



State of Rhode Island and Providence Plantations

Revenue Estimating Conference

One Capitol Hill, 4th Floor, PROVIDENCE, RI 02903

THOMAS A. MULLANEY
State Budget Officer
May 2014 Conference Chair

STEPHEN H. WHITNEY
Senate Fiscal Advisor

SHARON REYNOLDS FERLAND
House Fiscal Advisor

MEMORANDUM

To: The Honorable Lincoln D. Chafee, Governor
The Honorable Nicholas A. Mattiello, Speaker of the House
The Honorable M. Teresa Paiva Weed, President of the Senate

From: Thomas A. Mullaney, State Budget Officer
Sharon Reynolds Ferland, House Fiscal Advisor
Stephen H. Whitney, Senate Fiscal Advisor

Date: May 19, 2014

Subject: **May 2014 Revenue Estimating Conference**

SUMMARY

The Revenue Estimating Conference (REC) met on May 2nd, 5th, and 9th, 2014, in open public meetings. The Conference adopted the economic forecast for both calendar and fiscal years 2014 to 2019, and issued revised estimates for FY 2014 and FY 2015 revenues. Based on collection trends through April and the revised economic forecast, the Conference revised the FY 2014 revenue estimates to \$3.410 billion. The estimate is \$16.2 million less than the revenues estimated at the November 2013 REC.

The Conference estimated FY 2015 revenues at \$3.343 billion, which is \$4.8 million more than estimated at the November 2013 REC. The FY 2015 estimates are based on current law and exclude the hospital licensing fee. This fee is renewed on a year-to-year basis and has been extended each year since its inception. In FY 2015, the hospital licensing fee is estimated at \$141.3 million. Tables showing the estimates and the changes by revenue component are included at the end of this report.

ECONOMIC FORECAST

The Consensus Economic Forecast was adopted at the May 2nd meeting. The principals heard testimony from their economic consultant Chris Lafakis of Moody's Analytics. The consultant presented Conferees with updated economic forecasts for the United States and Rhode Island. Mr. Lafakis' testimony covered current economic performance and the outlook for the next several years and how the outlook has changed since the November 2013 Revenue Estimating Conference. Donna A. Murray, Assistant Director, Labor Market Information Unit, Rhode Island Department of Labor and Training presented the latest labor market data for Rhode Island.

After questioning the presenters, the Conferees adopted an updated consensus economic forecast for Rhode Island. The updated forecast offered slight changes to the consensus outlook adopted at the November 2013 Conference.

The U. S. Economy

Mr. Lafakis testified that the U.S. economy will remain on the current path of modest growth while sustainable growth hinges on the continual recovery of the housing market. Mr. Lafakis emphasized that the housing market will be the catalyst for U.S. growth in the forecast. Mr. Lafakis noted that there are significant impediments to robust growth in the housing market, including the reluctance of lenders to originate mortgages for first-time home buyers and move-up home buyers who lack high credit scores. This poses a potential risk to the U.S. macroeconomic forecast. Mr. Lafakis also testified that the U.S. job market has produced a steady 200,000 jobs per month most recently, enough to place downward pressure on the U.S. unemployment rate. In addition, the length of the average workweek is nearing a peak for the current recovery, a sign that the labor market is strengthening. The testimony given by Mr. Lafakis outlined that the fundamentals are in place at the macroeconomic level for a sustainable period of growth in the U.S. economy.

The key factors underlying Moody's Analytics' optimism include the banking system as a whole being well capitalized and profitable along with the improvement of mortgage credit quality. Mr. Lafakis stated that businesses have never been more profitable, which could lead to more hiring in the near term, as businesses contracted as much as possible during the recession. To expand, businesses will need to make capital and human investments. A risk to the forecast is the strategy that the Federal Reserve adopts with regard to its policy of quantitative easing. If the Federal Reserve decides to taper down quantitative easing in a more rapid fashion than the forecast predicts, then it is likely that interest rates will increase sooner than expected making the forecast overly optimistic. On the other hand, if the tapering of quantitative easing takes longer than expected, effectively suppressing interest rates to stimulate growth, then the forecast will likely be too pessimistic.

Moody's Analytics discussed two other pieces of information that could potentially alter the outlook for the U.S. economy. Mr. Lafakis outlined the competitive advantage that the United States has in terms of energy prices. Natural gas and industrial electricity prices are much cheaper in the U.S., relative to the other major world economies. This contributes to the United States' appeal as a destination for the production of manufactured goods, relative to other developed countries. Mr. Lafakis did note, however, that the U.S. economy is having a difficult time working off the structural unemployment that was created during The Great Recession, primarily due to the paucity of labor force participants with necessary skills to perform jobs in high demand. This will continue to be an issue, until the structurally unemployed receive appropriate training needed to fill currently available positions. Moody's Analytics also cited depressed entrepreneurship in the U.S. as a major concern for the labor market taking longer than expected to kick into high gear. The main takeaway from Moody's Analytics' testimony is that the U.S. economy has all the fundamentals in place for a breakout year. It should be noted that these fundamentals

and the positioning of the U.S. economy have been highlighted in Mr. Lafakis' testimony at the past three Revenue Estimating Conferences.

The Rhode Island Economy

With respect to the Rhode Island economy, Mr. Lafakis noted that the state's economy is still the laggard of the New England states. He did note, however, that a major positive for the state as a whole is the manufacturing sector, which experienced positive growth in 2013 for the first time in the last decade. Mr. Lafakis stated that uncertainty surrounding the restoration of expired emergency unemployment insurance benefits is a major concern for the state. Due to the severity of the recession in the state, Rhode Island has benefitted disproportionately from the extension of unemployment insurance benefits beyond the traditional 26 weeks covered by state and federal law. Mr. Lafakis outlined as an additional cause for concern the fact that even though Rhode Island's home foreclosure inventory has abated more quickly than neighboring states, there has been a considerable increase in the state's home foreclosure inventory which is placing downward pressure on housing prices. The employment recovery has also been uneven as most industries have increased payrolls at a slower rate than the U.S. economy as a whole.

With respect to Rhode Island, Mr. Lafakis noted that the cost of doing business in the state is still relatively high compared to the U.S. as a whole, particularly in the areas of energy costs and state and local taxes. Mr. Lafakis stated that the state needs to reform its tax structure and reduce the cost of energy in order to make the state a more viable destination for outside business investment and the resultant immigration of residents that accompanies it. A downside risk to the Rhode Island economic forecast is the faster economic growth occurring in Massachusetts and Connecticut, which could divert residents, employers and spending power away from the state. In addition, Mr. Lafakis noted that weak demographics combined with restrained income growth may further slow the growth of the state's service-oriented economy in the near future. This will be exacerbated if the state does not direct resources into areas that will accelerate this transition period. Finally, well-directed business investment, particularly in the state's comparative advantage areas of higher education, healthcare and biotechnology will be critical for the state's long-term sustainable economic growth. Mr. Lafakis testified that the state should leverage the resources currently available to foster continual expansion in the areas that will deliver sustainable growth in Rhode Island in order to make the state more competitive in the region and nationally.

Department of Labor and Training

The Rhode Island Department of Labor and Training (DLT) reported that the Rhode Island unemployment rate declined to 8.7 percent in March 2014, still the highest in the United States. The March 2014 unemployment rate of 8.7 percent is markedly higher than the U.S. rate of 6.7 percent, and the Massachusetts and Connecticut unemployment rates of 6.3 and 7.0 percent, respectively. While Rhode Island's unemployment rate decreased in March 2014, it was largely a reflection of a contraction in the labor force, a year-over-year decrease of 4,600 individuals employed or actively seeking employment. The total amount of Rhode Island employed residents did not change over the same time frame. In addition, there was a reduction of 4,500 unemployed workers. Therefore, the observed labor force contraction is purely reflective of individuals who were actively looking for work electing to exit the labor force. Rhode Island's resident employment figure peaked at 548,900 in December 2006. Rhode Island resident employment in March 2014 totaled 506,000, or 42,900 off the peak.

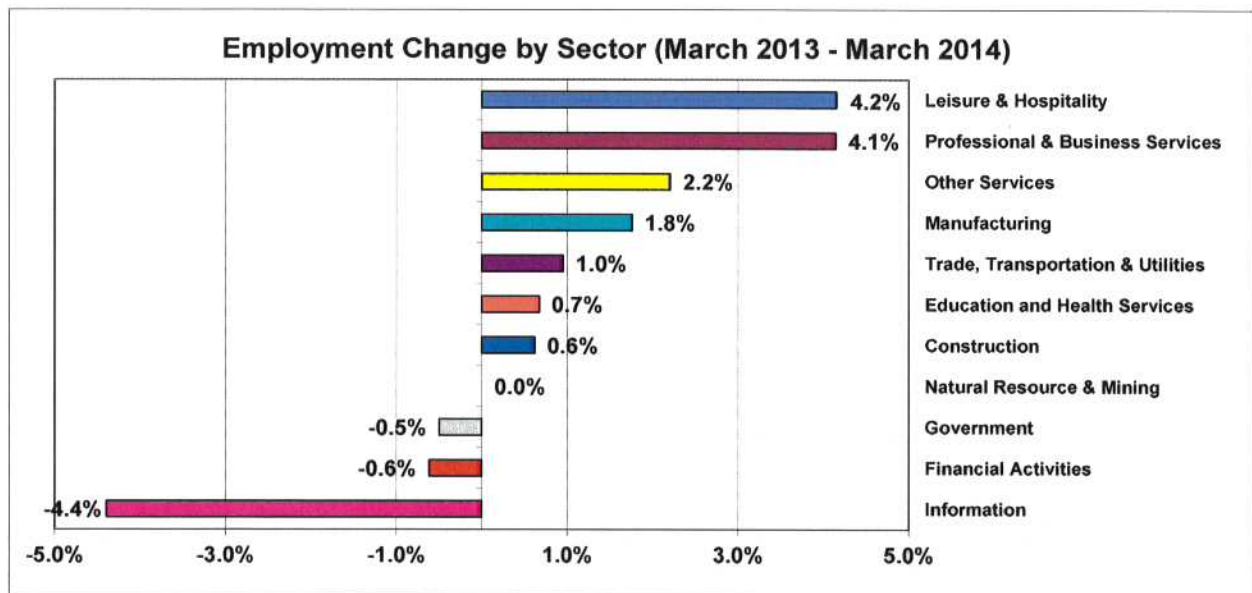
Utilization of Rhode Island's WorkShare program has dropped dramatically since 2009. The WorkShare program allows employers to reduce the hours of a larger number of workers in lieu of a layoff of a smaller group of employees. The workers recapture the lost earnings due to the reduction in hours through regular unemployment benefits. Initial claims dropped 45.1 percent between the first quarter of 2013 and the first quarter of 2014, and payments decreased 16.8 percent for the same period.

DLT reported that between August 2009 and March 2014, the state regained a net of 19,900 jobs, or 50 percent of the jobs lost from the peak of employment in December 2006 to the trough of employment levels in August 2009. The composition of the jobs recovered is as follows: 9,500 or 47.7 percent in the middle wage group (i.e., \$30,000 - \$59,999 in annual income), 7,400 or 37.2 percent in the low-wage group (i.e., \$30,000 and below in annual income), and 3,000 or 15.1 percent in the high wage group (i.e., \$60,000 and above in annual income).

Between March 2013 and March 2014, Rhode Island establishment employment increased overall by 6,400 jobs. The change in employment breaks down as follows (all employment data is seasonally adjusted):

Sector	Jobs Change	Sector	Jobs Change
Professional & Business Services	2,400	Construction	100
Leisure & Hospitality	2,200	Natural Resource & Mining	-
Manufacturing	700	Financial Activities	(200)
Trade, Transportation & Utilities	700	Government	(300)
Education and Health Services	700	Information	(400)
Other Services	500	Total Non-Farm	6,400

On a percentage basis, net employment growth was strongest in the leisure & hospitality sector followed closely by the professional & business services sector of the Rhode Island economy. The observed job growth in the chart below depicts the transition to a more service oriented Rhode Island economy. The largest decline in employment growth can be seen in the information sector.



Department of Labor and Training Expect Revisions to December 2013 BLS estimate:

DLT reported that it expects to see a significant benchmark revision by the United States Bureau of Labor Statistics (BLS) in March 2015 to the December 2013 Rhode Island establishment employment numbers. Using a methodology developed by the University of Massachusetts, DLT expects total non-farm Rhode Island establishment employment for December 2013 to be revised upward by 2,100 jobs. It should be noted that Moody's Analytics economic forecast incorporates upward revisions to BLS data for forecast numbers, but uses current BLS total employment numbers for historical figures. As a result, it is expected that the November 2014 Revenue Estimating Conference will see potentially significant changes to the forecast presented in the next section. The changes to Rhode Island establishment employment by sector as calculated by DLT are shown in the table below.

Sector	Jobs Change	Sector	Jobs Change
Professional & Business Services	600	Leisure & Hospitality	200
Information	400	Education and Health Services	-
Other Services	300	Natural Resource & Mining	-
Financial Activities	300	Manufacturing	-
Government	200	Trade, Transportation & Utilities	(100)
Construction	200	Total Non-Farm	2,100

Source: RI Department of Labor and Training, Labor Market Information Unit, Quarterly Census of Employment and Current Employment Statistics (CES) data, Using methodology developed by the University of Massachusetts.

*Difference is a result of rounding

The May 2014 Consensus Economic Forecast

The principals at the May 2014 Revenue Estimating Conference adopted a consensus economic forecast based on the testimony of Moody’s Analytics senior economist Chris Lafakis. The forecast projects an increase in non-farm employment of 6,800 jobs in FY 2014 and 9,100 jobs in FY 2015. Employment growth is expected to average 1.2 percent for the FY 2015 – FY 2019 forecast period. Personal income growth is anticipated to be positive in FY 2014 and FY 2015, at 2.8 percent and 5.8 percent, respectively, with the peak in personal income growth taking place in FY 2016 at 6.6 percent before consistent declines in personal income growth for the FY 2017 - FY 2019 period. Personal income growth is forecasted to average 3.9 percent over the FY 2017 – FY 2019 period. Wage and salary growth is expected to follow a similar pattern to personal income growth, with growth of 3.3 percent in FY 2014 and 6.3 percent in FY 2015. Peak wage and salary growth is projected to be 6.9 percent in FY 2016. Wage and salary growth is forecasted to average 4.6 percent in the FY 2017 – FY 2019 forecast period. The State’s unemployment rate is projected to be 9.2 percent in FY 2014 before falling to 8.2 percent in FY 2015. Rhode Island’s unemployment rate is not expected to fall below 7.0 percent until FY 2016.

The consensus economic forecast through FY 2019 is shown in the following tables.

Forecast Metric	May 2014 Consensus Economic Forecast					
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Non-Farm Employment (Thousands)	475.0	484.1	495.0	502.3	504.6	504.4
Growth Rates (%)						
Non-Farm Employment	1.5	1.9	2.3	1.5	0.5	-0.1
Personal Income	2.8	5.8	6.6	5.5	3.3	2.9
Wages and Salaries	3.3	6.3	6.9	6.0	4.4	3.5
Dividends, Interest, and Rent	3.8	7.2	9.3	7.3	2.2	1.9
Percentage Rates (%)						
Unemployment	9.2	8.2	6.9	5.9	5.6	5.5
Consumer Price Index (U.S.)	1.5	2.0	2.1	2.5	2.7	2.5
Ten Year U.S. Treasury Notes	2.8	3.6	4.6	5.1	4.8	4.7
Three Month U.S. Treasury Bills	0.1	0.1	1.0	2.7	3.3	3.5

Comparison of the May 2014 and November 2013 Consensus Economic Forecast

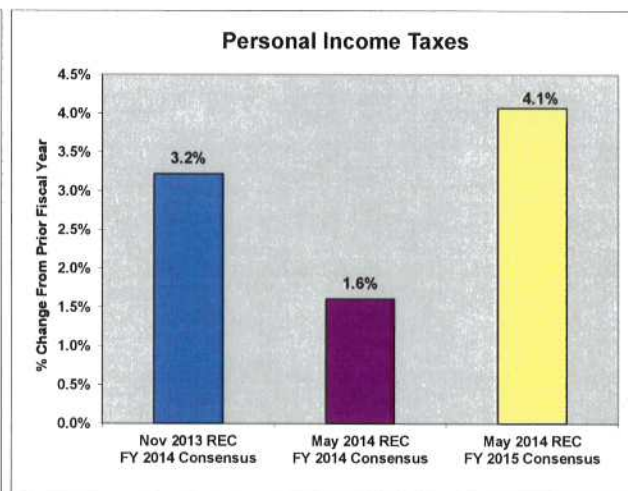
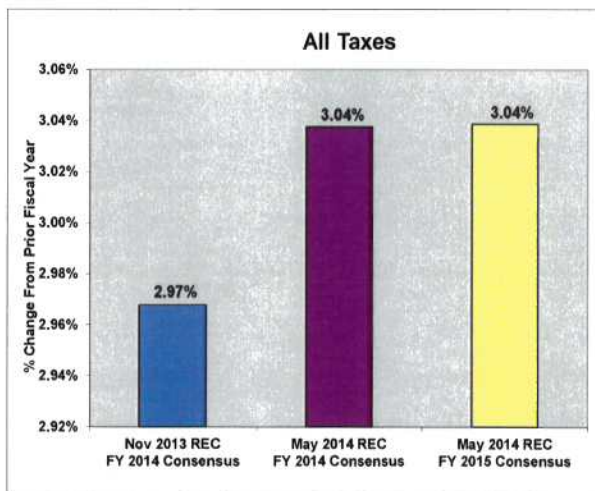
Significant revisions downward can be seen for FY 2014 and FY 2015 in the May 2014 Consensus Economic Forecast (CEF) when compared to the November 2013 CEF. Rates of growth in personal income, wages and salaries, and dividends, interest and rent were all revised downward in the May 2014 CEF. Specifically, personal income growth was revised downward by 0.9 percentage points in FY 2014 and 0.5 percentage points in FY 2015. Moody’s Analytics provided a significant downward revision to dividends, interest and rent growth by 2.0 percentage points in FY 2014 and 1.8 percentage points in FY 2015. Wage and salary growth was revised downward by 0.8 percentage points in FY 2014 and 0.4

percentage points in FY 2015 from the November 2013 CEF. In addition, stronger than expected non-farm employment growth in the state can be seen through the upward revision of 4,900 jobs in FY 2014 and 4,900 jobs in FY 2015 from the November 2013 CEF. The unemployment rate was revised upward slightly by 0.4 percentage points in both FY 2014 and FY 2015 in the May 2014 CEF. Moody's Analytics forecast provided only slight modifications for the other major forecast metrics including CPI-U, ten year U.S. Treasury notes and three month U.S. Treasury bills in FY 2014 and FY 2015. The changes from the November 2013 CEF made in the May 2014 CEF on a state fiscal year basis can be seen in the following table.

Forecast Metric	May 2014 REC vs. November 2013 REC Consensus Economic Forecast					
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Non-Farm Employment (Thousands)	4.9	4.9	4.6	4.6	4.2	3.8
Growth Rates (%)						
Non-Farm Employment	0.6	0.0	-0.1	0.0	-0.1	-0.1
Personal Income	-0.9	-0.5	0.2	0.1	-0.7	-0.7
Wages and Salaries	-0.8	-0.4	-0.1	0.1	0.2	-0.1
Dividends, Interest, and Rent	-2.0	-1.8	0.8	0.3	-1.6	-1.3
Percentage Rates (%)						
Unemployment	0.4	0.4	0.3	0.3	0.1	0.0
Consumer Price Index (U.S.)	0.0	0.0	-0.2	0.1	0.3	0.2
Ten Year U.S. Treasury Notes	-0.1	-0.2	-0.1	0.1	0.1	0.0
Three Month U.S. Treasury Bills	0.0	0.0	-0.1	-0.1	-0.1	0.0

REVENUES

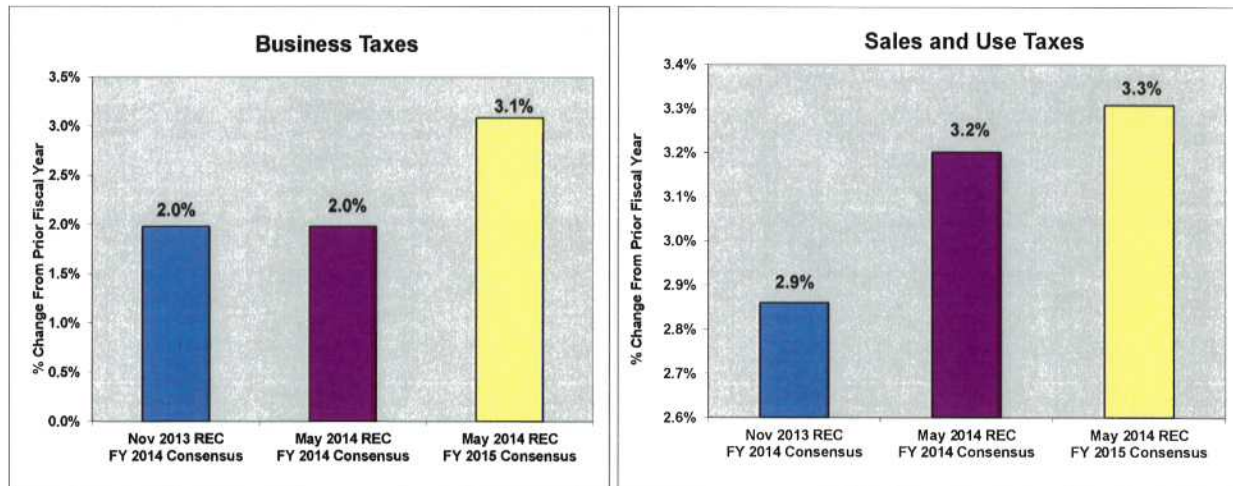
Taxes. Revenues from taxes are estimated to increase 3.0 percent in FY 2014 from audited FY 2013 collections and increase by 3.0 percent in FY 2015 over the May revised FY 2014 estimate. Total estimated taxes for FY 2014 of \$2.656 billion increased by \$1.8 million, or 0.1 percent above the November 2013 REC estimate for FY 2014 of \$2.654 billion. FY 2015 total estimated taxes are \$2.737 billion, \$18.7 million above the November 2013 REC estimate for FY 2015 of \$2.718 billion in total taxes.



Personal Income Tax. The estimates of \$1.103 billion for FY 2014 and \$1.148 billion for FY 2015 represent unadjusted year-over-year growth rates of 1.6 percent and 4.1 percent, respectively. The FY 2014 May revised estimate is \$17.5 million less than the FY 2014 November 2013 REC estimate, reflecting downward revisions to personal income growth. The FY 2015 May revised estimate is \$44.9 million more than the FY 2014 May revised estimate.

Business Taxes. The conferees estimate total general business taxes of \$388.8 million in FY 2014 and \$400.8 million in FY 2015. Year over year growth rates are 2.0 percent and 3.1 percent, respectively. The FY 2014 May revised estimate is \$7.5 million more than audited FY 2013 collections, while the FY 2015 May revised estimate is \$12.0 million more than the FY 2014 May revised estimate. For FY 2014, the May revised business corporations tax is projected to decrease by \$14.7 million from audited FY 2013 collections, reflecting a -11.2 percent growth rate. However, public utilities gross earnings tax and insurance companies gross premiums tax revenues are expected to increase by \$8.4 million or 8.4 percent and \$13.3 million or 14.3 percent, respectively in May revised FY 2014 from audited FY 2013 collections, offsetting the downward revision in business corporations tax. The conferees at the May 2014 REC revised FY 2015 general business taxes upward by \$6.5 million from the November 2013 REC estimates. The major changes included a revision upward of \$12.1 million in public utilities gross earnings taxes, \$9.2 million in financial institutions taxes and \$5.4 million in insurance companies gross premiums taxes. Financial institutions excise tax collections increased in part as a result of the filing of amended tax returns from prior tax years which augmented tax liabilities at the state level. The revision upward in public utilities gross earnings tax collections is partially in response to a rate increase on electricity. The primary source of growth in insurance companies gross premiums taxes is from the federal Affordable Care Act (ACA) expansion which will increase health insurance enrollment and increase the amount of health insurance premiums subject to the gross premiums tax. In May revised FY 2015, total general business tax collections are projected to increase \$9.7 million or 3.1 percent growth from the November 2013 REC estimates.

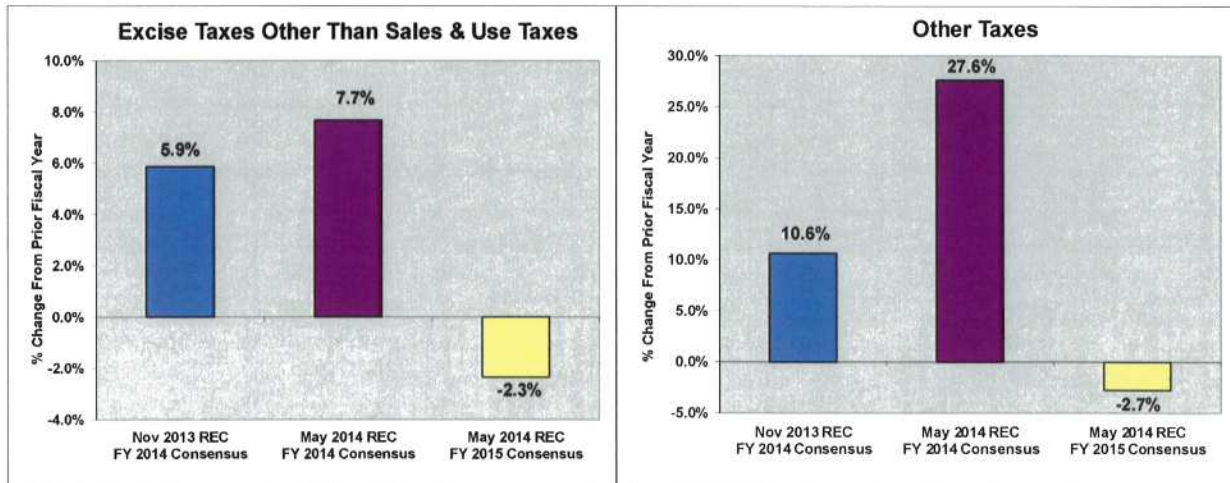
Sales and Use Taxes. The conferees estimated sales and use tax revenues of \$907.0 million in FY 2014 and \$937.0 million in FY 2015. The FY 2014 May revised revenues are \$3.0 million above the November 2013 REC estimate and represent growth of 3.2 percent from audited FY 2013 receipts. Stronger than expected year-to-date collections through April and increased consumer confidence were the contributing factors to the upward revision by the estimators. The FY 2015 May revised estimate is \$30.0 million, or 3.3 percent higher, than the May revised FY 2014 estimate.



Excise Taxes Other Than Sales and Use Taxes. The conferees estimated \$209.5 million for FY 2014 and \$204.6 million for FY 2015 from excise taxes other than sales and use taxes. These taxes include motor vehicle license and registration fees, motor carrier fuel use taxes, cigarettes taxes, and alcohol taxes. The FY 2014 May revised estimate is \$3.5 million, or 1.7 percent growth over the estimates adopted at the November 2013 REC. In addition, the May revised FY 2014 estimate is \$14.9 million above the audited FY 2013 collections or 7.7 percent growth. The revision upward from the November REC is reflective of motor vehicle license and registration fees and cigarette excise tax collections being stronger than expected. The FY 2015 May revised estimate is \$4.9 million less than the May revised estimate for FY 2014, reflecting anticipated further declines in cigarette consumption which will ultimately translate into lower cigarette excise tax collections. The other source of decline in the FY 2015

May revised estimate stems from the expiration of the increase in alcohol excise tax rates at the end of March 2015.

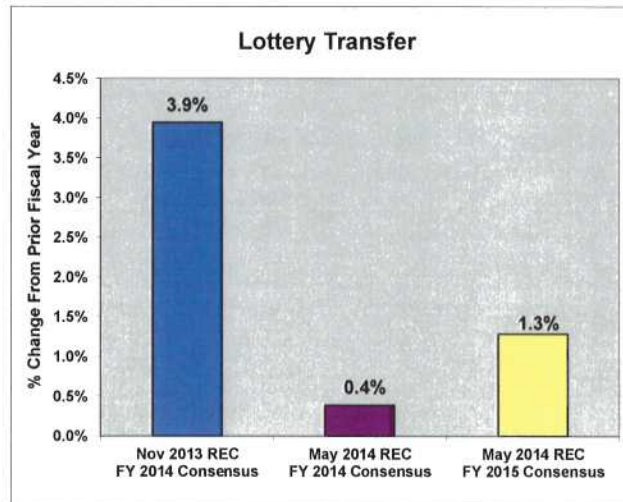
Other Taxes. The estate and transfer, racing and athletics, and realty transfer taxes are estimated to produce \$47.3 million in May revised FY 2014 and \$46.0 million in May revised FY 2015. The May revised FY 2014 estimate is \$10.2 million more than the audited FY 2013 collections, resulting from greater than expected year-to-date collections through April within estate and transfer taxes. The May revised FY 2014 estimate is \$6.3 million more than that adopted by the conferees at the November 2013 REC. The FY 2015 May revised other taxes estimate is \$1.3 million less than the May revised FY 2014 estimate. The modest decline is due primarily to anticipated estate and transfer tax collections declining slightly relative to FY 2014.



Lottery Transfer. The lottery transfer is estimated to produce \$380.7 million in May revised FY 2014 with \$309.4 million from the video lottery terminals installed at Twin River and Newport Grand, \$59.5 million from combined games, which includes PowerBall, Mega Millions, scratch tickets, and Keno and \$11.8 million in net revenues from the table games at Twin River. The transfer to the state for table games is derived from the May revised estimate of \$89.6 million in gross table games revenues at Twin River in FY 2014, of which the state receives 18.0 percent less the estimated expenses of \$4.4 million incurred by the Lottery to administer the table games. The FY 2014 May revised estimate is \$13.5 million less than estimated at the November 2013 REC for the lottery transfer. The May revised FY 2014 estimate is \$1.5 million or 0.4 percent above the audited FY 2013 collections for the lottery transfer. The May revised estimated transfer is \$385.6 million in FY 2015, with \$313.4 million from video lottery terminals, \$59.5 million from combined games, and \$12.7 million in net revenues from the table games at Twin River. Gross table games revenues were revised upward to \$95.2 million in FY 2015 or \$7.2 million above the November 2013 REC adopted estimate. In addition, the net table game revenues transferred to the state from table games were revised upward by \$1.3 million by the conferees at the May 2014 REC as a result of table games performing better than initially expected at the November 2013 REC. The FY 2015 lottery transfer May revised estimate is projected to grow by 1.3 percent from the May revised FY 2014 estimate resulting in an additional \$4.9 million transfer to the state. Additionally, the May revised FY 2015 estimates for the lottery transfer are \$14.3 million less than the FY 2015 estimates agreed upon by the conferees at the November 2013 REC.

The estimators are required to determine the State share of video lottery net terminal income (NTI) at both Twin River and Newport Grand. For FY 2014, the conferees project a May revised State share of \$283.1 million based on total NTI of \$467.0 million at Twin River. At Newport Grand, the State expects to receive, based on the May 2014 REC, \$26.3 million from the generation of \$44.0 million in NTI. For May revised FY 2015, Twin River is projected to provide the State with \$288.8 million from the \$476.3 million of NTI generated while Newport Grand is expected to transfer \$24.5 million from the \$41.3

million of NTI it generates. The year over year nominal change in May revised FY 2015 for the lottery transfer from Twin River and Newport Grand NTI is projected to increase by \$5.7 million and decrease by \$1.8 million respectively.



Departmental Receipts. The conferees adopted estimates of \$354.5 million for FY 2014 and \$208.2 million for FY 2015 for these sources that include licenses and fees, fines and penalties, sales and services, and miscellaneous departmental receipts that are deposited as general revenues. The May revised FY 2014 estimate is \$5.6 million less than the November 2013 REC adopted estimate, or -1.6 percent growth. The revision downward is reflective of \$5.6 million in an overdue FY 2012 Hospital Licensing Fee payment received in December 2013 being accrued back to FY 2013.

The FY 2015 May revised estimate is \$146.3 million less than the May revised FY 2014 estimate. Embedded in the \$146.3 million dollar difference is an additional overdue FY 2013 Hospital Licensing Fee payment of \$5.5 million that is expected to be received in FY 2014. FY 2015 drops off mainly due to the end of the hospital licensing fee, which produces \$141.3 million in FY 2014. This fee is renewed on a year-to-year basis and has been extended each year since its inception. The estimators, however, must estimate revenues consistent with current law under which no fee is yet authorized for FY 2015. Non-hospital license fee departmental receipts are projected to increase by \$475,080 or 0.2 percent, from the May revised FY 2014 estimate.

Other Sources. Other source revenue consists of transfers to the general fund from unclaimed property and other miscellaneous sources. These are estimated to produce \$19.5 million in May revised FY 2014 and \$13.0 million in May revised FY 2015. The revised estimates are \$1.1 million above the November 2013 REC estimates for FY 2014 and \$400,000 above the November 2013 REC estimates for FY 2015. As a result, the May revised estimates for FY 2014 are \$9.0 million above the audited FY 2013 collections. The FY 2015 estimates agreed upon by the conferees at the May 2014 REC from other sources are \$6.5 million below the May revised FY 2014 estimates primarily because that estimate contained some non-recurring items.

NEXT MEETING

The next required meeting of the conference is scheduled for November 2014.

Revenue Estimating Conference

May 19, 2014 - Report on May 2014 Conference

Page 10.

cc: The Honorable Raymond Gallison, Chairman
House Finance Committee

The Honorable Daniel DaPonte, Chairman
Senate Finance Committee

Revenue Comparisons- FY 2014

FY 2014	FY 2013 Audited	FY 2014 November 2013 REC	Growth From FY 2013 Aud.	FY 2014 May REC	FY 2014 Change from November REC	Growth from November REC
Personal Income Tax	\$ 1,085,765,261	\$ 1,120,700,000	3.2%	\$ 1,103,200,000	\$ (17,500,000)	-1.6%
General Business Taxes						
Business Corporations	131,827,907	136,000,000	3.2%	117,100,000	(18,900,000)	-13.9%
Public Utilities Gross	99,640,815	95,900,000	-3.8%	108,000,000	12,100,000	12.6%
Financial Institutions	12,594,921	4,300,000	-65.9%	13,500,000	9,200,000	214.0%
Insurance Companies	92,744,945	100,600,000	8.5%	106,000,000	5,400,000	5.4%
Bank Deposits	2,877,325	2,900,000	0.8%	2,400,000	(500,000)	-17.2%
Health Care Provider	41,568,589	42,600,000	2.5%	41,800,000	(800,000)	-1.9%
Sales and Use Taxes						
Sales and Use	878,866,074	904,000,000	2.9%	907,000,000	3,000,000	0.3%
Motor Vehicle	49,431,495	50,800,000	2.8%	52,300,000	1,500,000	3.0%
Motor Fuel	438,255	700,000	59.7%	500,000	(200,000)	-28.6%
Cigarettes	132,516,310	136,300,000	2.9%	139,100,000	2,800,000	2.1%
Alcohol	12,176,109	18,200,000	49.5%	17,600,000	(600,000)	-3.3%
Other Taxes						
Estate and Transfer	28,489,275	31,800,000	11.6%	38,100,000	6,300,000	19.8%
Racing and Athletics	1,171,108	1,200,000	2.5%	1,200,000	-	0.0%
Realty Transfer	7,399,222	8,000,000	8.1%	8,000,000	-	0.0%
Total Taxes	2,577,507,611	2,654,000,000	3.0%	2,655,800,000	1,800,000	0.1%
Departmental Receipts	356,831,653	360,100,000	0.9%	354,500,000	(5,600,000)	-1.6%
Other Miscellaneous	4,166,214	7,455,000	78.9%	7,555,000	100,000	1.3%
Lottery	379,224,715	394,200,000	3.9%	380,700,000	(13,500,000)	-3.4%
Unclaimed Property	6,268,627	10,900,000	73.9%	11,900,000	1,000,000	9.2%
Total General Revenues	3,323,998,820	3,426,655,000	3.1%	3,410,455,000	(16,200,000)	-0.5%
Personal Income Tax						
Estimated	194,512,996	202,100,000	3.9%	194,000,000	(8,100,000)	-4.0%
Finals	196,918,197	200,000,000	1.6%	172,000,000	(28,000,000)	-14.0%
Refunds	(279,736,111)	(275,000,000)	-1.7%	(275,000,000)	-	0.0%
Withholding	977,296,980	997,000,000	2.0%	1,015,600,000	18,600,000	1.9%
Net Accrual	(3,226,800)	(3,400,000)	5.4%	(3,400,000)	-	0.0%
Total	1,085,765,261	1,120,700,000	3.2%	1,103,200,000	(17,500,000)	-1.6%
Lottery						
All Games	63,388,468	64,100,000	1.1%	59,500,000	(4,600,000)	-7.2%
VLT	316,408,533	319,700,000	1.0%	309,400,000	(10,300,000)	-3.2%
Table Games	(572,286)	10,400,000	-1917.3%	11,800,000	1,400,000	13.5%
Total	379,224,715	394,200,000	3.9%	380,700,000	(13,500,000)	-3.4%
Lincoln NTI	472,626,468	483,100,000	2.2%	467,000,000	(16,100,000)	-3.3%
Newport NTI	48,120,638	44,400,000	-7.7%	44,400,000	-	0.0%
Total NTI	520,747,107	527,500,000	1.3%	511,400,000	(16,100,000)	-3.1%
Lincoln GTGR	1,881,238	82,000,000	4258.8%	89,600,000	7,600,000	9.3%

Revenue Comparisons- FY 2015

FY 2015	FY 2015 November 2013 REC	FY 2015 May 2014 REC	FY 2015 Nominal Change from November 2013 REC	Growth From FY 2015 November 2013 REC
Personal Income Tax	\$ 1,153,900,000	\$ 1,148,100,000	\$ (5,800,000)	-0.5%
General Business Taxes				
Business Corporations	133,200,000	115,400,000	(17,800,000)	-13.4%
Public Utilities Gross	97,500,000	112,000,000	14,500,000	14.9%
Financial Institutions	4,500,000	11,500,000	7,000,000	155.6%
Insurance Companies	108,700,000	116,900,000	8,200,000	7.5%
Bank Deposits	2,900,000	2,400,000	(500,000)	-17.2%
Health Care Provider	44,300,000	42,600,000	(1,700,000)	-3.8%
Sales and Use Taxes				
Sales and Use	930,600,000	937,000,000	6,400,000	0.7%
Motor Vehicle	50,800,000	52,300,000	1,500,000	3.0%
Motor Fuel	700,000	500,000	(200,000)	-28.6%
Cigarettes	132,400,000	135,800,000	3,400,000	2.6%
Alcohol	17,000,000	16,000,000	(1,000,000)	-5.9%
Other Taxes				
Estate and Transfer	31,800,000	36,400,000	4,600,000	14.5%
Racing and Athletics	1,100,000	1,100,000	-	0.0%
Realty Transfer	8,400,000	8,500,000	100,000	1.2%
Total Taxes	2,717,800,000	2,736,500,000	18,700,000	0.7%
Departmental Receipts	208,200,000	208,200,000	-	0.0%
Other Miscellaneous	2,475,000	2,475,000	-	0.0%
Lottery	399,900,000	385,600,000	(14,300,000)	-3.6%
Unclaimed Property	10,100,000	10,500,000	400,000	4.0%
Total General Revenues	3,338,475,000	3,343,275,000	4,800,000	0.1%
Personal Income Tax				
Estimated	213,200,000	204,600,000	(8,600,000)	-4.0%
Finals	197,200,000	172,000,000	(25,200,000)	-12.8%
Refunds	(283,600,000)	(284,000,000)	(400,000)	0.1%
Withholding	1,030,600,000	1,059,000,000	28,400,000	2.8%
Net Accrual	(3,500,000)	(3,500,000)	-	0.0%
Total	1,153,900,000	1,148,100,000	(5,800,000)	-0.5%
Lottery				
All Games	65,200,000	59,500,000	(5,700,000)	-8.7%
VLT	323,300,000	313,400,000	(9,900,000)	-3.1%
Table Games	11,400,000	12,700,000	1,300,000	11.4%
Total	399,900,000	385,600,000	(14,300,000)	-3.6%
Lincoln NTI	492,000,000	476,300,000	(15,700,000)	-3.2%
Newport NTI	41,300,000	41,300,000	-	0.0%
Total NTI	533,300,000	517,600,000	(15,700,000)	-2.9%
Lincoln GTGR	88,000,000	95,200,000	7,200,000	8.2%