

Issue raised: 1.May and June Cash Estimate for PIT – Showing how we calculated the estimated cash for the months.

Fiscal 25 actual cash Jul-April	1,545,304,291.00
Estimated cash May and June see below:	256,473,628.12
Total cash for May REC	<u><u>1,801,777,919.12</u></u>

Calculation of May and June cash

MAY & JUNE ACTUAL REFUNDS AVERAGE

FY20	48,908,862.29
FY21	36,087,051.51
FY22	53,198,975.15
FY23	57,502,920.95
FY24	41,665,318.76
Total	<u><u>237,363,128.66</u></u>
Mean average	<u><u>47,924,385.40</u></u>

Net mean average

<u><u>256,473,628.12</u></u>

MAY & JUNE ACTUAL REVENUE AVERAGE

FY20	255,010,453.21	Lo
FY21	407,832,042.32	Hi
FY22	311,533,969.61	
FY23	314,604,928.95	
FY24	287,055,141.99	
Total	<u><u>1,576,036,536.08</u></u>	
Mean average	<u><u>304,398,013.52</u></u>	

Issued raised: Estate Taxes: write up of methodology, spreadsheet comparing new methodology and "old" methodology for FY23, 24, 25

Calculation of FY 2025 Estate Tax Revenue Estimate

	FY21	FY22	FY23	FY24	FY25
Cash Collection Estimate provided by ORA	35,400,000.00	41,800,000.00	40,000,000.00	53,500,000.00	51,400,000.00
Based on 75% of the following year - old methodology	(31,350,000.00)	(30,000,000.00)	(40,125,000.00)	(38,550,000.00)	(45,675,000.00)
5 years average methodology - new methodology for FY25	(45,978,396.17)	(46,839,198.06)	(46,839,198.06)	(49,462,442.26)	(55,338,519.48)
Difference	(14,628,396.17)	(16,839,198.06)	(6,714,198.06)	(10,912,442.26)	(9,663,519.48)

For informational purpose only

Cash Collection Actual - RIFANS*

	(38,069,449.37)	(40,651,855.05)	(72,190,542.81)	(51,409,493.96)	(73,954,209.44)
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*FY25 includes an estimate for May and June

BASED ON CONVERSATIONS WITH ORA AND OMB THE ESTATE TAX ACCRUAL FOR FY25 CLOSE WILL BE AS FOLLOWS:
 5 YEAR AVERAGE METHODOLOGY REDUCED TO 75% TO ACCOUNT FOR LAG OF CASH RECEIPT ATTRIBUTABLE TO FISCAL YR. AS WE GAIN MORE STATISTICS FROM ORA, WE WILL REVISIT THIS METHODOLOGY DURING NOV 2027 REC.

Calculation of MAY 2025 REC accrual is as follows:

5 year average above	\$ 55,338,519.48
reduction due to lag	0.75
Total amount recorded to GL	<u>\$ 41,503,889.61</u>

Notes from Meeting with Joe C 5/18/2025 - questioning new Estate Tax methodology

	75%	5Yr Avg	5Yr Avg/75%
FY24	(40.13)	(38.55)	FY26 (55.34)
FY25	(38.55)	55.34	FY25 (75%) 41.50
Pr Yr	(1.58)	16.79	2.95
Var			

Actual Cash Receipts Assigned to Fiscal Year.

Source: M. McCabe ORA

FY 2023		FY 2024	
FY 19	0.89%	FY 20	0.11%
FY 20	0.43%	FY 21	0.61%
FY 21	0.93%	FY 22	1.99%
FY 22	79.33%	FY 23	61.92%
FY 23	18.42%	FY 24	35.36%

Full Accrual Revenue:

	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Prior Year Accrual Reverses	(231,820,002.75)	(257,249,245.46)	(246,823,239.09)
Recording of Cash to Revenue	2,018,597,637.99	2,219,633,445.03	
Current Year Accrual	<u>257,249,245.46</u>	<u>246,823,239.09</u>	
Net Effect to Revenue	2,044,026,880.70	2,209,207,438.65	

Includes July Extension Payment

Full Accrual Accounts Receivable:

	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Prior Year Accrual Reverses	(231,820,002.75)	(219,926,175.46)	(246,823,239.09)
Reduction of Cash		(37,327,070.00)	
Current Year Accrual	219,926,175.46	<u>246,823,239.09</u>	
July One Time Ext payment additic	<u>37,327,070.00</u>		
Subtotal	257,253,245.46		
Net Effect to Receivable	(11,893,827.29)	(10,430,006.38)	

Includes July Extension Payment

IRREGULAR YEAR DUE TO COVID

RIFANS source of below	FY20	FY21	FY22	FY23	FY24	FY25
Cash per comparative revenue report	1,421,224,418.00	1,498,472,008.00	1,790,907,572.00	1,611,739,896.00	1,593,216,297.00	1,801,777,919.12
Refund/Payable	347,529,400.39	372,342,151.35	363,380,639.94	455,950,650.82	429,352,925.82	459,561,120.97
Historic Tax Credit	7,387,721.93	13,120,251.74	948,223.36	3,119,004.15	3,973,584.83	4,398,525.06
Actual Cash used in PIT calculation	1,761,366,096.46	1,857,693,907.61	2,153,339,868.58	2,084,571,542.67	2,018,597,637.99	2,256,960,515.03
						37,327,070.00
						2,219,633,445.03
Revenue %		10.65%	11.81%	11.23%	10.89%	11.12%
Revenue accrual (receivable)		197,758,204.16	254,364,147.49	231,820,002.75	219,922,175.46	246,823,239.09
						37,327,070.00
						257,249,245.46
Refund %		11.34%	11.23%	11.26%	11.17%	11.09%
Refund accrual (payable)		210,684,781.45	241,828,694.08	232,499,659.71	225,497,542.14	246,157,349.05
Revenue May & June	255,010,453.21	407,832,042.32	311,633,969.61	314,604,928.95	287,055,141.99	304,398,013.52
Refund May & June	48,908,862.29	36,087,051.51	53,198,575.15	57,502,920.95	41,665,318.76	47,924,385.40
Average May & June	206,101,590.92	371,744,990.81	258,334,994.46	257,102,008.00	245,389,923.23	256,473,628.12

Less one time July extension cash receipt