



Revenue Estimating Conference

Accounts & Control Financial Presentation of Accruals Effecting Revenue Projections

May 8, 2025

**RHODE
ISLAND**

Tax Accruals FY 2025

Impact Estimates as of April 2025 (amounts
expressed in millions)

All data for these calculations was pulled from the State accounting system or supplied by reports from the Division of Taxation. Information presented from the NOV REC was also considered.

Personal Income

Tax Accruals – Fiscal 2025 Impact Estimate as of April 2025. All \$ amounts in millions.

	FY'24 Actual	FY'25 Estimated	Estimated Revenue Impact	
Refunds Payable*	\$(225.50)	\$(246.16)	\$(20.66)	Increase to liability/decrease to revenue
Receivables **	\$277.72	\$261.32	\$(16.40)	Decrease to receivable/decrease to revenue
Net Change	\$52.22	\$15.16	\$(37.06)	Revenue Decrease

*For balance of CY2024 refunds and ½ of CY2025 refunds

**Primarily ½ of payments expected with returns in Spring 2026 for CY2025

PIT Accrual Methodology for May REC

Each category presented uses a 5 year mean average methodology for both revenue and payables. This has been the standing methodology for the past four years, except for Estate Taxes, which now uses this methodology.

Exception for June 2024 which effects May 2025 Revenue Estimate:

Receivable: The mean average was calculated and the actual amount of extension payments received during July 2024 \$37M was subtracted from the cash receipts for FY25 as it was accounted for in FY24.

Payable: The mean average was calculated without the extension payment cash received as noted above.

NET REDUCTION IN REVENUE: \$51.56M

Business Corporations

Tax Accruals – Fiscal 2025 Impact Estimate as of April 2025. All \$ amounts in millions.

	FY'24 Actual	FY'25 Estimated	Estimated Revenue Impact	
Refunds Payable	\$(33.15)	\$(39.35)	\$(6.20)	Increase to liability/decrease to revenue
Receivables*	\$34.86	\$42.36	\$ 7.50	Increase to receivable/increase to revenue
Net Change	\$1.71	\$3.01	\$1.30	Revenue Increase

*Receivables for final payments to be paid in April 2025 for CY2024

Estate Taxes

Tax Accruals – Fiscal 2025 Impact Estimate. Methodology changed to 5-year mean average with 75% smoothing applied to account for the cash receipt lag.

All \$ amounts in millions.

	FY'24 Actual	FY'25 Estimated	Estimated Revenue Impact	
Receivables*	\$38.55	\$41.50	\$2.95	Increase to receivable/increase to revenue
Net Change	\$38.55	\$41.50	\$2.95	Revenue Increase

Insurance Companies

Tax Accruals – Fiscal 2025 Impact Estimate as of April 2025. All \$ amounts in millions.

	FY'24 Actual	FY'25 Estimated	Estimated Revenue Impact	
Refunds Payable	\$(1.73)	\$(1.73)	\$ –	
Receivables*	\$4.77	\$6.48	\$1.71	Increase to receivable/increase to revenue
Net Change	\$3.04	\$4.75	\$1.71	Revenue Increase

*Receivables for final payments to be paid in April 2025 for CY2024

Health Insurance Companies

Tax Accruals – Fiscal 2025 Impact Estimate as of April 2025. All \$ amounts in millions.

	FY'24 Actual	FY'25 Estimated	Estimated Revenue Impact	
Receivables*	\$1.07	\$0.40	\$(0.67)	Decrease to receivable/decrease to revenue
Net Change	\$1.07	\$0.40	\$(0.67)	Revenue Decrease

*Receivables for final payments to be paid in April 2025 for CY2024

Public Utilities

Tax Accruals – Fiscal 2025 Impact Estimate as of April 2025. All \$ amounts in millions.

	FY'23 Actual	FY'24 Estimated	Estimated Revenue Impact	
Receivables*	\$50.32	\$50.32	\$-	No impact to revenue
Net Change	\$50.32	\$50.32	\$-	

*Receivables for final payments to be paid in April 2025 for CY2024

Overall Net Impact – All Taxes

Tax Accruals – Fiscal 2025 Impact Estimate as of April 2025. All \$ amounts in millions.

	FY'24 Actual	FY'25 Estimated	Estimated Revenue Impact	
Business Corporations	\$1.71	\$3.01	\$1.30	Increase to revenue
Insurance Companies	\$3.04	\$4.75	\$1.71	Increase to revenue
Health Ins Companies	\$1.07	\$0.40	\$(0.67)	Decrease to revenue
Public Utilities	\$50.32	\$50.32	\$–	No impact compared to prior year
Personal Income	\$52.22	\$15.16*	\$(37.06)	Decrease to revenue
Estate Tax	\$38.55	\$41.50	\$2.95	Increase to revenue
Net impact	\$146.91	\$115.14	\$(31.77)	Decrease to revenue

\$37M of this change is attributable to the reversal of extension payments received during FY25 attributable to FY24.

Supplemental Information

Personal Income without July Extension Payment

Tax Accruals – Fiscal 2025 Impact Estimate as of April 2025. All \$ amounts in millions.

The information below is presented for informational purposes only and does not affect the accrual. The July extension timing impact is removed to provide the reader with a comparison without the timing difference.

	FY'24 Actual	FY'25 Estimated	Estimated Revenue Impact	
Refunds Payable*	\$(225.50)	\$(250.31)	\$(24.81)	Increase to liability/decrease to revenue
Receivables **	\$234.42	\$265.39	\$30.97	Increase to receivable/Increase to revenue
Net Change	\$8.92	\$15.08	\$6.16	Revenue Increase