

May REC

Responses to Questions Presented

Personal Income Taxes Explanation of Methodology for FY24 and FY 25

Reference: PIT Actual Cash vs Prior Year Workbook Tab

Explanation: The calculation of the receivable and payable utilizes the cash collections (excluding reversal of accruals for previous year). The receivable calculation then applies the percentage of Prior Year Cash (Row 8) divided by the current year accounts receivable accrued amount (receivable not shown on spreadsheet, provided by Taxation).

The July extension payment of \$37.327M was treated as follows:

FY24 added to the amount calculated (Col P rows 8-14) – increased the receivable and increased the revenue.

FY25 subtracted from the total cash collected, and then follows same smoothing calculation. (Col S rows 8-12)