



State of Rhode Island and Providence Plantations

Revenue Estimating Conference

ROOM 117, STATE HOUSE, PROVIDENCE, RI 02903

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November 2014 Conference Chair

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MEMORANDUM

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

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

Date: November 25, 2014

Subject: **November 2014 Revenue Estimating Conference**

SUMMARY

The Revenue Estimating Conference (REC) met on October 31, and November 3, 5, 6, and 10, 2014, in open public meetings. The Conference adopted the economic forecast for both calendar and fiscal years 2015 to 2020, and reviewed and revised estimates for FY 2015 and FY 2016 revenues. Based on collection trends through October and the revised economic forecast, the Conference increased the FY 2015 estimates by \$15.8 million from the FY 2015 Budget as Enacted amount, to \$3,508.9 million.

The Conference estimated FY 2016 revenues at \$3,380.2 million, which is \$128.7 million less than the revised Conference estimates for FY 2015 but does not include the hospital license fee. The hospital license fee accounts for \$156.1 million in FY 2015 that cannot be included in FY 2016 because it is enacted annually, and revenue estimates may only be based upon current law.

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 November 3rd meeting. The principals heard testimony from their economic consultant Mr. Chris Lafakis, Senior Economist for Moody's Analytics. Mr. Lafakis presented Conferees with updated economic forecasts for the United States and Rhode Island. Testimony covered current economic performance, the outlook for the next several years, and how the outlook has changed since the May 2014 Revenue Estimating Conference. Ms. Donna Murray, Assistant Director of the 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.

Consensus Economic Forecast

The Conferees adopted a consensus economic forecast based on the testimony of Mr. Lafakis. Employment growth is expected to average 1.0 percent in the FY 2015 – FY 2020 forecast period. Personal income growth is projected to increase in FY 2015 and FY 2016 by 4.0 percent and 5.9 percent, respectively. Personal income growth averages 4.2 percent in the FY 2015 – FY 2020 forecast period. The rate of wage and salary growth is expected to decrease year over year after peaking at 6.9 percent in FY 2016. The State's unemployment rate is projected at 7.3 percent through FY 2015 and 6.2 percent in FY 2016; it declines to 5.2 percent by FY 2020.

The consensus economic forecast through 2020 on both a calendar and fiscal year basis is shown in the following tables.

November 2014 Consensus Economic Forecast

Forecast Metric	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020
Nonfarm Employment (Thousands)	486.3	497.5	502.9	504.3	504.2	504.1
Personal Income (\$, bil.)	\$53,970.9	\$57,131.2	\$59,803.8	\$61,783.4	\$63,615.4	\$65,489.5
<i>Growth Rates</i>						
Nonfarm Employment	1.9	2.3	1.1	0.3	0.0	0.0
Personal Income	4.9	5.9	4.7	3.3	3.0	3.0
Wage and Salaries Income	5.7	6.7	5.1	3.7	3.1	2.8
Dividends, Interest and Rent	5.7	9.8	7.4	3.9	2.9	2.6
<i>Percentage Rates</i>						
Unemployment Rate (RI)	6.7	5.8	5.4	5.3	5.2	5.2
Consumer Price Index (US)	2.1	2.4	2.9	2.9	2.6	2.4
Ten Year Treasuries	3.4	4.5	4.7	4.5	4.5	4.5
Three Month Treasuries	0.2	1.8	3.0	3.3	3.4	3.6

November 2014 Consensus Economic Forecast

Forecast Metric	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Nonfarm Employment (Thousands)	480.9	492.5	500.9	503.8	504.4	504.0
Personal Income (\$, bil.)	\$52,487.5	\$55,593.7	\$58,557.5	\$60,822.2	\$62,714.0	\$64,518.1
<i>Growth Rates</i>						
Nonfarm Employment	1.4	2.4	1.7	0.6	0.1	-0.1
Personal Income	4.0	5.9	5.3	3.9	3.1	2.9
Wage and Salaries Income	4.8	6.9	6.0	4.2	3.4	2.8
Dividends, Interest and Rent	2.8	9.0	8.8	5.5	3.2	2.6
<i>Percentage Rates</i>						
Unemployment Rate (RI)	7.3	6.2	5.5	5.3	5.3	5.2
Consumer Price Index (US)	1.9	2.2	2.6	2.9	2.8	2.5
Ten Year Treasuries	2.9	4.0	4.8	4.6	4.5	4.5
Three Month Treasuries	0.0	0.8	2.5	3.2	3.4	3.5

The U.S. Economy

Moody's testified that the national job market is improving, producing on average about 225,000 jobs a month across all industries. The hiring rate rose steadily from a low of 2.8 percent in March 2009 to a high of 3.4 percent in May 2014. The rate of job openings has more than doubled from a low of 1.6 percent in July 2009 to a high of 3.2 percent in May 2014. Job openings are high relative to job hiring; which Moody's indicates may signal a skills gap. However, the expertise and experience available amongst the long-term unemployed has also allowed employers to be extremely selective about hiring, sometimes interviewing candidates over periods longer than six months, before deciding leave positions vacant. However, the expected hiring rate will continue to rise, with national jobless rates predicted to fall below 5.0 percent within the next year.

As wages rise and personal income grows, particularly for younger workers, Moody's anticipates the formation of new households, increasing overall housing demand. Moody's predicts that residential construction has been and will continue to be a major driver of economic recovery. The housing market is beginning to show signs of revival as housing is now fairly valued and demand is growing. Vacancies have fallen to trend level allowing the U.S. to work off housing inventory. The biggest motivator for the forecast of a residential construction recovery is the current state of market imbalance; inventory-to-sales ratios are back to pre-recession levels. Within the next 6 to 12 months, housing supplies should fall below the average vacancy rate. Moody's forecasts that home prices will continue to increase, rent prices will increase, and residential construction will pick up and notes that home sales have been boosted by low interest rates, investor purchases, and better consumer balance sheets.

The U.S. economy has also benefited from a recent decrease in oil prices, driven by increased U.S. and Libyan production levels and decreased demand from developing states. As oil is valued in U.S. dollars, its relative strength against other currencies is helping to keep the price lower for U.S. consumers. Moody's predicts lower oil and gas prices will result in an increase in discretionary spending by American households, particularly in the fourth quarter of 2014.

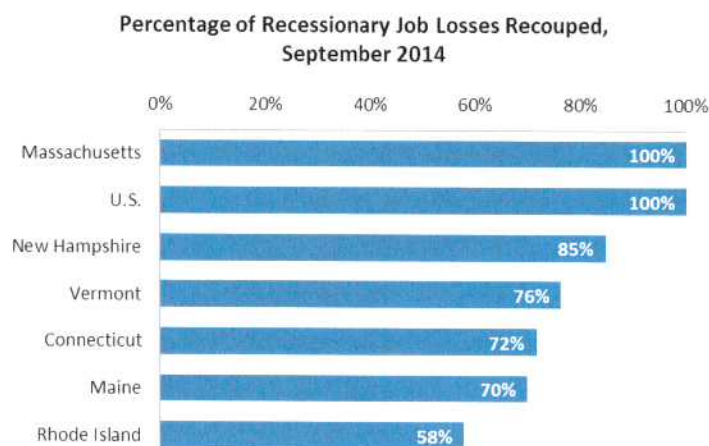
The improved financial position of banks has resulted in the ability to take on risk and lend more. The nation's largest banks continue to raise capital and limit their exposures to risky activities as required by regulators. Stress tests mandated by regulators show that U.S. banks have enough capital to withstand a recession as severe as the Great Recession. Banks are loosening standards for lending to households and businesses. Households and consumers have become more responsible taking on debt, illustrated by non-first mortgage delinquency rates falling below pre-recession levels. First mortgage delinquency rates have been declining from a high in 2009 of 5.3 percent to less than 2.5 percent in 2014. Mortgage credit, however, remains somewhat restrained by consumer protections, including the Dodd-Frank Act, enforced by the Department of Justice following the market crash.

Productivity growth has been limited by low rates of capital investment, a consequence of weak business confidence. This has had a particularly strong negative effect on new business starts. The number of new U.S. enterprises started each year had been trending lower since the late 1990s tech boom, but took a sharp dive during the recession. Business starts have stabilized in the recovery but show few signs of rebounding. Recent research shows that job creation depends heavily on new firms. They are the principal source of innovation and long-term growth, turning new ideas into products and services. The longer business starts remain depressed, the dimmer the country's longer-term prospects look. Labor force growth is currently below 1.0 percent. Current federal immigration policy is preventing workers in high- and low-wage fields from entering the U.S. economy. However, it is probable that new business starts will increase following the passage of a comprehensive immigration reform bill. Mr. Lafakis noted that immigration reform is critical to sustaining the economic recovery, as immigrant populations have statistically higher rates of entrepreneurship than other domestic populations.

However, Moody's analysis acknowledges that some damage from the Great Recession may be structural, rather than cyclical, and growth may not return to pre-recession levels. The unexpected weakness of the recovery has played a role in the forecast downgrade for personal income levels to 4.0 percent in FY 2015 and 5.9 percent in FY 2016 versus the anticipated growth in May which was 5.8 and 6.6 percent for those respective years.

The Rhode Island Economy

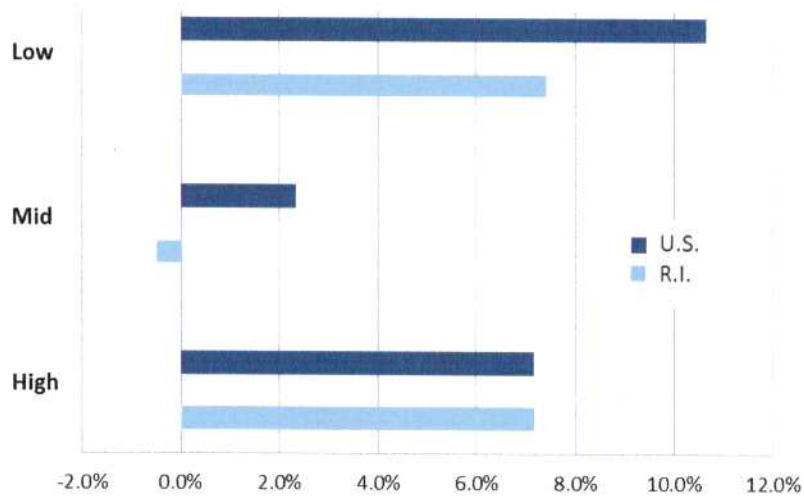
While recently Rhode Island's economy has closed the unemployment gap with New England, its recovery is still falling short of the national pace of expansion. Though the State's unemployment rate has fallen from 8.2 percent in May to 7.6 percent in September, Rhode Island still has one of the highest unemployment rates in the nation and only 57.8 percent of jobs lost in the Great Recession have been recouped. This is the slowest recovery of jobs since the recession ended in New England, in part due to the steeper downturn and more severe housing recession Rhode Island had during that period. The U.S. has fully recouped all jobs lost, while Massachusetts has recouped more than 100 percent of the jobs it lost during the recession period.



Source: Moody's Testimony, Nov. 2014

Moody's provided updated job growth information by wage tier for 2014. Post-recession, Rhode Island has added a net of 500 high paying jobs and 1,100 low paying jobs; but has lost about 220 mid paying jobs. In November 2013, Moody's defined these terms for the Conferees. Using calendar year 2012 data, it defines low-wage jobs in Rhode Island as those earning an annual salary of less than \$39,476. Mid-wage jobs are those that earn between \$39,477 and \$62,020 per year, and high-wage jobs are defined as those earning over \$62,021 annually. It should be noted that the construction industry has lost a net of 600 jobs and that government hiring is rebounding, but has been slow. Both were noted by Moody's as drivers of the state's recovery. Lower paying jobs in education and healthcare have added 1,400 jobs.

Jobs By Wage Tier: Growth Since 2009



Source: Moody's Testimony, Nov. 2014

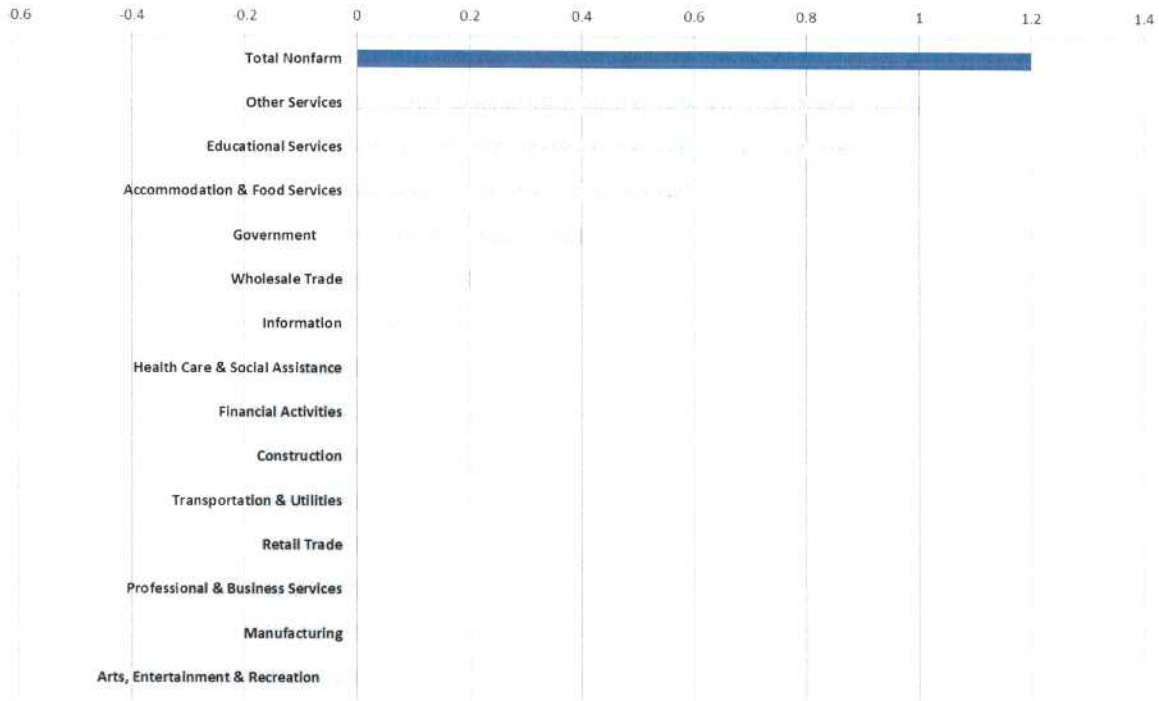
Recreational spending and tourism are expected to grow in 2015. Hotel occupancy in Rhode Island is up 4.7 percent year over year, with more growth expected. Year over year growth in meals and beverage sales tax revenue of 5.2 percent suggests tourism growth, and is also indicative more Rhode Islanders being employed and having discretionary funds to spend in the hospitality market. Manufacturing job growth is expected to be strong in Rhode Island, particularly in Quonset Business Park, as several companies plan to expand there soon.

Rhode Island's unemployment rate is expected to decrease to 7.3 percent in FY 2015 and 6.2 percent in FY 2016, and fall below 6.0 percent in the out-years.

The Department of Labor and Training (DLT) revised BLS estimates, which are made available in March of each year, to reflect available quarterly data. The June 2014 Rhode Island projected job revisions by major industry sector reflect significant upward revisions in Other Services (+1,000), Educational Services (+900), Accommodation and Food Services (+600). The sectors with significant downward revisions include Arts, Entertainment and Recreation (-500), Manufacturing (-300), Professional & Business Services (-300), and Retail Trade (-200).

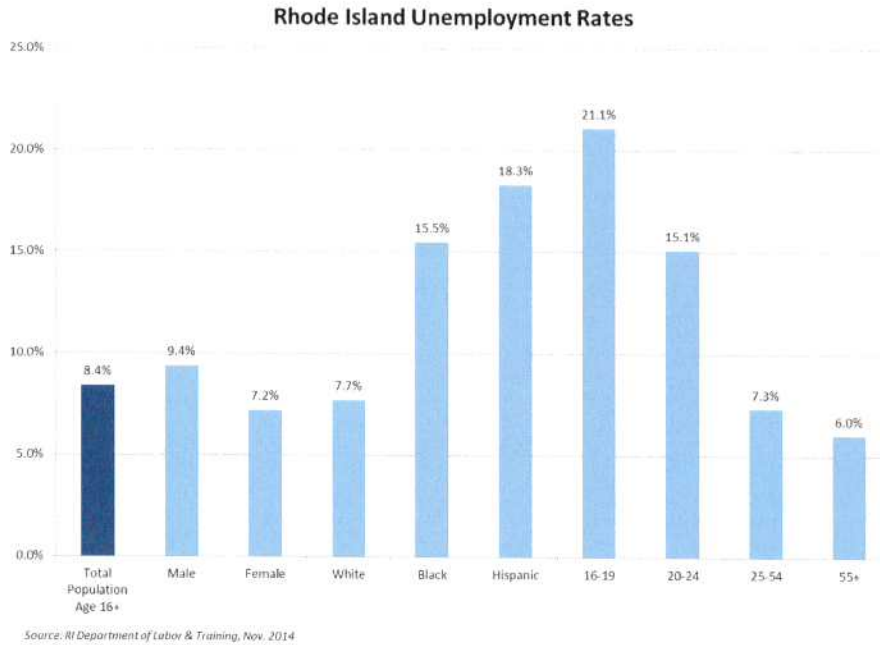
Changes by employment sector break down as follows, with data seasonally adjusted:

RI Projected Job Revisions by Major Industry Sector
June 2014
Seasonally Adjusted (in thousands)

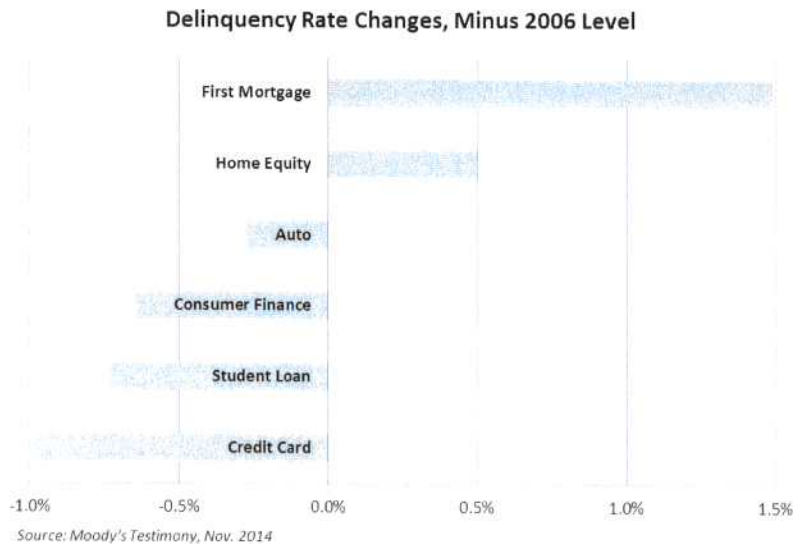


Source: RI Department of Labor & Training, Nov. 2014

DLT outlined a current snapshot of unemployment demographics. Unemployment remains higher among men than women. Minority populations are experiencing significantly higher unemployment than the white population. Younger workers have higher unemployment rates than older workers. Educational attainment has a positive effect on labor force participation – the more educated an individual is the more likely he or she is to participate in the labor force. Of the total population between ages 25 to 64 years, 65.1 percent of those with less than a high school degree participate in the workforce, while those with a bachelor’s degree or higher participate at a rate of 87.5 percent.



Foreclosures continue to be an issue in Rhode Island, where they have been rising since 2013, from 6.21 per 1,000 to 8.91 per 1,000. Home equity and first mortgage delinquency rates have increased 0.5 and 1.5 percent, respectively, since 2006. Moody's suggests, however, that a second tide of defaults is unlikely as credit delinquency rates improve to pre-recession levels. Delinquency rates from debt such as credit cards, student loans, consumer finance, and auto loans have decreased since 2006. According to Moody's, this is an encouraging sign; and, fundamentals for housing recovery in Rhode Island remain in place. Despite weak job growth, the pace of building was so slow that inventory is decreasing. In Providence, there is only a 7 month supply at the current pace of sales, which is only slightly larger than the historical average of a 6 month supply.



REVENUES

Taxes

Revenues from taxes are estimated to increase by 2.9 percent in FY 2015 from preliminary FY 2014 collections, and increase by 2.9 percent in FY 2016 over the revised FY 2015 estimate. Total estimated taxes for FY 2015 of \$2,757.5 million increase by \$18.5 million, or 0.7 percent, above the enacted estimate of \$2,739.0 million. FY 2016 total estimated taxes are \$2,836.9 million, which is \$79.4 million, or 2.9 percent, above the revised FY 2015 estimate.

Personal Income Tax

The personal income tax estimates of \$1,167.7 million for FY 2015 and \$1,216.6 million for FY 2016 represent year-over-year growth rates of 4.7 percent and 4.2 percent, respectively. The FY 2015 estimate increases by \$10.6 million or 0.9 percent more than the enacted estimate, reflecting year-to-date collection trends. The FY 2016 estimate is \$48.9 million more than the FY 2015 revised estimate.

Business Taxes

The Conferees estimate total business taxes of \$391.7 million in FY 2015 and \$403.4 million in FY 2016 for all business taxes. Year-over-year growth rates are 1.6 percent and 3.0 percent, respectively. The FY 2015 estimate is \$10.7 million less than enacted, a 2.6 percent decrease; while the FY 2016 estimate is \$11.7 million, or 3.0 percent, more than the revised FY 2015 estimate. The FY 2015 estimate includes a negative adjustment for accelerated depreciation, which is partially offset by increases resulting from the implementation of combined reporting and stronger tax collections enforcement practices. These adjustments were the result of legislative changes and carry over to FY 2016.

Sales and Use Taxes

The Conferees estimate Sales and Use Tax revenues of \$955.0 million in FY 2015 and \$1,000.0 million in FY 2016. The FY 2015 revenues increase by \$15.4 million, or 1.6 percent above the enacted estimate and represent an increase of \$38.9 million, or 4.2 percent, from FY 2014 preliminary receipts. The FY 2016 estimate is \$45.0 million more than the revised FY 2015 estimate, an increase of 4.7 percent. The FY 2015 estimate incorporates changes in the consensus economic forecast and stronger tax collection enforcement practices. The sales and use tax exemption on wines and spirits is set to expire on June 30, 2015. As a result, FY 2016 sales and use tax revenues are augmented to reflect the expiration of this exemption.

Excise Taxes Other Than Sales and Use Taxes

The Conferees estimate \$206.2 million in FY 2015 and \$187.3 million in FY 2016 in excise taxes other than sales and use taxes. These taxes include Motor Vehicle License and Registration Fees, Cigarette and Other Tobacco Product Taxes, Motor Fuel Taxes, and Alcohol Taxes. The FY 2015 estimate is \$3.0 million more than the enacted estimate, a 1.5 percent increase. Cigarette Tax estimates were revised upward for the current fiscal year, while motor fuel taxes remain level. The total FY 2016 estimate decreases \$18.9 million, or 9.2 percent, from the revised estimate for FY 2015 primarily from changes to Motor Vehicle and Alcohol Taxes. In FY 2016, 25.0 percent of collections from Motor Vehicle taxes are dedicated to transportation expenses, as are rental vehicle surcharges, which were estimated in previous conferences. The estimate also includes collections from the license plate reissuance. The alcohol tax decrease relates to the expiration of the pilot program that called for higher excise taxes to offset a sales tax exemption.

Other Taxes

The Inheritance, Racing and Athletics, and Realty Transfer taxes are estimated to produce \$36.9 million in FY 2015 and \$29.6 million in FY 2016. The FY 2015 revised estimate is \$0.3 million or 0.8 percent more than the enacted estimate. The FY 2016 estimate for total other taxes is \$7.3 million less than the FY 2015 revised estimate, due primarily to a \$7.8 million reduction in expected Inheritance Tax

collections based on the annualized impact of the 2014 change allowing for a credit equal to exempting the first \$1.5 million instead of the former \$0.9 million threshold.

Departmental Receipts

The Conferees adopted estimates of \$349.3 million for FY 2015 and \$199.3 million for FY 2016 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 FY 2015 estimate decreased by \$2.4 million, or 0.7 percent from the enacted estimate.

The FY 2016 estimate is \$150.0 million less than the revised FY 2015 estimate, primarily due to the end of the hospital license fee, which is estimated to produce \$156.1 million in FY 2015. This fee is renewed on a year-to-year basis and has been extended each year since its inception. The Conferees, however, must estimate revenues consistent with current law, under which no fee is yet enacted for FY 2016.

Lottery Transfer

The Lottery Transfer is estimated to produce general revenue of \$383.3 million in FY 2015, with \$314.9 million from Video Lottery Terminals (VLTs) installed at Twin River and Newport Grand, \$56.5 million from traditional games, including PowerBall, Mega Millions, scratch tickets, and Keno, and \$11.9 million from the operation of table games at Twin River. Beginning in FY 2015, the State's share of net table game revenue decreases from 18.0 percent to 16.0 percent. A full fiscal year decrease in VLT revenue over FY 2014 at Twin River triggered the provision in RIGL 42-61.2-7, permanently shifting 2.0 percentage points of the State's share of net table game revenue back to Twin River. The FY 2016 lottery transfer estimate was revised downward by \$48.5 million, or 12.7 percent, from the revised estimate for FY 2015. The estimated lottery transfer in FY 2016 is \$334.8 million, with \$266.1 million from VLTs, \$56.5 million from traditional games, and \$12.2 million in net revenues from the operation of table games at Twin River. The FY 2016 net revenues figure includes an estimated \$4.4 million in marketing expenses to be incurred by the Division of Lottery for the operation of table games. The State's share of participation in marketing expenses for Twin River increased as part of the FY 2015 Budget as Enacted. In response to the expected impact on table games from the onset of casino gaming in Massachusetts, conferees assumed that Twin River will increase marketing efforts and included the full allowable \$4.4 million State share of marketing expenses.

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 2015, the Conferees project a State share of \$289.0 million based on total NTI of \$477.1 million at Twin River and \$25.9 million from the generation of \$43.8 million at Newport Grand. For FY 2016, that State share estimate of \$243.2 million from Twin River is calculated from an estimated NTI of \$405.5 million. The State will also receive \$22.9 million from an estimated NTI of \$37.4 million at Newport Grand. NTI is projected to decline by 15.0 percent at Twin River, and decline by 14.6 percent at Newport Grand in FY 2016, due primarily to the anticipated impact of competition from Massachusetts gaming establishments.

The Division of Lottery and Office of Revenue Analysis testified on the Rhode Island Gaming and State Revenue forecast provided by consultant Christiansen Capital Advisors, LLC (CCA). As of the writing of the CCA report, three licenses have been awarded in Massachusetts, with one license still unawarded for the southeast region. Impact from Massachusetts gaming facilities are incorporated into the estimates beginning in FY 2016 as the slot parlor in Plainville is projected to begin operations by July 2015.

Other Sources

Other sources of revenue consist of transfers to the general fund from unclaimed property and other miscellaneous sources. These are estimated to produce \$18.8 million in FY 2015 and \$9.2 million in FY 2016. The FY 2015 amount increases by \$825,000 above the enacted amount due to a \$250,000 increase in settlements to the Department of Human Services, and \$75,000 for General Obligation (GO) bond

closeouts and interest and \$0.5 million from unclaimed property. The FY 2016 decline is primarily attributable to \$5.0 million in one-time revenues from refunding tobacco settlement bonds. Also, Rhode Island Airport Corporation (RIAC) lease payments, which were based on debt service on GO bonds issued for RIAC in years past, will decline substantially in FY 2016 and will continue to decrease slowly until fully paid off in 2023.

NEXT MEETING

The next required meeting of the conference is scheduled for May 2015.

Revenue Comparisons – FY 2015

FY 2015	FY 2014 Preliminary	FY 2015 Enacted	Consensus	Change from Enacted	
Personal Income Tax	\$1,115,512,527	\$1,157,132,269	1,167,700,000	0.9%	10,567,731
General Business Taxes					
Business Corporations	115,226,852	118,811,698	112,800,000	-5.1%	(6,011,698)
Public Utilities Gross	101,382,220	112,000,000	103,600,000	-7.5%	(8,400,000)
Financial Institutions	21,983,833	11,500,000	16,000,000	39.1%	4,500,000
Insurance Companies	102,356,841	115,503,704	113,600,000	-1.6%	(1,903,704)
Bank Deposits	2,471,553	2,400,000	2,500,000	4.2%	100,000
Health Care Provider	42,131,464	42,137,188	43,200,000	2.5%	1,062,812
Sales and Use Taxes					
Sales and Use	916,083,253	939,619,684	955,000,000	1.6%	15,380,316
Motor Vehicle	52,407,813	49,500,000	49,900,000	0.8%	400,000
Motor Fuel	523,920	500,000	500,000	0.0%	-
Cigarettes	139,461,685	135,800,000	136,800,000	0.7%	1,000,000
Alcohol	18,252,450	17,442,085	19,000,000	8.9%	1,557,915
Other Taxes					
Inheritance and Gift	43,592,370	27,009,849	27,000,000	0.0%	(9,849)
Racing and Athletics	1,176,869	1,100,000	1,100,000	0.0%	-
Realty Transfer	7,961,816	8,500,000	8,800,000	3.5%	300,000
Total Taxes	2,680,525,466	2,738,956,476	2,757,500,000	0.7%	18,543,524
Departmental Receipts	360,333,833	351,671,912	349,300,000	-0.7%	(2,371,912)
Other Miscellaneous	6,391,686	7,475,000	7,800,000	4.3%	325,000
Lottery	376,327,121	384,500,000	383,300,000	-0.3%	(1,200,000)
Unclaimed Property	12,724,124	10,500,000	11,000,000	4.8%	500,000
Total General Revenues	\$3,436,302,230	\$3,493,103,388	\$3,508,900,000	0.5%	\$15,796,612
Personal Income Tax					
Estimated	196,404,409	204,600,000	204,100,000	-0.2%	(500,000)
Finals	170,879,728	177,087,441	175,800,000	-0.7%	(1,287,441)
Refunds	(272,639,750)	(280,055,173)	(276,300,000)	-1.3%	3,755,173
Withholding	1,015,014,509	1,059,000,000	1,057,200,000	-0.2%	(1,800,000)
Net Accrual	5,853,631	(3,500,000)	6,900,000	-297.1%	10,400,000
Total	1,115,512,527	1,157,132,269	1,167,700,000	0.9%	10,567,731
Lottery					
All Games	58,148,517	59,500,000	56,500,000	-5.0%	(3,000,000)
VLT	306,470,717	312,300,000	314,900,000	0.8%	2,600,000
Table Games	11,707,887	12,700,000	11,900,000	-6.3%	(800,000)
Total	376,327,121	384,500,000	383,300,000	-0.3%	(1,200,000)
Lincoln NTI	462,394,315	476,300,000	477,100,000	0.2%	800,000
Newport NTI	44,662,396	41,300,000	43,800,000	6.1%	2,500,000
Combined NTI	507,056,711	517,600,000	520,900,000	0.6%	3,300,000
Lincoln NTGR	88,108,367	95,200,000	101,200,000	6.3%	6,000,000

Totals may vary due to rounding.

Revenue Comparisons – FY 2016

FY 2016	FY 2015 November	Difference from FY 2014		Consensus	Change from FY 2015	
			Preliminary			Consensus
Personal Income Tax	\$1,167,700,000	4.7%	\$52,187,473	\$1,216,600,000	4.2%	\$48,900,000
General Business Taxes						
Business Corporations	112,800,000	-2.1%	(2,426,852)	119,100,000	5.6%	6,300,000
Public Utilities Gross	103,600,000	2.2%	2,217,780	105,000,000	1.4%	1,400,000
Financial Institutions	16,000,000	-27.2%	(5,983,833)	16,500,000	3.1%	500,000
Insurance Companies	113,600,000	11.0%	11,243,159	116,000,000	2.1%	2,400,000
Bank Deposits	2,500,000	1.2%	28,447	2,500,000	0.0%	-
Health Care Provider	43,200,000	2.5%	1,068,536	44,300,000	2.5%	1,100,000
Sales and Use Taxes						
Sales and Use	955,000,000	4.2%	38,916,747	1,000,000,000	4.7%	45,000,000
Motor Vehicle	49,900,000	-4.8%	(2,507,813)	39,600,000	-20.6%	(10,300,000)
Motor Fuel	500,000	-4.6%	(23,920)	500,000	0.0%	-
Cigarettes	136,800,000	-1.9%	(2,661,685)	134,200,000	-1.9%	(2,600,000)
Alcohol	19,000,000	4.1%	747,550	13,000,000	-31.6%	(6,000,000)
Other Taxes						
Inheritance and Gift	27,000,000	-38.1%	(16,592,370)	19,200,000	-28.9%	(7,800,000)
Racing and Athletics	1,100,000	-6.5%	(76,869)	1,100,000	0.0%	-
Realty Transfer	8,800,000	10.5%	838,184	9,300,000	5.7%	500,000
Total Taxes	2,757,500,000	2.9%	76,974,534	2,836,900,000	2.9%	79,400,000
Departmental Receipts	349,300,000	-3.1%	(11,033,833)	199,300,000	-42.9%	(150,000,000)
Other Miscellaneous	7,800,000	22.0%	1,408,314	1,081,000	-86.1%	(6,719,000)
Lottery	383,300,000	1.9%	6,972,880	334,800,000	-12.7%	(48,500,000)
Unclaimed Property	11,000,000	-13.6%	(1,724,124)	8,100,000	-26.4%	(2,900,000)
Total General Revenues	\$3,508,900,000	2.1%	\$72,597,770	\$3,380,181,000	-3.7%	(\$128,719,000)
Personal Income Tax						
Estimated	204,100,000	3.9%	7,695,591	217,900,000	6.8%	13,800,000
Finals	175,800,000	2.9%	4,920,272	178,900,000	1.8%	3,100,000
Refunds	(276,300,000)	1.3%	(3,660,250)	(289,900,000)	4.9%	(13,600,000)
Withholding	1,057,200,000	4.2%	42,185,491	1,112,200,000	5.2%	55,000,000
Net Accrual	6,900,000	17.9%	1,046,369	(2,500,000)	-136.2%	(9,400,000)
Total	1,167,700,000	4.7%	52,187,473	1,216,600,000	4.2%	48,900,000
Lottery						
All Games	56,500,000	-2.8%	(1,648,517)	56,500,000	0.0%	-
VLT	314,900,000	2.8%	8,429,283	266,100,000	-15.5%	(48,800,000)
Table Games	11,900,000	1.6%	192,113	12,200,000	2.5%	300,000
Total	383,300,000	1.9%	6,972,880	334,800,000	-12.7%	(48,500,000)
Lincoln NTI	477,100,000	3.2%	14,705,685	405,500,000	-15.0%	(71,600,000)
Newport NTI	43,800,000	-1.9%	(862,396)	37,400,000	-14.6%	(6,400,000)
Combined NTI	520,900,000	2.7%	13,843,289	442,900,000	-15.0%	(78,000,000)
Lincoln NTGR	101,200,000	14.9%	13,091,633	104,000,000	2.8%	2,800,000

*FY2016 Departmental Revenues do not include the hospital licensing fee, which is enacted annually.

Totals may vary due to rounding.

