 | 2.2 % |
| * FY 2013 figures include \$17.2 million received under the 2012 Tax Amnesty program. Net of FY 2013 tax amnesty receipts, the growth rate is 0.8 percent. | | | | |

Month of November:

November 2012 total general revenue cash collections were \$230.3 million, up \$12.8 million, or 5.9 percent, from November 2011. The breakdown by major revenue components is as follows:

| Component | FY 2012 | FY 2013* | Difference | % Change |
|---|-----------------------|-----------------------|----------------------|--------------|
| Personal Income Tax | \$ 75,504,889 | \$ 79,907,892 | \$ 4,403,003 | 5.8 % |
| Sales and Use Taxes | 70,660,040 | 75,260,905 | 4,600,865 | 6.5 % |
| Departmental Receipts | 15,029,348 | 16,999,160 | 1,969,812 | 13.1 % |
| Lottery Transfer | 30,029,966 | 33,099,564 | 3,069,598 | 10.2 % |
| All Other Revenues | 26,198,437 | 24,983,703 | (1,214,734) | -4.6 % |
| Total General Revenues | \$ 217,422,680 | \$ 230,251,224 | \$ 12,828,544 | 5.9 % |
| * FY 2013 figures include \$9.3 million received under the 2012 Tax Amnesty program. Net of November 2012 tax amnesty receipts, the growth rate is 1.6 percent. | | | | |

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State of Rhode Island Cash Collections Report
November 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

| November | FY 2012 | FY 2013 | Difference | % Change |
|-----------------|-----------------|-----------------|-------------------|-----------------|
| Fiscal YTD | \$1.270 Billion | \$1.298 Billion | \$ 27.6 Million | 2.2 % |
| Month | \$217.4 Million | \$230.3 Million | \$ 12.8 Million | 5.9 % |

Fiscal Year-to-Date through November:

The Rhode Island Department of Revenue reports that in fiscal year 2013 total general revenues collected increased by 2.2 percent through November compared to total general revenues collected through November of FY 2012. Total general revenues in FY 2013 through November were \$1.298 billion compared to \$1.270 billion for the same period last year, an increase of \$27.6 million.

The following cash flow differences between FY 2012 and FY 2013 should be noted:

FY 2012

- Sales and use tax cash collections in October 2011 include \$2.1 million, received as a result of an audit of prior year sales activity, and \$1.1 million, received as a result of posting a separate top 100 list of business tax delinquents. Of the \$2.1 million received from the audit, \$1.3 million was unpaid sales and use tax and \$778,203 was interest on the late payments. Similarly, of the \$1.1 million generated by the top 100 business tax

delinquents list, \$424,642 was unpaid sales tax, \$649,530 was interest charges, and \$33,672 was a penalty on the late payment. The interest and penalty on the late payments was transferred to departmental receipts in January 2012.

- A large payment of \$4.8 million was received in November 2011 for inheritance taxes.
- The licenses and fees component of departmental receipts include \$923,651 from imaging service surcharge fees collected in August 2011 and October 2011 due to an audit recovery for the payment of bills for prior fiscal years.
- Miscellaneous revenues within departmental receipts include \$508,053 that was received in July 2011 as a result of a settlement agreement between the Office of the Attorney General and a major pharmaceutical manufacturer.
- Other miscellaneous revenues include \$138,387 received in September 2011 due to a settlement associated with the State's Medicaid program.
- Other miscellaneous revenues include a \$2.0 million transfer from the Tobacco Settlement Financing Corporation (TSFC) received in August 2011. 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 TSFC.
- The October 2011 lottery transfer includes \$2.7 million that was accrued back to FY 2011.

FY 2013

- In FY 2013, the Division of Taxation collected a total of \$17.2 million through the 2012 tax amnesty program, which ran from September 2, 2012 through November 15, 2012. The program allowed taxpayers to pay overdue taxes without penalty and with a 25.0 percent reduction in interest owed.

Interest owed on overdue taxes collected for personal income taxes, business corporations taxes, inheritance taxes, and sales and use taxes is transferred to the fines and penalties component of departmental receipts in October, January, April and June of the fiscal year. Interest on overdue taxes collected in September of \$749,312 was transferred to departmental receipts in October. The interest owed on overdue taxes collected in October through December will be transferred to departmental receipts in January 2013. Interest owed on overdue taxes collected for all other tax types is not transferred to departmental receipts and is reported with the tax collected.

The following table provides the break down of taxes and interest owed on overdue taxes collected by tax type through November of FY 2013 through the tax amnesty program.

| Tax Type | Fiscal YTD Taxes Collected | Fiscal YTD Interest Collected |
|---------------------------------------|---------------------------------------|--|
| Personal Income Taxes Final Payments | \$ 4,092,745 | \$ 1,427,915* |
| Personal Income Taxes Withholdings | 239,142 | 72,125* |
| Business Corporation Taxes | 1,191,392 | 423,843* |
| Public Utilities Gross Earnings Taxes | 3,137,975 | 1,486,312 |
| Financial Institutions Taxes | 106,096 | 22,651 |

| Tax Type | Fiscal YTD Taxes Collected | Fiscal YTD Interest Collected |
|--|---------------------------------------|--|
| Insurance Companies Gross Premiums Taxes | 3,638 | 15,817 |
| Health Care Provider Assessment | 17,871 | 2,002 |
| Sales and Use Taxes | 2,320,492 | 1,009,485* |
| Motor Carrier Fuel Use Taxes | 806 | 416 |
| Cigarette Excise Taxes | 40,853 | 26,181 |
| Inheritance Taxes | 301,140 | 251,794* |
| Imaging Service Surcharge | 59,724 | 15,003 |
| E-911 Prepaid Wireless Fees | -- | 8 |
| E-911 Wireless Surcharge | 31,473 | 4,614 |
| Hard to Dispose | 57,118 | 21,115 |
| Litter Control Participation Permit Fees | -- | 7 |
| Hotel Taxes – State share | 3,075 | 1,886 |
| Interest transferred to Departmental Receipts | n/a | 749,312 |
| TOTAL TAXES AND INTEREST | \$ 11,603,540 | \$ 5,530,486 |
| Meals and Beverage – Pass-through^ | 11,906 | 6,803 |
| Hotel Taxes (less State’s share) – Pass-through^ | 14,499 | 8,892 |
| Gas Taxes^ | 1,790 | 718 |
| Payroll Taxes^ | 10,114 | 1,484 |
| * Fiscal year-to-date Interest Collected will be transferred to departmental receipts in January 2013. | | |
| ^ Taxes and interest owed on overdue taxes that are not deposited into the State’s general revenues. | | |

- Insurance companies gross premiums tax cash collections include \$1.7 million transferred from escrow to the State of Rhode Island in July 2012 for the settlement of an outstanding tax liability.
- Effective July 1, 2012, the cigarette excise tax rate increased by \$0.04 per pack of 20 cigarettes. As a result, fiscal year-to-date cigarette excise tax cash collections through November include \$140,829, due to the imposition of the higher rate of tax on the stock of cigarettes held by wholesalers and dealers at midnight on July 1, 2012.
- In the fiscal year-to-date period through November, the hospital licensing fee has generated \$8.2 million less than FY 2012 through November. This decrease is partially attributable to two taxpayers, currently in receivership, not paying the fee as prescribed by law. In addition, the hospital licensing fee rate decreased from 5.465 percent of hospital FY 2009 net patient revenues to 5.430 percent of hospital FY 2010 net patient revenues.
- The licenses and fees component of departmental receipts is \$804,990 greater in FY 2013 for teacher certification fees collected 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 fines and penalties component of departmental receipts include a life insurance settlement of \$246,136 received in August 2012.
- The miscellaneous revenues component of departmental receipts includes \$1.0 million received in July 2012 and \$2.4 million received in November 2012 to settle claims against pharmaceutical manufactures brought by the Office of the Attorney General.
- Other miscellaneous revenues include \$2.2 million received in August 2012 and \$1.3 million received in October 2012 to settle claims filed against pharmaceutical manufacturers through the State's Medicaid program.
- The November lottery transfer includes receipts of \$2.5 million that were accrued back to FY 2012.

The following table displays the differences in cash flows for FY 2012 through November and FY 2013 through November.

| Revenue Source | Cash Flow Differences | YTD FY 2012 | YTD FY 2013 |
|------------------------|---|------------------------|------------------------|
| Personal Income Taxes | 2012 Tax Amnesty Program [^] | \$0 | \$5,831,927 |
| Business Corp. Taxes | 2012 Tax Amnesty Program | \$0 | \$1,615,234 |
| Public Utilities | 2012 Tax Amnesty Program | \$0 | \$4,624,287 |
| Financial Institutions | 2012 Tax Amnesty Program | \$0 | \$128,747 |
| Insurance Companies | Insurance Settlements | \$0 | \$1,722,000 |
| Insurance Companies | 2012 Tax Amnesty Program | \$0 | \$19,455 |
| Health Care Provider | 2012 Tax Amnesty Program | \$0 | \$19,873 |
| Sales and Use Taxes | One time audit payment | \$2,092,342 | \$0 |
| Sales and Use Taxes | Payment of delinquent taxes | \$1,110,743 | \$0 |
| Sale and Use Taxes | 2012 Tax Amnesty Program | \$0 | \$3,329,977 |
| Motor Fuel Taxes | 2012 Tax Amnesty Program | \$0 | \$1,223 |
| Cigarette Excise Taxes | Cigarette Floor Stock | \$0 | \$140,829 |
| Cigarette Excise Taxes | 2012 Tax Amnesty Program | \$0 | \$67,034 |
| Inheritance and Gift | Large payment | \$4,750,597 | \$0 |
| Inheritance and Gift | 2012 Tax Amnesty Program | \$0 | \$552,934 |
| Departmental Receipts | Imaging service surcharge receipts | \$923,651 | \$0 |
| Departmental Receipts | 2012 Tax Amnesty – Imaging Surcharge | \$0 | \$74,727 |
| Departmental Receipts | Hospital licensing fee difference | \$0 | \$(8,225,267) |
| Departmental Receipts | Teacher certification fee restructuring | \$0 | \$804,990 |
| Departmental Receipts | DBR Insurance settlement | \$0 | \$246,136 |
| Departmental Receipts | 2012 Tax Amnesty – Wireless Surcharge | \$0 | \$36,086 |
| Departmental Receipts | 2012 Tax Amnesty – Hard to Dispose | \$0 | \$78,233 |

| Revenue Source | Cash Flow Differences | YTD FY 2012 | YTD FY 2013 |
|-----------------------|-----------------------------------|------------------------|------------------------|
| Departmental Receipts | 2012 Tax Amnesty – Hotel Taxes | \$0 | \$4,962 |
| Departmental Receipts | 2012 Tax Amnesty –Interest Owed | \$0 | \$749,312 |
| Departmental Receipts | AG Pharmaceutical settlements | \$508,053 | \$3,429,876 |
| Other Misc. Revenues | TSFC general fund transfer | \$1,951,166 | \$0 |
| Other Misc. Revenues | Medicaid settlements | \$138,387 | \$3,476,838 |
| Lottery Transfer | Cash accrued to prior fiscal year | \$2,731,761 | \$2,533,343 |

^ Personal Income Taxes 2012 Tax Amnesty program revenues consist of both the final payment and withholding components.

Month of November:

Total general revenues collected in November 2012 increased by 5.9 percent compared to November 2011 total general revenues. November 2012 total general revenues were \$230.3 million compared to \$217.4 million collected in November 2011, an increase of \$12.8 million.

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

- In November 2011, inheritance tax cash collections included a large payment of \$4.8 million.
- In November 2012, the Division of Taxation collected a total of \$9.3 million from the 2012 tax amnesty program, which ran from September 2, 2012 through November 15, 2012. The program allowed taxpayers to pay overdue taxes without penalty and with a 25.0 percent reduction in interest owed.

The following table provides the break down of taxes and interest owed on overdue taxes collected by tax type in November 2012 through the tax amnesty program.

| Tax Type | November Taxes Collected | November Interest Collected |
|--|-------------------------------------|--|
| Personal Income Taxes Final Payments | \$ 2,566,880 | \$ 1,053,144* |
| Personal Income Taxes Withholdings | 196,739 | 54,680* |
| Business Corporation Taxes | 213,226 | 239,792* |
| Public Utilities Gross Earnings Taxes | 888,772 | 485,604 |
| Financial Institutions Taxes | 106,096 | 22,651 |
| Insurance Companies Gross Premiums Taxes | 3,117 | 15,736 |
| Health Care Provider Assessment | -- | -- |
| Sales and Use Taxes | 1,902,140 | 898,755* |
| Motor Carrier Fuel Use Taxes | -- | -- |
| Cigarette Excise Taxes | 12,064 | 7,178 |

| Tax Type | November Taxes Collected | November Interest Collected |
|--|-------------------------------------|--|
| Inheritance Taxes | 216,068 | 233,872* |
| Imaging Service Surcharge | 59,724 | 15,003 |
| E-911 Prepaid Wireless Fees | -- | -- |
| E-911 Wireless Surcharge | 31,473 | 4,614 |
| Hard to Dispose | 57,118 | 21,115 |
| Litter Control Participation Permit Fees | -- | -- |
| Hotel Taxes – State share | 3,007 | 1,883 |
| Interest transferred to Departmental Receipts | -- | -- |
| TOTAL TAXES AND INTEREST | \$ 6,256,424 | \$ 3,054,027 |
| Meals and Beverage – Pass-through^ | 10,273 | 5,701 |
| Hotel Taxes (less State’s share) – Pass-through^ | 14,177 | 8,879 |
| Gas Taxes^ | 1,790 | 718 |
| Payroll Taxes^ | 10,114 | 1,484 |
| * Interest Collected in November 2012 is transferred to departmental receipts in January 2013. | | |
| ^ Taxes and interest owed on overdue taxes that are not deposited into the State’s general revenues. | | |

- The licenses and fees component of departmental receipts include \$474,540 of securities registration fees that were collected in October 2012, but were not posted until November 2012.
- Other miscellaneous revenues collected in November 2012 include \$2.4 million as part of a settlement to resolve a multi-state consumer protection lawsuit filed against a major pharmaceutical manufacturer.
- The November 2012 lottery transfer includes \$2.5 million of cash receipts that were accrued to FY 2012. The November 2012 lottery transfer was reduced by \$100,000 to correct for the overpayment in the prior month’s transfer.

The following table displays the differences in cash flows for November 2011 and November 2012.

| Revenue Source | Cash Flow Differences | November FY 2012 | November FY 2013 |
|------------------------|------------------------------|-----------------------------|-----------------------------|
| Personal Income Taxes | 2012 Tax Amnesty Program^ | \$0 | \$3,871,443 |
| Business Corp. Taxes | 2012 Tax Amnesty Program | \$0 | \$453,017 |
| Public Utilities | 2012 Tax Amnesty Program | \$0 | \$1,374,377 |
| Financial Institutions | 2012 Tax Amnesty Program | \$0 | \$128,747 |
| Insurance Companies | 2012 Tax Amnesty Program | \$0 | \$18,852 |
| Sales and Use Taxes | 2012 Tax Amnesty Program | \$0 | \$2,800,895 |

| Revenue Source | Cash Flow Differences | November FY 2012 | November FY 2013 |
|---|--|-----------------------------|-----------------------------|
| Motor Fuel Taxes | 2012 Tax Amnesty Program | \$0 | \$2,508 |
| Cigarette Excise Taxes | 2012 Tax Amnesty Program | \$0 | \$19,242 |
| Inheritance and Gift | Large payment | \$4,750,597 | \$0 |
| Inheritance and Gift | 2012 Tax Amnesty Program | \$0 | \$449,940 |
| Departmental Receipts | 2012 Tax Amnesty – Imaging Surcharge | \$0 | \$74,727 |
| Departmental Receipts | 2012 Tax Amnesty – Wireless Surcharge | \$0 | \$36,086 |
| Departmental Receipts | 2012 Tax Amnesty – Hard to Dispose | \$0 | \$78,233 |
| Departmental Receipts | 2012 Tax Amnesty - Hotel Taxes | \$0 | \$4,891 |
| Departmental Receipts | DBR posted fees collected in prior month | \$0 | \$474,540 |
| Departmental Receipts | Pharmaceutical settlement | \$0 | \$2,403,325 |
| Lottery Transfer | Cash accrued to prior fiscal year | \$0 | \$2,533,343 |
| Lottery Transfer | Adjustment for overpayment | \$0 | \$(100,000) |
| ^ Personal Income Taxes 2012 Tax Amnesty program revenues consist of both the final payment and withholding components. | | | |

Taxes and Departmental Receipts

| November | FY 2012 | FY 2013 | Difference | % Change |
|-----------------|-----------------|-----------------|-------------------|-----------------|
| Fiscal YTD | \$1.143 Billion | \$1.165 Billion | \$ 22.1 Million | 1.9 % |
| Month | \$187.4 Million | \$197.1 Million | \$ 9.7 Million | 5.2 % |

Fiscal Year-to-Date through November:

Taxes and departmental receipts collected in FY 2013 increased by 1.9 percent through November compared to taxes and departmental receipts collected for the comparable period in FY 2012. FY 2013 taxes and departmental receipts through November were \$1.165 billion compared to \$1.143 billion for the same period last fiscal year, an increase of \$22.1 million.

Month of November:

Taxes and departmental receipts collected in November 2012 increased by 5.2 percent compared to taxes and departmental receipts collected in November 2011. November 2012 taxes and departmental receipts were \$197.1 million compared to \$187.4 million collected in November 2011, an increase of \$9.7 million.

Other General Revenue Sources

| November | FY 2012 | FY 2013 | Difference | % Change |
|-----------------|-----------------|-----------------|-------------------|-----------------|
| Fiscal YTD | \$127.4 Million | \$132.8 Million | \$ 5.5 Million | 4.3 % |
| Month | \$ 30.1 Million | \$ 33.2 Million | \$ 3.1 Million | 10.4 % |

Fiscal Year-to-Date through November:

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. FY 2013 other general revenue sources cash collections increased by 4.3 percent through November compared to cash collections through November of FY 2012. Other general revenue sources cash collections in FY 2013 were \$132.8 million through November, an increase of \$5.5 million compared to the \$127.4 million collected for the same period last year.

Month of November:

November 2012 other general revenue sources cash collections were up 10.4 percent compared to cash collections in November 2011. Other general revenue sources collected in November 2012 were \$33.2 million compared to \$30.1 million collected in November 2011, an increase of \$3.1 million.

Total Taxes

| November | FY 2012 | FY 2013 | Difference | % Change |
|-----------------|-----------------|-----------------|-------------------|-----------------|
| Fiscal YTD | \$939.1 Million | \$963.2 Million | \$ 24.1 Million | 2.6 % |
| Month | \$172.3 Million | \$180.1 Million | \$ 7.7 Million | 4.5 % |

Fiscal Year-to-Date through November:

Total taxes collected in FY 2013 increased by 2.6 percent through November compared to total taxes collected for the comparable period in FY 2012. FY 2013 total taxes cash collections were \$963.2 million through November compared to \$939.1 million for the same period last fiscal year, an increase of \$24.1 million.

Month of November:

Total taxes collected in November 2012 increased by 4.5 percent compared to total taxes collected in November 2011. November 2012 total taxes cash collections were \$180.1 million compared to \$172.3 million collected in November 2011, an increase of \$7.7 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).

FY 2013 total historic structure tax credit redemptions/reimbursements for all taxes through November totaled \$7.2 million versus \$1.2 million in FY 2012 through November, an increase of 480.3 percent.

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

| Tax Type | Year-to-Date | | Monthly | |
|------------------------|---------------------|---------------------|-------------------|---------------------|
| | FY 2012 | FY 2013 | November 2011 | November 2012 |
| Personal Income | \$ 878,917 | \$ 2,151,801 | \$ 640,046 | \$ 1,714,016 |
| Business Corporations | 369,855 | 0 | 0 | 0 |
| Financial Institutions | 0 | 5,094,709 | 0 | 0 |
| Insurance/Non-HMOs | 0 | 0 | 0 | 0 |
| Insurance/HMOs | 0 | 0 | 0 | 0 |
| Total | \$ 1,248,772 | \$ 7,246,510 | \$ 640,046 | \$ 1,714,016 |

Personal Income Taxes

| November | FY 2012 | FY 2013 | Difference | % Change |
|------------|-----------------|-----------------|----------------|----------|
| Fiscal YTD | \$423.1 Million | \$425.4 Million | \$ 2.3 Million | 0.5 % |
| Month | \$ 75.5 Million | \$ 79.9 Million | \$ 4.4 Million | 5.8 % |

Fiscal Year-to-Date through November:

Personal income tax cash collections in FY 2013 through November were up 0.5 percent compared to the same period last fiscal year. Personal income tax receipts through November of FY 2013 were \$425.4 million compared to \$423.1 million collected through November of FY 2012, an increase of \$2.3 million.

The 2012 tax amnesty program allows taxpayers to pay the full amount of overdue personal income taxes without penalty and with a 25.0 percent reduction in interest owed. Year-to-date personal income tax receipts include tax amnesty payments of \$4.3 million in overdue taxes and \$1.5 million in interest owed on overdue taxes. The interest owed on overdue taxes collected in October through December will be transferred to departmental receipts in January 2013.

FY 2013 year-to-date historic structures tax credit reimbursements for personal income taxes increased by 144.8 percent compared to the same period in FY 2012. The FY 2013 year-to-date personal income tax cash collections through November include HSTC reimbursements of \$2.2 million compared to the \$878,917 in HSTC reimbursements through November of FY 2012, an increase of \$1.3 million.

Month of November:

November 2012 personal income tax cash collections were up 5.8 percent compared to cash collections in November 2011. Personal income taxes collected in November 2012 were \$79.9 million compared to \$75.5 million collected in November 2011, an increase of \$4.4 million.

November 2012 personal income tax receipts include tax amnesty payments of \$2.8 million in overdue taxes and \$1.1 million in interest owed on overdue taxes. The interest owed on overdue taxes received in November will be transferred to departmental receipts in January 2013.

November 2012 personal income tax cash collections include historic structures tax credit reimbursements of \$1.7 million compared to \$640,046 of HSTC reimbursements collected in November 2011, an increase of \$1.1 million or 167.8 percent.

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 November:

| Component | FY 2012 | FY 2013 | Difference | % Change |
|---|----------------|--------------------------|-------------------|-----------------|
| Estimated Payments | \$ 58,173,373 | \$ 54,430,481 | \$ (3,742,891) | -6.4 % |
| Final Payments* | 21,843,804 | 25,630,067 [^] | 3,786,263 | 17.3 % |
| Refunds/Adjustments | (27,481,635) | (33,263,652) | (5,782,017) | 21.0 % |
| Withholding | 370,543,604 | 378,567,802 [^] | 8,024,198 | 2.2 % |
| * Final Payments include historic structures tax credit reimbursements of \$878,917 in year-to-date FY 2012 and \$2.2 million in year-to-date FY 2013. | | | | |
| [^] The FY 2013 figures include tax amnesty receipts of \$5.5 million in final payments and \$311,267 in withholding taxes. These figures include interest owed on overdue taxes of \$1.5 million collected in October through December that will be transferred to departmental receipts in January 2013. | | | | |

Within the components of personal income tax, estimated payments in FY 2013 through November were down \$3.7 million, or -6.4 percent, compared to the same period in FY 2012. Final payments in FY 2013 through November were up \$3.8 million, or 17.3 percent, relative to the same period last fiscal year. Fiscal year-to-date final payments through November include tax amnesty payments of \$4.1 million in overdue personal income taxes and \$1.4 million in interest owed on overdue taxes. The interest owed on overdue taxes collected in October through December will be transferred to departmental receipts in January 2013. Fiscal year-to-date final payments through November also include \$2.2 million in reimbursed historic structures tax credits versus \$878,917 in FY 2012 through November. Refunds and adjustments were up \$5.8 million, or 21.0 percent, in FY 2013 through November compared to refunds and adjustments through November of FY 2012. Finally, FY 2013 withholding tax cash collections

through November were up \$8.0 million, or 2.2 percent, relative to withholding tax cash collections in FY 2012 through November. Fiscal year-to-date withholding tax payments through November include tax amnesty payments of \$239,142 in overdue taxes and \$72,125 in interest owed on overdue taxes. The interest owed on overdue taxes collected in October through December will be transferred to departmental receipts in January 2013.

Month of November:

| Component | FY 2012 | FY 2013 | Difference | % Change |
|--|----------------|----------------|-------------------|-----------------|
| Estimated Payments | \$ 2,595,628 | \$ 3,307,300 | \$ 711,672 | 27.4 % |
| Final Payments* | 4,653,395 | 7,544,066^ | 2,890,671 | 62.1 % |
| Refunds/Adjustments | (11,763,525) | (11,749,826) | 13,699 | -0.1 % |
| Withholding | 80,019,391 | 80,806,352^ | 786,961 | 1.0 % |
| * Final Payments include historic structures tax credit reimbursements of \$640,046 in FY 2012 and \$1.7 million in FY 2013. | | | | |
| ^ The FY 2013 figures include tax amnesty receipts of \$3.6 million in final payments and \$251,419 in withholding taxes. These figures include interest owed on overdue taxes of \$1.1 million collected in November that will be transferred to departmental receipts in January 2013. | | | | |

Within the components of personal income tax, November 2012 estimated payments increased \$711,672, or 27.4 percent, compared to November 2011. Final payments received in November 2012 are greater by \$2.9 million, or 62.1 percent, relative to November 2011. November 2012 final payments include tax amnesty payments of \$2.6 million in overdue taxes and \$1.1 million in interest owed on overdue taxes. The interest owed on overdue taxes collected in November will be transferred to departmental receipts in January 2013. November 2012 final payments also include \$1.7 million in reimbursed historic structures tax credits versus \$640,046 in November 2011. Refunds and adjustments are \$13,699 greater in November 2012 versus November 2011. Finally, November 2012 withholding tax cash collections are up \$786,961, or 1.0 percent, relative to November 2011 withholding tax cash collections. November 2012 withholding tax payments include tax amnesty payments of \$196,739 in overdue taxes and \$54,680 in interest owed on overdue taxes. The interest owed on overdue taxes collected in November will be transferred to departmental receipts in January 2013.

Sales and Use Taxes

| November | FY 2012 | FY 2013 | Difference | % Change |
|-----------------|-----------------|-----------------|-------------------|-----------------|
| Fiscal YTD | \$370.6 Million | \$381.9 Million | \$ 11.3 Million | 3.1 % |
| Month | \$ 70.7 Million | \$ 75.3 Million | \$ 4.6 Million | 6.5 % |

Fiscal Year-to-Date through November:

Sales and use tax cash collections through the first five months of FY 2013 were up 3.1 percent compared to the same period last fiscal year. FY 2013 sales and use tax cash collections were \$381.9 million through November versus \$370.6 million collected in FY 2012 through November, an increase of \$11.3 million. It should be noted that FY 2013 sales and use tax receipts include an unknown amount of additional revenue from the sales and use tax base

expansion signed into law by Governor Chafee on June 15, 2012 which took effect on October 1, 2012.

The 2012 tax amnesty program allows taxpayers to pay the full amount of overdue sales and use taxes without penalty and with a 25.0 percent reduction in interest owed. Year-to-date sales and use tax receipts include tax amnesty payments of \$2.3 million in overdue taxes and \$1.0 million in interest owed on overdue taxes. The interest owed on overdue taxes collected in October through December will be transferred to departmental receipts in January 2013.

Month of November:

Sales and use tax cash collections in November 2012 were \$4.6 million more than November 2011 cash collections. Sales and use tax cash collections totaled \$75.3 million in November 2012 versus \$70.7 million collected in November 2011, an increase of 6.5 percent. It should be noted that the November 2012 sales and use tax cash collections is the first month which includes an unknown amount of added revenue from the sales and use tax base expansion signed into law by Governor Chafee on June 15, 2012.

November 2012 sales and use tax cash collections include tax amnesty payments of \$1.9 million of overdue taxes and \$898,755 of interest owed on overdue taxes. The interest owed on overdue taxes collected in November will be transferred to departmental receipts in January 2013.

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 November:

| Component | FY 2012 | FY 2013 | Difference | % Change |
|--|----------------|-----------------------------|-------------------|-----------------|
| Net Taxation | \$ 330,340,469 | \$ 340,323,326 [^] | \$ 9,982,857 | 3.0 % |
| Registry Receipts | 35,316,866 | 36,497,337 | 1,180,470 | 3.3 % |
| Providence Place Mall | 5,418,471 | 5,302,711 | (115,760) | -2.1 % |
| [^] The FY 2013 net taxation figures include tax amnesty receipts of \$3.3 million. This figure includes interest owed on overdue taxes of \$1.0 million collected in October through December that will be transferred to departmental receipts in January 2013. | | | | |

Within the sales tax components, net sales tax receipts remitted directly to the Division of Taxation increased by \$10.0 million, or 3.0 percent, during the first five months of FY 2013 versus the same period in FY 2012. Fiscal year-to-date net sales tax receipts through November 2012 include tax amnesty payments of \$2.3 million in overdue taxes and \$1.0 million in interest owed on overdue taxes. The interest owed on overdue taxes collected in October through December will be transferred to departmental receipts in January 2013. FY 2013 registry receipts through November were up 3.3 percent, or \$1.2 million, compared to the same period

last fiscal year. Providence Place Mall (PPM) sales tax receipts were lower by \$115,760, or -2.1 percent, through November of FY 2013 versus the same period in FY 2012.

Month of November:

| Component | FY 2012 | FY 2013 | Difference | % Change |
|--|----------------|----------------------------|-------------------|-----------------|
| Net Taxation | \$ 62,158,142 | \$ 67,591,879 [^] | \$ 5,433,736 | 8.7 % |
| Registry Receipts | 7,358,260 | 6,632,141 | (726,120) | -9.9 % |
| Providence Place Mall | 1,095,115 | 1,005,474 | (89,641) | -8.2 % |
| [^] FY 2013 net taxation figures include tax amnesty receipts of \$2.8 million. This figure includes interest owed on overdue taxes of \$898,755 collected in November that will be transferred to departmental receipts in January 2013. | | | | |

Within the sales tax components, net sales tax receipts remitted directly to the Division of Taxation increase by \$5.4 million, or 8.7 percent, in November 2012 versus November 2011. November 2012 net sales tax receipts include tax amnesty payments of \$1.9 million in overdue taxes and \$898,755 in interest owed on overdue taxes. The interest owed on overdue taxes collected in November will be transferred to departmental receipts in January 2013. November 2012 registry receipts were down 9.9 percent, or \$726,120, compared to November 2011. Providence Place Mall (PPM) sales tax receipts were lower by \$89,641, or -8.2 percent, in November 2012 versus November 2011.

General Business Taxes

| November | FY 2012 | FY 2013 | Difference | % Change |
|-----------------|-----------------|-----------------|-------------------|-----------------|
| Fiscal YTD | \$ 40.7 Million | \$ 60.4 Million | \$ 19.7 Million | 48.5 % |
| Month | \$ 2.4 Million | \$ 9.3 Million | \$ 6.9 Million | 284.2 % |

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 varying fiscal years of corporations and the number of filers that are on extension at any given point in time. As a result, both business corporation taxes and health care provider assessments flow more evenly into the general fund over the course of a fiscal year.

Fiscal Year-to-Date through November:

General business taxes collected in FY 2013 were \$60.4 million through November, or \$19.7 million more than the \$40.7 million collected for the same period in FY 2012. This translates into a fiscal year-to-date growth rate of 48.5 percent.

The 2012 tax amnesty program allows taxpayers to pay the full amount of overdue general business taxes without penalty and with a 25.0 percent reduction in interest owed. Total general

business tax cash collections attributable to the tax amnesty program in FY 2013 through November are \$4.5 million in overdue taxes and \$2.0 million of interest owed on overdue taxes. For business corporations taxes, the interest owed on overdue taxes collected in October through December will be transferred to departmental receipts in January 2013.

Health care provider assessment taxes collected in FY 2013 were \$17.3 million through November, a decrease of 0.7 percent over the same period in FY 2012. Fiscal year-to-date health care provider assessment taxes collected through November include tax amnesty payments of \$17,871 in overdue taxes and \$2,002 in interest owed on overdue taxes. Public utilities gross earnings taxes collected in FY 2013 were \$6.5 million through November, or 262.1 percent more than the \$1.8 million collected through November of FY 2012. Fiscal year-to-date public utilities gross earnings taxes collected through November include tax amnesty payments of \$3.1 million in overdue taxes and \$1.5 million in interest owed on overdue taxes. Financial institutions taxes collected in FY 2013 totaled \$5.5 million through November, or 483.5 percent more than the \$939,902 collected through November of FY 2012. Fiscal year-to-date financial institutions taxes collected through November include tax amnesty payments of \$106,096 in overdue taxes and \$22,651 in interest owed on overdue taxes. Fiscal year-to-date financial institutions tax cash collections also include historic structures tax credit reimbursements of \$5.1 million through November, while no HSTC reimbursements were received in FY 2012. Insurance companies gross premiums taxes collected in FY 2013 through November were up 2,465.0 percent, with cash collections of \$3.0 million compared to \$115,823 through November of FY 2012. The increase is partially due to the payment of a \$1.7 million settlement received in July 2012 of an outstanding tax liability for the prior year. Fiscal year-to-date insurance companies gross premiums tax cash collections through November include tax amnesty receipts of \$3,638 in overdue taxes and \$15,817 of interest owed on overdue taxes. 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. FY 2013 bank deposit taxes collected through November were \$180,000, compared to \$32,344 collected through November of FY 2012. Bank deposit taxes also tend to post irregularly until March, when the first 40.0 percent of estimated total tax liability is due.

Month of November:

General business taxes collected in November 2012 were \$9.3 million, or \$6.8 million more than the \$2.4 million collected in November 2011. This translates into a growth rate of 284.2 percent.

In November 2012, total general business tax receipts attributable to the tax amnesty are \$1.2 million in overdue taxes and \$763,783 of interest owed on overdue taxes. For business corporations taxes, interest owed on overdue taxes collected in November will be transferred to departmental receipts in January 2013.

Health care provider assessment taxes collected in November 2012 were \$3.5 million, or 7.5 percent more than the \$3.3 million collected in November 2011. Public utilities gross earnings taxes collected in November 2012 were \$1.5 million, an increase of \$2.0 million over cash collections in November 2011 of \$(501,141). Public utilities gross earnings taxes collected in November 2012 include tax amnesty payments of \$888,772 in overdue taxes and \$485,604 in interest owed on overdue taxes. In November 2012, financial institutions tax receipts totaled \$128,747, made up of tax amnesty payments of \$106,096 in overdue taxes and \$22,651 in interest owed on overdue taxes. No financial institutions taxes were collected in November

2011. Insurance companies gross premiums taxes collected in November 2012 were \$223,524, or 96.5 percent more than the \$113,747 collected in November 2011. November 2012 insurance companies gross premiums tax receipts attributable to the tax amnesty program include \$3,117 in overdue taxes and \$15,736 of interest owed on overdue taxes. Bank deposit taxes collected in November 2012 were \$180,000, compared to \$(14,113) in November 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 November:

| Component | FY 2012 | FY 2013 | Difference | % Change |
|--|----------------|-------------------------|-------------------|-----------------|
| Estimated Payments | \$ 15,736,386 | \$ 17,086,990 | \$ 1,350,604 | 8.6 % |
| Final Payments* | 13,357,455 | 11,577,100 [^] | (1,780,355) | -13.3 % |
| Refunds/Adjustments | (8,872,756) | (762,220) | 8,110,536 | -91.4 % |
| * FY 2012 final payments figure includes historic structures tax credit reimbursements of \$369,855. | | | | |
| [^] FY 2013 final payments figures include tax amnesty receipts of \$1.6 million. Included in this figure is interest owed on overdue taxes of \$423,843 that was collected in October through December and will be transferred to departmental receipts in January 2013. | | | | |

Within the business corporations tax components, estimated payments were up by \$1.4 million, or 8.6 percent, through November of FY 2013 compared to the same period last fiscal year. Final payments posted a decrease of \$1.8 million, or -13.3 percent, during the first five months of FY 2013 versus the same period in FY 2012. Fiscal year-to-date final payments include tax amnesty payments of \$1.2 million in overdue taxes and \$423,843 in interest owed on overdue taxes. Interest owed on overdue taxes collected in October through December will be transferred to departmental receipts in January 2013. FY 2013 refunds and adjustments were down by \$8.1 million through November versus the same period in FY 2012.

Month of November:

| Component | FY 2012 | FY 2013 | Difference | % Change |
|--|----------------|------------------------|-------------------|-----------------|
| Estimated Payments | \$ 1,428,956 | \$ 2,395,575 | \$ 966,619 | 67.6 % |
| Final Payments | 1,479,958 | 1,666,556 [^] | 186,597 | 12.6 % |
| Refunds/Adjustments | (3,378,932) | (292,694) | 3,086,237 | -91.3 % |
| [^] FY 2013 final payments figures include tax amnesty receipts of \$453,017. Included in this figure is interest owed on overdue taxes of \$239,792 that was collected in November and will be transferred to departmental receipts in January 2013. | | | | |

Within the business corporations tax components, November 2012 estimated payments were up by \$966,619 versus November 2011, an increase of 67.6 percent. November 2012 final

payments increased by \$186,597, or 12.6 percent, compared to November 2011. November 2012 final payments include tax amnesty payments of \$213,226 in overdue taxes and \$239,792 in interest owed on overdue taxes. The interest owed on overdue taxes collected in November will be transferred to departmental receipts in January 2013. Refunds and adjustments were less by \$3.1 million, or -91.3 percent, in November 2012 versus November 2011.

Excise Taxes Other Than the Sales and Use Tax

| November | FY 2012 | FY 2013 | Difference | % Change |
|-----------------|-----------------|-----------------|-------------------|-----------------|
| Fiscal YTD | \$ 80.1 Million | \$ 81.2 Million | \$ 1.1 Million | 1.3 % |
| Month | \$14.6 Million | \$ 13.4 Million | \$ (1.3 Million) | -8.7 % |

Fiscal Year-to-Date through November:

Excise taxes other than sales and use taxes collected in FY 2013 through November totaled \$81.2 million or \$1.1 million more than the \$80.1 million collected for the same period in FY 2012. This translates into a year-to-date growth rate of 1.3 percent.

Motor vehicle licenses and fees collected in FY 2013 through November were \$17.0 million or \$75,528 more than the \$16.9 million collected in FY 2012 through November. Motor carrier fuel use tax cash collections in FY 2013 through November total \$339,960, a decrease of 12.1 percent from cash collections of \$386,623 in FY 2012 through November. Fiscal year-to-date motor carrier fuel use taxes collected through November include tax amnesty receipts of \$806 in overdue taxes and \$1,223 of interest owed on overdue taxes. Alcohol excise taxes collected in FY 2013 through November was down 1.2 percent, or \$59,261 less than the \$5.0 million collected in the same period last fiscal year.

Rhode Island cigarettes tax receipts are comprised of excise taxes collected on the sale of cigarettes and smokeless tobacco (which also includes cigars and pipe tobacco), and a one-time cigarette floor stock tax. The cigarette floor stock tax is imposed only when there is an increase in the excise tax on cigarettes. On July 1, 2012, the cigarette excise tax was increased from \$3.46 per pack of 20 cigarettes to \$3.50 per pack of 20 cigarettes. This yielded cigarette floor stock tax revenues of \$140,829 through November of FY 2013. Total cigarette tax receipts through the first five months of FY 2013 were up \$1.1 million, or 1.9 percent, compared to the same period last fiscal year. Fiscal year-to-date cigarette tax receipts through November include tax amnesty payments of \$40,853 in overdue taxes and \$26,181 in interest owed on overdue taxes.

Finally, the change in cigarette sales is determined. Cigarette floor stock tax and smokeless tobacco products tax collections, as well as tax amnesty receipts, are netted out of the data, yielding only cigarette tax collections. Through November of FY 2013, Rhode Island cigarette sales increased by less than one-tenth of one percent compared to the same period last fiscal year.

Month of November:

Excise taxes other than sales and use taxes collected in November 2012 totaled \$13.4 million or \$1.3 million less than the \$14.6 million collected in November 2011. This translates into a growth rate in excise taxes other than the sales and use tax of -8.7 percent.

Motor vehicle operator license and registration fees collected in November 2012 totaled \$2.7 million, or \$36,249 less than November 2011. Alcohol excise taxes were down 2.6 percent in November 2012, or \$27,676 less than the \$1.1 million collected in November 2011. Motor carrier fuel use tax cash collections were \$78,743 in November 2012, or a decrease of 19.0 percent from the November 2011 cash collections of \$97,265.

Total cigarette tax cash collections in November 2012 were down \$1.2 million, or -11.1 percent, compared to November 2011. Cigarette excise taxes collected in November 2012 include tax amnesty payments of \$12,064 in overdue taxes and \$7,178 in interest owed on overdue taxes. After accounting for cigarette floor stock receipts, other tobacco products tax collections, and tax amnesty payments, the percentage change in Rhode Island cigarette sales is determined. For November 2012, Rhode Island cigarette sales decreased by 13.3 percent compared to November 2011.

Other Taxes

| November | FY 2012 | FY 2013 | Difference | % Change |
|-----------------|-----------------|-----------------|-------------------|-----------------|
| Fiscal YTD | \$ 24.5 Million | \$ 14.3 Million | \$ (10.3 Million) | -41.8 % |
| Month | \$ 9.1 Million | \$ 2.2 Million | \$ (6.9 Million) | -75.5 % |

Fiscal Year-to-Date through November:

Other taxes collected in FY 2013 through November were \$14.3 million compared to \$24.5 million collected during the same period last fiscal year, a decrease of \$10.3 million or -41.8 percent.

FY 2013 inheritance tax collections through November totaled \$10.7 million, a decrease of 49.2 percent from the \$21.2 million collected through the first five months of FY 2012. A portion of the shortfall is due to a large payment of \$4.8 million received in November 2011. Fiscal year-to-date inheritance taxes receipts through November include tax amnesty payments of \$301,140 in overdue taxes and \$251,794 in interest owed on overdue taxes. Interest owed on overdue taxes collected in October through December for inheritance taxes will be transferred to departmental receipts in January 2013.

FY 2013 realty transfer taxes collected through November were \$3.0 million, an increase of \$164,032, or 5.7 percent, compared the same period last fiscal year. Racing and athletics tax collections through November of FY 2013 were down 1.6 percent, or \$(8,475) relative to the same period in FY 2012.

Month of November:

Other taxes collected in November 2012 totaled \$2.2 million versus \$9.1 million collected in November 2011, a decrease of \$6.9 million, or -75.5 percent.

November 2012 inheritance tax cash collections totaled \$1.6 million, a decrease of \$6.9 million from November 2011 cash collections. Inheritance tax receipts attributable to the tax amnesty program in November 2012 were \$216,068 in overdue taxes and \$233,872 of interest owed on overdue taxes. Interest owed on overdue taxes received in November for inheritance taxes will be transferred to departmental receipts in January 2013.

Realty transfer taxes collected in November 2012 were up \$58,419, or 11.7 percent, from the \$497,287 collected in November 2011. Racing and athletics tax cash collections in November 2012 were down \$13,038 or -11.4 percent relative to November 2011.

Total Departmental Receipts

| November | FY 2012 | FY 2013 | Difference | % Change |
|-----------------|-----------------|-----------------|-------------------|-----------------|
| Fiscal YTD | \$203.5 Million | \$201.5 Million | \$ (2.0 Million) | -1.0 % |
| Month | \$15.0 Million | \$17.0 Million | \$ 2.0 Million | 13.1 % |

Fiscal Year-to-Date through November:

FY 2013 total departmental receipts collected through November decreased by 1.0 percent compared to total departmental receipts collected through November of FY 2012. Total departmental receipts in FY 2013 were \$201.5 million through November compared to \$203.5 million for the same period last year, a decrease of \$2.0 million.

The licenses and fees category of departmental receipts was down 4.8 percent in FY 2013 through November, or \$8.5 million less than the \$177.7 million collected in FY 2012 through November. The FY 2012 hospital licensing fees received in FY 2013 were \$123.9 million or \$8.0 million less than the \$131.9 million received in FY 2012 for the prior fiscal year. This decrease is mainly attributable to two taxpayers, currently in receivership, not paying the fee as prescribed by law. Further, the FY 2012 hospital licensing fee rate decreased from 5.465 percent of hospital FY 2009 net patient revenues to 5.430 percent of hospital FY 2010 net patient revenues. It is also important to note that numerous licenses included in the licenses and fees category of departmental receipts are renewed on a biennial or triennial basis, which skews the fiscal year-to-date comparisons.

The fines and penalties category of departmental receipts increased by \$14,265, or 0.1 percent, over the \$10.4 million collected through the first five months of FY 2013 versus the same period in FY 2012. The sales and services category of departmental receipts increased by \$247,490, or 6.8 percent, in FY 2013 through November compared to the \$3.7 million collected through November of FY 2012.

Finally, miscellaneous departmental revenues were up \$6.2 million, or 52.8 percent, through November of FY 2013 versus the prior fiscal year. A portion of the increase in miscellaneous departmental revenues is attributable to an indirect cost recovery of \$1.1 million assessed on a

restricted receipts account managed by the Office of the General Treasurer. The cost recovery was based on a large, one-time escheat discovered through an audit. Miscellaneous departmental revenues also include \$3.5 million collected from settlements between the Office of the Attorney General and pharmaceutical companies as previously stated in the Total General Revenues section.

The tax amnesty revenues from interest owed on overdue taxes for personal income taxes, business corporations taxes, sales and use taxes and inheritance taxes are transferred quarterly, in October, January, April and June. Interest on overdue taxes collected in September of \$749,312 was transferred to the fines and penalties component of departmental receipts in October. The next transfer in January 2013 will include interest on overdue taxes of \$3.2 million collected in October through December. The State's share of hotel tax receipts attributable to the tax amnesty program in FY 2013 through November were \$3,075 in overdue taxes and \$1,886 of interest owed on overdue taxes.

In the enacted FY 2013 budget, signed into law by Governor Chafee on June 15, 2012, several departmental receipt fees were newly established, increased or decreased. The changed fees include various Department of Health licenses and renewal fees that were effective July 1, 2012. The fiscal impact of these fee changes, however, is not determinable at this point. Beverage container and litter participation fees were down \$55,715 in FY 2013 through November, in spite of the application of the \$0.04 per case fee to all containers holding non-alcoholic beverages, except milk. New fees implemented for this fiscal year include a re-inspection fee for school buses that previously failed a safety inspection, which has collected \$34,700 for the fiscal year-to-date through November, and a 4.0 percent surcharge on net patient revenues of newly reconstituted compassion centers, which has seen no cash collections to date in the fiscal year. Finally, the state applied the 10.0 percent indirect cost recovery to the Department of Administration's Regional Greenhouse Gas Initiative restricted receipts account. In FY 2013 through November, indirect cost recovery receipts were \$78,189.

Month of November:

November 2012 total departmental receipts were \$17.0 million, an increase of \$2.0 million, or 13.1 percent, over the amount collected in November 2011.

The licenses and fees category of departmental receipts was down 11.9 percent in November 2012, or \$1.3 million less than the 11.0 million collected in November 2011. The fines and penalties category was up 0.9 percent in November 2012 or \$10,863 more than the \$1.3 million collected in November 2011. The sales and services category was down 3.4 percent in November 2012, or \$24,320 less than the \$723,835 collected in November 2011. Finally, miscellaneous departmental revenues were up 159.1 percent in November 2012, or \$3.3 million more than the \$2.1 million collected in November 2011. Most of the increase in miscellaneous departmental revenues is from the collection of a \$2.4 million settlement between the Office of the Attorney General and a pharmaceutical company in November 2012.

Motor Fuel Tax, Per Penny Yield

| November | FY 2012 | FY 2013 | Difference | % Change |
|-----------------|-----------------|-----------------|-------------------|-----------------|
| Fiscal YTD | \$ 1.84 Million | \$ 1.81 Million | \$ (32,686) | -1.8 % |
| Month | \$ 365,053 | \$ 363,981 | \$ (1,072) | -0.3 % |

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 November:

The per penny yield of the state's motor fuel tax is \$32,686 less in FY 2013 through November than in FY 2012 through November. This represents a decrease of 1.8 percent between the two fiscal year-to-date periods. For FY 2013 through November, the per penny yield was \$1.81 million versus \$1.84 million for FY 2012 through November.

Month of November:

The per penny yield of the state's motor fuel tax totaled \$363,981 in November 2012, a decrease of \$1,072, or -0.3 percent, from November 2011 monthly cash collections of \$365,053.

Other Miscellaneous Revenues

| November | FY 2012 | FY 2013 | Difference | % Change |
|-----------------|----------------|----------------|-------------------|-----------------|
| Fiscal YTD | \$ 2.3 Million | \$ 3.8 Million | \$ 1.5 Million | 67.7 % |
| Month | \$29,190 | \$76,517 | \$47,327 | 162.1 % |

Fiscal Year-to-Date through November:

Other miscellaneous revenues were up 67.7 percent in FY 2013 through November compared to the same period one year ago. FY 2013 year-to-date cash collections total \$3.8 million compared to \$2.3 million collected at this time last fiscal year. The increase in other miscellaneous revenues is mainly due to the receipt of sporadic settlement payments identified as cash flow differences in the Total General Revenues section above.

Month of November:

November 2012 cash collections for other miscellaneous revenues were up \$47,327 compared to November 2011 cash collections of \$29,190. This increase translates into a growth rate of 162.1 percent.

Lottery Transfer

| November | FY 2012 | FY 2013 | Difference | % Change |
|-----------------|-----------------|-----------------|-------------------|-----------------|
| Fiscal YTD | \$125.1 Million | \$129.0 Million | \$ 3.9 Million | 3.1 % |
| Month | \$ 30.0 Million | \$ 33.1 Million | \$ 3.1 Million | 10.2 % |

Fiscal Year-to-Date through November:

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 was up 3.1 percent in FY 2013 through November when compared to FY 2012 through November. FY 2013 year-to-date collections through November total \$129.0 million or \$3.9 million more than cash collections through the first five months of FY 2012. It should be noted that the fiscal year-to-date lottery transfer through November includes \$2.5 million that was accrued back to FY 2012 and the prior fiscal year-to-date lottery transfer through November includes \$2.7 million that was accrued back to FY 2011.

Month of November:

November 2012 cash collections for the lottery transfer were up \$3.0 million compared to November 2011 cash collections of \$30.0 million. The increase translates into a growth rate of 10.2 percent. The November 2012 lottery transfer includes \$2.5 million that was accrued back to FY 2012.

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 November:

| Component | FY 2012 | FY 2013 | Difference | % Change |
|--------------------|----------------|----------------|-------------------|-----------------|
| Traditional Games | \$ 11,568,921 | \$ 14,660,835 | \$ 3,091,914 | 26.7 % |
| Keno | 5,858,744 | 5,837,225 | (21,520) | -0.4 % |
| Twin River VLTs | 94,717,354 | 96,146,120 | 1,428,766 | 1.5 % |
| Newport Grand VLTs | 10,886,669 | 10,587,949 | (298,720) | -2.7 % |

Within the lottery transfer components, traditional games were up by \$3.1 million, or 26.7 percent, through the first five months of FY 2013 compared to same period last fiscal year. Fiscal year-to-date Keno receipts through November were down \$21,520, or -0.4 percent, compared to same period last fiscal year. The transfer from Twin River's video lottery terminals (VLTs) for FY 2013 through November totaled \$96.1 million, an increase of \$1.4 million, or 1.5 percent, compared cash collections for the same period last fiscal year. The FY 2013 year-to-date transfer from Newport Grand's VLTs totaled \$10.6 million versus the \$10.9 million

collected through the first five months of FY 2012. This translates into a decrease of \$298,720 or -2.7 percent. It should be noted that both Twin River and Newport Grand VLT cash collections do not reflect unclaimed prizes, distressed communities relief program receipts, or the state's payment to either Newport Grand's or Twin River's marketing program.

Month of November:

| Component | FY 2012 | FY 2013 | Difference | % Change |
|--------------------|----------------|----------------|-------------------|-----------------|
| Traditional Games | \$ 2,906,674 | \$ 4,148,520 | \$ 1,241,846 | 42.7 % |
| Keno | 1,499,844 | 1,469,917 | (29,928) | -2.0 % |
| Twin River VLTs | 23,089,516 | 22,909,360 | (181,156) | -0.8 % |
| Newport Grand VLTs | 2,706,435 | 2,331,433 | (375,002) | -13.9 % |

Within the lottery transfer components, November 2012 traditional games were up by \$1.2 million, or 42.7 percent, compared to the same period last fiscal year. The November 2012 lottery transfer for traditional games was reduced by \$100,000 to adjust for an overpayment in October 2012. November 2012 Keno cash collections posted a decrease of \$29,928, or -2.0 percent, compared to November 2011. The monthly transfer from Twin River's video lottery terminals (VLTs) totaled \$22.9 million in November 2012, a decrease of \$181,156, or -0.8 percent, for the comparable month a year ago. The monthly transfer from Newport Grand's VLTs totaled \$2.3 million in November 2012, a decrease of \$375,002 relative to the monthly transfer in November 2011. This translates into a grown rate of -13.9 percent compared to November 2011.

Unclaimed Property Transfer

| November | FY 2011 | FY 2012 | Difference | % Change |
|-----------------|----------------|----------------|-------------------|-----------------|
| Fiscal YTD | N/A | N/A | N/A | N/A |
| Month | N/A | N/A | N/A | N/A |

The Unclaimed Property Transfer to the general fund occurs in June of every fiscal year.



Rosemary Booth Gallogly, Director
Rhode Island Department of Revenue

December 28, 2012

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Fiscal Year To Date

| | FY 2012 November | FY 2013 November | Nominal Difference | Change |
|---|-------------------------|-------------------------|-----------------------|--------------|
| <u>Personal Income Tax</u> | 423,079,146 | 425,364,699 | 2,285,553 | 0.5% |
| <u>General Business Taxes</u> | | | | |
| Business Corporations | 20,371,265 | 27,948,167 | 7,576,902 | 37.2% |
| Public Utilities Gross Earnings | 1,806,377 | 6,541,262 | 4,734,885 | 262.1% |
| Financial Institutions | 939,902 | 5,483,990 | 4,544,088 | 483.5% |
| Insurance Companies | 115,823 | 2,970,896 | 2,855,073 | 2465.0% |
| Bank Deposits | 32,344 | 180,000 | 147,656 | 456.5% |
| Health Care Provider Assessment | 17,418,556 | 17,296,786 | (121,770) | -0.7% |
| <u>Excise Taxes</u> | | | | |
| Sales and Use | 370,615,588 | 381,932,357 | 11,316,769 | 3.1% |
| Motor Vehicle | 16,938,905 | 17,014,433 | 75,528 | 0.4% |
| Motor Carrier Fuel Use | 386,623 | 339,960 | (46,663) | -12.1% |
| Cigarettes | 57,747,474 | 58,832,343 | 1,084,869 | 1.9% |
| Alcohol | 5,069,766 | 5,010,505 | (59,261) | -1.2% |
| Controlled Substances | - | - | - | - |
| <u>Other Taxes</u> | | | | |
| Inheritance and Gift | 21,159,168 | 10,745,152 | (10,414,016) | -49.2% |
| Racing and Athletics | 523,834 | 515,359 | (8,475) | -1.6% |
| Realty Transfer | 2,857,199 | 3,021,231 | 164,032 | 5.7% |
| Total Taxes | \$ 939,061,970 | \$ 963,197,140 | \$ 24,135,170 | 2.6% |
| <u>Departmental Receipts</u> | | | | |
| Licenses and Fees | 177,716,195 | 169,221,953 | (8,494,242) | -4.8% |
| Fines and Penalties | 10,346,985 | 10,361,250 | 14,265 | 0.1% |
| Sales and Services | 3,665,696 | 3,913,186 | 247,490 | 6.8% |
| Miscellaneous | 11,804,516 | 18,036,931 | 6,232,415 | 52.8% |
| Total Departmental Receipts | \$ 203,533,392 | \$ 201,533,320 | \$ (2,000,072) | -1.0% |
| Taxes and Departmentals | \$ 1,142,595,362 | \$ 1,164,730,460 | \$ 22,135,098 | 1.9% |
| <u>Other General Revenue Sources</u> | | | | |
| Other Miscellaneous Revenues | 2,289,332 | 3,838,690 | 1,549,358 | 67.7% |
| Lottery Transfer | 125,080,994 | 129,007,472 | 3,926,478 | 3.1% |
| Unclaimed Property | - | - | - | - |
| Total Other Sources | \$ 127,370,326 | \$ 132,846,162 | \$ 5,475,836 | 4.3% |
| Total General Revenues | \$ 1,269,965,688 | \$ 1,297,576,622 | \$ 27,610,934 | 2.2% |

STATE OF RHODE ISLAND MONTHLY CASH COLLECTIONS
Month of November

| | FY 2012 November | FY 2013 November | Nominal Difference | % Change |
|---|-----------------------|-----------------------|-----------------------|--------------|
| <u>Personal Income Tax</u> | 75,504,889 | 79,907,892 | 4,403,003 | 5.8% |
| <u>General Business Taxes</u> | | | | |
| Business Corporations | (443,896) | 3,773,433 | 4,217,329 | -950.1% |
| Public Utilities Gross Earnings | (501,141) | 1,490,469 | 1,991,610 | -397.4% |
| Financial Institutions | - | 128,747 | 128,747 | - |
| Insurance Companies | 113,747 | 223,524 | 109,777 | 96.5% |
| Bank Deposits | (14,113) | 180,000 | 194,113 | -1375.4% |
| Health Care Provider Assessment | 3,267,605 | 3,511,044 | 243,439 | 7.5% |
| <u>Excise Taxes</u> | | | | |
| Sales and Use | 70,660,040 | 75,260,905 | 4,600,865 | 6.5% |
| Motor Vehicle | 2,760,666 | 2,724,417 | (36,249) | -1.3% |
| Motor Carrier Fuel Use | 97,265 | 78,743 | (18,522) | -19.0% |
| Cigarettes | 10,709,976 | 9,520,879 | (1,189,097) | -11.1% |
| Alcohol | 1,076,844 | 1,049,168 | (27,676) | -2.6% |
| Controlled Substances | - | - | - | - |
| <u>Other Taxes</u> | | | | |
| Inheritance and Gift | 8,490,621 | 1,569,708 | (6,920,913) | -81.5% |
| Racing and Athletics | 114,386 | 101,348 | (13,038) | -11.4% |
| Realty Transfer | 497,287 | 555,706 | 58,419 | 11.7% |
| Total Taxes | \$ 172,334,176 | \$ 180,075,983 | \$ 7,741,807 | 4.5% |
| <u>Departmental Receipts</u> | | | | |
| Licenses and Fees | 10,968,831 | 9,661,103 | (1,307,728) | -11.9% |
| Fines and Penalties | 1,267,688 | 1,278,551 | 10,863 | 0.9% |
| Sales and Services | 723,835 | 699,515 | (24,320) | -3.4% |
| Miscellaneous | 2,068,994 | 5,359,991 | 3,290,997 | 159.1% |
| Total Departmental Receipts | \$ 15,029,348 | \$ 16,999,160 | \$ 1,969,812 | 13.1% |
| Taxes and Departmentals | \$ 187,363,524 | \$ 197,075,143 | \$ 9,711,619 | 5.2% |
| <u>Other General Revenue Sources</u> | | | | |
| Other Miscellaneous Revenues | 29,190 | 76,517 | 47,327 | 162.1% |
| Lottery Transfer | 30,029,966 | 33,099,564 | 3,069,598 | 10.2% |
| Unclaimed Property | - | - | - | - |
| Total Other Sources | \$ 30,059,156 | \$ 33,176,081 | \$ 3,116,925 | 10.4% |
| Total General Revenues | \$ 217,422,680 | \$ 230,251,224 | \$ 12,828,544 | 5.9% |