**At the State House**

The State House remains closed to the public at this time. Committees are holding meetings; however most meetings are related to budget briefings, COVID19 briefings, or advice and consent votes for government positions or commission appointments. That said…

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| Last week, the **Senate Health and Human Services Committee** passed **S.2525 SubA, An Act Relating to State Affairs and Government – the Rhode Island Health Care Reform Act of 2004.** The bill requires health insurance plans to cover telemedicine at the same rate it covers in-person patient visits. Governor Raimondo signed an Executive order which calls for insurers to cover telemedicine while the coronavirus emergency continues. S.2525 SubA would make the Executive Order permanent. The bill also states that insurers would not be permitted to impose a deductible, co-payment or other cost-sharing requirement for telemedicine services. Lastly, the bill prohibits health insurers from requiring prior authorization for telemedicine services, which would not only apply to primary care appointments but also to telemedicine services provided by specialty health providers. According to written testimony submitted to the committee (the only type of testimony permitted at this time), this bill would raise the cost of health insurance. |
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This week, The **Senate Committee on Rules, Government Ethics and Oversight will take up S.2846**, which would allow Senators to vote by proxy during a declared state of emergency. The presiding officer of the Senate would decide if attendance would cause a hardship for the requesting Senator or if the Senator falls within a high risk category during a contagion situation. The Senator would then receive a “ballot” to vote yea or nay on the bill. It’s not quite clear what would happen if a bill is amended on the floor of the Senate. Presumably the proxy vote would be null and void under S.2846 as currently written.

**The House Health, Education and Welfare Committee will meet Wednesday at 4:00 p.m.** to discuss the **State’s remote learning program for K-12**. The meeting can be watched at <http://ritv.devosvideo.com/show?video=cd679c40105a> and testimony can be submitted by emailing: LCataldi@rilegislature.gov The Committee has stated that it will post all testimony submitted at <http://www.rilegislature.gov/Special/comdoc/pages/hhew.aspx>

The **House Corporations Committee will meet Thursday at 4:00 p.m**. to hear a presentation from the Department of Business Regulation concerning the detailed plans for the **Re-opening of the Rhode Island Economy**. The meeting can be viewed at <http://ritv.devosvideo.com/show?video=cd679c40105a> and the presentation can also be viewed, once the hearing starts, at <http://www.rilegislature.gov/Special/comdoc/pages/hcorp.aspx>

**RI Department of Revenue Releases April 2020 Cash Collections Report**

Providence, R.I. -- The Rhode Island Department of Revenue today released its FY 2020 Cash Collections Report for April 2020. The Cash Collections Report, which is issued monthly, compares current fiscal year cash collections by revenue item on a fiscal year-to-date and monthly basis to prior fiscal year cash collections by revenue item. The cash collections report makes no adjustments for the timeliness of the receipt of deposits and provides readers with insight into the state's cash flow over the course of the fiscal year.

Rhode Island Department of Revenue Director Mark A. Furcolo noted: "FY 2020 total general revenue cash collections through April were 0.8% lower than cash collections received last fiscal year through April, a difference of $(27.6) million. The decline in fiscal year-to-date cash collections reflects the initial impacts of the COVID-19 pandemic on the state's economy. FY 2020 personal income tax cash collections through April were $116.7 million less than in FY 2019 through April, likely reflecting the delay in the tax filing and payment deadline from April 15, 2020 to July 15, 2020. FY 2020 year-to-date sales and use tax cash collections were $57.0 million above the same period last fiscal year. Year-to-date FY 2020 estate and transfer tax cash collections continue to be supported by the receipt of $25.8 million in large infrequently occurring estate and transfer tax payment(s) yielding a difference between FY 2020 and FY 2019 year-to-date collections of $16.8 million. General business taxes cash collections were $44.0 million more in FY 2020 through April than in the same period in FY 2019, but the spread between the current fiscal year-to-date and prior fiscal year to date has narrowed considerably since March."

Notable cash collections items on an April fiscal year-to-date basis included: • Total personal income tax cash collections of $1,035.5 million, down 10.1% year-to-date. COVID-19 appears to have reduced personal income tax cash collections by $146.9 million on a fiscal year-to-date basis through April. o Personal income tax withholding payments are up $34.7 million or 3.4% year-to-date, below the 3.3% fiscal 2019 year to date growth rate recorded in April 2019. o Personal income tax refunds and adjustments are $2.1 million, or 0.7%, less year-to-date, vs. the 5.4% increase recorded for the fiscal 2019 year-to-date period in April 2019. o Year-to-date estimated and final payments are a combined $153.5 million less in FY 2020 than in FY 2019, a decrease of 35.1% fiscal year-to-date over fiscal year-to-date. This substantive decline is likely a result of the postponement of the tax filing and payments deadline to July 15, 2020 vs. April 15, 2019 last year. • Year-to-date April 2020 sales and use tax cash collections were up 6.2% in comparison to FY 2019 through April with total non-motor vehicle receipts $59.5 million more, meal and beverage receipts 3.5% more and motor vehicle sales and use tax receipts (i.e., Registry Receipts) $2.7 million less than the prior year. • All other general revenue sources cash collections through April were up $73.4 million relative to last fiscal year. This increase reflects higher business corporation tax cash collections of $16.3 million, higher financial institutions tax receipts of $21.7 million, insurance company gross premiums tax cash collections of $12.0 million, and higher cash collections for estate and transfer taxes of $16.8 million vs. the same period last fiscal year. o The increase in business corporation tax cash collections is primarily attributable to a jump in estimated payments of $35.3 million in year-to-date FY 2020. This increase includes $37.3 million of income tax payments received from pass-through entities on behalf of their shareholders. In the FY 2020 enacted budget, a provision was included that allowed pass-through entities to make income tax payments on behalf of their shareholders at a rate of 5.99% with the shareholders receiving a credit on their personal income tax returns in the amount of the income taxes paid by the pass-through entity on their behalf. It is expected that any increase in estimated payments received from pass-through entities for this purpose will be offset by reduced final payments or increased refunds paid to the shareholders on their personal income tax returns. • Fiscal year-to-date through April 2020 departmental receipts cash collections are $11.9 million, or 3.3% more than in FY 2019 through April due to the transfer of settlement revenues to the general fund by the Office of the Attorney General and higher collections of interest and penalty on overdue taxes. • The lottery transfer in the new fiscal year reflects transfers of $266.8 million in FY 2020 through April vs. $320.0 million in FY 2019 through April. Both the FY 2020 year-to-date transfer and the FY 2019 year-to-date transfer consists of the traditional cash transfer for July through March gaming activity.

Notable month of April cash collections items included: • Decreased April 2020 personal income tax cash collections of $152.0 million, 66.4% below April 2019. o The sharp decrease in April 2020 personal income tax cash collections is due to a sizeable decrease in personal income tax estimated and final payments of $183.0 million, or 84.8%, due to the extension of the filing and payment due date to July 15, 2020 and a modest decrease in withholding payments of $5.2 million, or 5.2%. These declines were offset by decreased refunds and adjustments of $36.2 million, or 41.7%. • Lower April 2020 sales and use tax cash collections of $11.4 million or 12.2% from April 2019 with modestly lower net taxation receipts of $4.0 million and sharply lower meal and beverage sales tax receipts of $5.4 million and motor vehicle use tax receipts of $7.7 million. All these measures were reduced by the halting of dine-in service at restaurants and bars and the stay-at-home order that were in place in March 2020. • Total general business taxes for April are $42.9 million less than the same month last fiscal year, a decrease of 41.6%. This decrease was largely attributable to business corporation tax receipts, which were $22.1 million below April 2019, insurance company gross premiums tax cash collections, which were 28.0% below April 2019, financial institutions tax cash collections, which were $7.0 million lower in April 2020 than in April 2019, and public utilities gross earnings tax cash receipts, which fell $5.0 million below April 2019 cash collections. Each of these tax types were likely impacted by the postponement of the tax filing and payment deadline from April 15th to July 15th. • Decreased cigarette and other tobacco products tax cash collections of $2.1 million, a variance of 18.1% and lower departmental receipts cash collections in April 2020 of $3.2 million, a variance of 12.5%. • Lower receipts from the lottery transfer of $16.2 million, a decrease of 92.6 due to the indefinite closure of the state's two state operated casinos on March 14, 2020. • Higher estate and transfer tax cash collections in April 2020 of $2.8 million, a variance of 237.9%, versus cash collection in April of 2019. The increased estate and transfer tax cash collections are unrelated to the COVID-19 pandemic as they reflect the settling of the estates of decedents who died nine months or more earlier.

The full cash collections report can be found on the Department of Revenue's web site, www.dor.ri,gov, under the Revenue Analysis directory or at this link: http://www.dor.ri.gov/revenue-analysis/2020.php under the State Reports tab.

Questions or comments on the report should be directed to Paul Grimaldi, Chief of Information and Public Relations by e-mail at paul.grimaldi@revenue.ri.gov or by phone at (401) 574-8766