

## Rhode Island Revenue Estimating Conference Summary of Findings

November 10, 2009

The Revenue Estimating Conference met on Tuesday, November 10, 2009 and revised the estimated revenues for FY2010 and made the first official estimate for FY2011 based on the testimony the Conference received previously.

The conferees determined that the State will have \$130.5 million less than expected when compared to the Enacted FY2010 Budget. Revenues will be \$112.0 million less in FY2011. Please note that the FY2011 amount does not include a continuation of the Hospital Licensing Fee as it is enacted each year.

<b>UNOFFICIAL Estimate of Revenue Conference Impact</b>	
<b>FY2010 Enacted</b>	\$ 3,076.9
FY2010 November REC	\$ 2,946.4
Change to Enacted	\$ (130.5)
<b>FY2011 November REC</b>	\$ 2,834.4
Change from FY2010 November REC	\$ (112.0)
NOTE: Does not include Caseload Conference Impact	

**In FY2010 the major causes of the decline revenues are:**

Personal Income Tax -- Declined from the FY2010 Enacted estimate of \$963.2 million to \$919.2 million a reduction of \$44.0 million;

Sales and Use Tax -- Declined from the FY2010 Enacted estimate of \$815.0 million to \$751.0 million a reduction of \$64.0 million; and

Business Corporations -- Declined from the FY2010 Enacted estimate of \$113.0 million to \$94.1 million a reduction of \$18.9 million.

Cigarettes -- Declined from the FY2010 Enacted estimate of \$148.0 million to \$140.3 million a reduction of \$7.7 million.

**In FY2011 the major causes of the decline revenues are:**

Sales and Use Tax -- Declined from the FY2010 estimate of \$751.0 million to \$743.7 million a reduction of \$7.3 million; and

Cigarettes -- Declined from the FY2010 estimate of \$140.3 million to \$134.6 million a reduction of \$5.7 million.

Departmental Revenues -- Declined from the FY2010 estimate of \$342.0 million to \$221.0 million a reduction of \$121.0 million, as noted above, due mainly to the Hospital Licensing Fee.

The graph below shows the growth rates on certain taxes as Enacted for FY2010, now Projected for FY2010 and Projected for FY2011.

