

The Agency

Department of Revenue

Agency Operations

The Department of Revenue was established as a separate department within the executive branch of state government by the 2006 General Assembly and came into existence on July 1, 2006. The department is headed by the Director of Revenue, who is appointed by the Governor, with the advice and consent of the Senate. The Department has six programmatic functions, including Central Management (Director of Revenue), Taxation, State Lottery, Registry of Motor Vehicles, Revenue Analysis and Municipal Finance.

Agency Objectives

To assess and collect all taxes, fees and revenues in the most efficient and cost-effective manner.

To administer and enforce all laws pertaining to the operation and registration of motor vehicles.

To administer a lottery system in the most efficient, ethical and cost-effective manner.

Statutory History

The Department of Revenue was created by the 2006 General Assembly through the enactment of Article 38 sub. A of the FY 2007 Appropriations Act (R.I.G.L. 42-142).

The Budget

Department of Revenue

	FY 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	FY 2010 Recommended
Expenditures By Program					
Director of Revenue	203,409	451,949	632,972	621,950	762,988
Office of Revenue Analysis	177,138	30,782	719,927	498,067	598,055
Lottery Division	196,844,842	216,307,570	207,489,225	192,756,761	187,710,749
Municipal Finance	640,726	775,395	852,759	773,229	1,173,544
Taxation	19,109,229	19,088,461	20,679,126	18,242,927	20,204,279
Registry of Motor Vehicles	17,022,465	17,949,056	18,765,666	17,910,561	17,470,882
Total Expenditures	\$233,997,809	\$254,603,213	\$249,139,675	\$230,803,495	\$227,920,497
Expenditures By Object					
Personnel	34,064,291	35,370,444	39,447,536	34,807,237	37,958,865
Operating Supplies and Expenses	199,688,112	218,990,619	209,323,503	194,849,224	189,448,101
Aid To Local Units Of Government	848	-	-	-	-
Assistance, Grants and Benefits	10,665	10,753	11,897	17,093	17,093
Subtotal: Operating Expenditures	\$233,763,916	\$254,371,816	\$248,782,936	\$229,673,554	227,424,059
Capital Purchases and Equipment	207,594	193,247	302,225	912,400	274,707
Debt Service	-	-	-	-	-
Operating Transfers	26,299	38,150	54,514	217,541	221,731
Total Expenditures	\$233,997,809	\$254,603,213	\$249,139,675	\$230,803,495	\$227,920,497
Expenditures By Funds					
General Revenue	34,528,687	35,086,502	37,849,916	33,518,583	36,368,064
Federal Funds	1,147,680	1,470,903	1,894,095	2,698,597	1,943,239
Restricted Receipts	705,160	789,994	925,663	799,483	845,292
Other Funds	197,616,282	217,255,814	208,470,001	193,786,832	188,763,902
Total Expenditures	\$233,997,809	\$254,603,213	\$249,139,675	\$230,803,495	\$227,920,497
FTE Authorization	473.0	475.0	464.0	410.0	424.0
Agency Measures					
Minorities as a Percentage of the Workforce	11.3%	11.3%	10.0%	10.0%	10.2%
Females as a Percentage of the Workforce	59.1%	59.1%	49.0%	49.0%	49.2%
Persons with Disabilities as a Percentage of the Workforce	2.4%	2.4%	1.0%	1.0%	1.0%

The Program

Department of Revenue Director of Revenue

Program Operations

The Director's Office oversees the overall operation of the department. The Office of Legal Services provides legal advice and support to the Director and the programs within the department.

Program Objectives

To oversee the collection of taxes, fees and revenues in conformance with legislative mandates.

To ensure that programs of the department are efficiently organized and implemented.

Statutory History

The Director of Revenue position was created upon establishment of the Department of Revenue in Article 38 sub A of the FY 2007 Appropriations Act (R.I.G.L. 42-142).

The Budget

Department of Revenue Director of Revenue

	FY 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	FY 2010 Recommended
Expenditures By Object					
Personnel	198,285	433,363	602,972	602,466	743,504
Operating Supplies and Expenses	5,124	10,223	30,000	19,484	19,484
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-	-
Subtotal: Operating Expenditures	\$203,409	\$443,586	\$632,972	\$621,950	\$762,988
Capital Purchases and Equipment	-	8,363	-	-	-
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Expenditures	\$203,409	\$451,949	\$632,972	\$621,950	\$762,988
Expenditures By Funds					
General Revenue	203,409	451,949	632,972	621,950	762,988
Total Expenditures	\$203,409	\$451,949	\$632,972	\$621,950	\$762,988
Program Measures	NA	NA	NA	NA	NA

The Program

Department of Revenue Revenue Analysis

Program Operations

The Office of Revenue Analysis is responsible for analyzing, evaluating, and appraising the tax system of the State of Rhode Island, and for making recommendations for its revision in accordance with the best interests of the economy of Rhode Island. The Office is responsible for preparing the tax expenditures report and for preparing cost benefit analyses of all tax proposals.

Program Objectives

To analyze, evaluate and appraise the tax system of the State.

To make recommendations for revisions to the tax system.

To prepare the tax expenditures report.

Statutory History

The Office of Revenue Analysis is established under R.I.G.L. 42-142-3. The requirement to prepare the tax expenditures report is established under R.I.G.L. 44-48.1-1.

The Budget

Department of Revenue Office of Revenue Analysis

	FY 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	FY 2010 Recommended
Expenditures By Object					
Personnel	177,138	18,155	594,927	368,917	487,505
Operating Supplies and Expenses	-	9,117	50,000	7,050	5,950
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-	-
Subtotal: Operating Expenditures	\$177,138	\$27,272	\$644,927	\$375,967	\$493,455
Capital Purchases and Equipment	-	3,510	75,000	122,100	104,600
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Expenditures	\$177,138	\$30,782	\$719,927	\$498,067	\$598,055
Expenditures By Funds					
General Revenue	177,138	30,782	719,927	498,067	598,055
Total Expenditures	\$177,138	\$30,782	\$719,927	\$498,067	\$598,055
Program Measures	NA	NA	NA	NA	NA

The Program

Department of Revenue Lottery Division

Program Objectives

The Rhode Island Lottery (The Lottery) was created under the General Laws of the State of Rhode Island in 1974 operate lottery games to generate revenues for the state. On July 1, 2005, the Lottery was made a division of the Department of Administration and on July 1, 2006, it was transferred to the new Department of Revenue. The Lottery operates as an enterprise fund and is included in the State Comprehensive Annual Financial Report.

The Lottery sells tickets for on-line games (e.g. Daily Numbers), for Keno, and for instant games (e.g. scratch tickets). Tickets are sold through licensed lottery retailers. The Lottery sells Powerball tickets, collects all revenues, and remits prize funds to the Multi-State Lottery Association net of low tier prize awards

R.I.G.L. 42-61-15 stipulates that the Lottery award prizes in an amount not less than 45 percent nor more than 65 percent of the total lottery ticket revenue. For Keno, however, prize awards shall not be less than 45 percent nor more than 72 percent of the total Keno ticket revenue. The Lottery is required to transfer its net income from on-line games to the state's general fund in an amount not less than 25 percent of total lottery ticket revenue. The amount transferred into the general fund from Keno shall equal no less than 15 percent of the total Keno ticket sales. Transfers are made on a monthly basis in an amount equal to estimated net income.

R.I.G.L. 42-61.2 authorizes the Lottery to conduct video lottery games at Lincoln Park and Newport Grand. Video lottery terminals are electronically linked to a central computer facility at Lottery Headquarters. As of July 1, 2004, the net terminal income generated at these facilities is divided among the licensed video lottery retailers, the technology providers, the host municipalities, and the State General Fund. In 2005, the General Assembly enacted legislation that allocates a percentage of the net new revenue from the operation of 1,750 additional authorized video lottery terminals at Lincoln Park to the Narragansett Indian Tribe.

The State General Fund's share of net terminal income was no less than 52 percent in FY 2003, no less than 59.1 percent in FY 2004, no less than 60.525 percent in FY 2005, and no less than 60.4 percent in FY 2006. In 2005, the General Assembly enacted legislation that maintained the State General Fund's share of net terminal income from existing authorized video lottery terminals at no less than 60.4 percent but lowered the State General Fund's share of net new net terminal income from additional authorized video lottery terminals to be no less than 58.0 percent.

Statutory History

R.I.G.L. 42-60 provides the general authority for the State Division of Lottery. R.I.G.L. 42-142 entitled "Department of Revenue" establishes the State lottery as a division of the Department of Revenue.

The Budget

Department of Revenue Lottery Division

	FY 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	FY 2010 Recommended
Expenditures By Object					
Personnel	4,571,650	4,716,242	5,442,161	4,861,174	5,281,177
Operating Supplies and Expenses	192,185,937	211,561,678	201,922,064	187,591,946	182,241,934
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	151	-	-	-	-
Subtotal: Operating Expenditures	\$196,757,738	\$216,277,920	\$207,364,225	\$192,453,120	\$187,523,111
Capital Purchases and Equipment	87,104	(8,500)	125,000	125,000	4,807
Debt Service	-	-	-	-	-
Operating Transfers	-	38,150	-	178,641	182,831
Total Expenditures	\$196,844,842	\$216,307,570	\$207,489,225	\$192,756,761	\$187,710,749
Expenditures By Funds					
Other	196,844,842	216,307,570	207,489,225	192,756,761	187,710,749
Total Expenditures	\$196,844,842	\$216,307,570	\$207,489,225	\$192,756,761	\$187,710,749
Program Measures	NA	NA	NA	NA	NA

The Program

Department of Revenue Municipal Finance

Program Operations

The Division of Municipal Finance (Property Valuation) responsibilities include the provision of technical support to municipalities and supervision of selected financial operations, distribution of state aid, and determination of community wealth for use in school aid formulas. Additionally, the Office provides planning assistance in the areas of comprehensive planning, land use regulation, capital projects, and compliance with state law and the State Guide Plan. In FY2010, the Office Of Local Government Assistance moved from the Department of Administration to the Division of Municipal Finance.

Program Objectives

To maintain and compute financial and equalized property value information for the benefit of municipalities and public policy decision-makers.

To encourage and assure compliance with state laws and policies relating to municipalities especially in the areas of public disclosure, tax levies, and financial reporting.

To encourage cooperation between municipalities and the state by distributing information and by providing technical assistance to municipalities.

To provide guidance to public policy decision-makers on the equitable distribution of state aid to municipalities.

Statutory History

The Division of Municipal Finance is established under R.I.G.L. 42-142-4.

The Budget

Department of Revenue Municipal Finance

	FY 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	FY 2010 Recommended
Expenditures By Object					
Personnel	623,922	755,135	832,309	751,335	1,143,802
Operating Supplies and Expenses	15,956	19,113	19,250	15,498	23,346
Aid To Local Units Of Government	848	-	-	-	-
Assistance, Grants and Benefits	-	1,147	1,200	6,396	6,396
Subtotal: Operating Expenditures	\$640,726	\$775,395	\$852,759	\$773,229	\$1,173,544
Capital Purchases and Equipment	-	-	-	-	-
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Expenditures	\$640,726	\$775,395	\$852,759	\$773,229	\$1,173,544
Expenditures By Funds					
General Revenue	640,726	775,395	852,759	773,229	1,173,544
Total Expenditures	\$640,726	\$775,395	\$852,759	\$773,229	\$1,173,544
Program Measures					
Percentage of Equalization Study Procedure Recommendations Implemented	31.0%	31.0%	35.0%	35.0%	35.0%
Percentage of Municipalities Transmitting Real Estate Sales Data Electronically to the Division of Taxation	87.0%	97.0%	100.0%	100.0%	100.0%

The Program

Department of Revenue Taxation

Program Operations

The Division of Taxation includes several subprograms encompassing many activities. Tax Processing performs all activities relating to the receipt of cash payments and the processing of tax returns. This unit registers taxpayers, records tax accounts, and develops and implements forms necessary to collect all the taxes administered. The Office of Assessment and Review assesses and collects taxes as prescribed by the Rhode Island General Laws. The office holds preliminary reviews of requests for administrative hearings. Field Audit services audits businesses, corporations and individuals for compliance with existing state tax laws and regulations for all of the taxes for which the Tax Administrator is responsible. Tax Compliance and Collection has responsibility for the compliance, collection, and enforcement actions to collect all overdue taxes administered by the Division of Taxation.

Program Objectives

To assess and collect all taxes and revenues that the legislature places under the control of the Tax Administrator in the most efficient and cost-effective manner.

Statutory History

R.I.G.L. 42-142 entitled "Department of Revenue" establishes the Division of Taxation within the Department of Revenue.

The Budget

Department Of Revenue Taxation

	FY 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	FY 2010 Recommended
Expenditures By Subprogram					
Tax Administrator	497,206	474,202	571,947	539,726	554,647
Tax Processing Division	4,822,036	4,949,363	5,089,826	4,925,696	5,207,140
Compliance and Collection	3,470,350	3,133,969	3,539,583	2,907,970	3,353,994
Field Audit	5,260,245	5,034,383	5,560,456	4,654,763	5,504,768
Assessment and Review	2,674,164	2,652,140	2,917,063	2,348,468	2,540,636
Employer Tax	2,385,229	2,844,404	3,000,251	2,866,304	3,043,094
Total Expenditures	\$19,109,230	\$19,088,461	\$20,679,126	\$18,242,927	\$20,204,279
Expenditures By Object					
Personnel	17,084,109	16,862,669	18,320,808	15,964,888	17,776,167
Operating Supplies and Expenses	1,970,563	2,183,379	2,287,119	2,198,279	2,348,352
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	5,277	4,369	5,460	5,460	5,460
Subtotal: Operating Expenditures	\$19,059,949	\$19,050,417	\$20,613,387	\$18,168,627	\$20,129,979
Capital Purchases and Equipment	22,982	38,044	61,225	74,300	74,300
Debt Service	-	-	-	-	-
Operating Transfers	26,299	-	4,514	-	-
Total Expenditures	\$19,109,230	\$19,088,461	\$20,679,126	\$18,242,927	\$20,204,279
Expenditures By Funds					
General Revenue	16,646,215	16,171,810	17,347,998	15,201,263	17,028,276
Federal Funds	1,001,582	1,189,768	1,439,789	1,227,210	1,292,658
Restricted Receipts	689,993	778,639	910,563	784,383	830,192
Other Funds	771,440	948,244	980,776	1,030,071	1,053,153
Total Expenditures	\$19,109,230	\$19,088,461	\$20,679,126	\$18,242,927	\$20,204,279
Program Measures					
Percentage of Personal Income Tax Refunds Mailed Within Thirty Days	100.0%	100.0%	100.0%	100.0%	100.0%
Percentage of Personal Income Tax Returns Filed Electronically	44.0%	50.0%	57.0%	57.0%	60.0%
Tax Dollars Assessed Per Hour by Field Audit	\$627.00	\$825.10	\$786.80	\$786.80	\$786.80

The Program

Department of Revenue Registry of Motor Vehicles

Program Operations

The Registry of Motor Vehicles is responsible for administering and enforcing all laws pertaining to the operation and registration of all motor vehicles, the issuance of licenses, the enforcement of all laws relating to the issuance, suspension and revocation of motor vehicle registrations and licenses, inspection of motor vehicles and the study of motor vehicle accidents. The Vehicle Value Commission establishes the presumptive value of motor vehicles subject to excise tax for the use of municipalities in levying taxes.

Program Objectives

To administer and enforce all laws pertaining to the operation and registration of motor vehicles.
To collect all fees mandated by state statutes in the most efficient and timely manner, to bring an expanded, more efficient level of service to the public.

Statutory History

R.I.G.L. 42-142 entitled "Department of Revenue" establishes the Registry of Motor Vehicles as a division within the Department of Revenue.

The Budget

Department of Revenue Registry of Motor Vehicles

	FY 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	FY 2010 Recommended
Expenditures By Subprogram					
Registry of Motor Vehicles	16,992,290	17,926,292	18,735,466	17,880,361	17,440,682
Vehicle Value Commission	30,174	22,764	30,200	30,200	30,200
Total Expenditures	\$17,022,464	\$17,949,056	\$18,765,666	\$17,910,561	\$17,470,882
Expenditures By Object					
Personnel	11,409,187	12,584,880	13,654,359	12,258,457	12,526,710
Operating Supplies and Expenses	5,510,532	5,207,109	5,015,070	5,016,967	4,809,035
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	5,237	5,237	5,237	5,237	5,237
Subtotal: Operating Expenditures	\$16,924,956	\$17,797,226	\$18,674,666	\$17,280,661	\$17,340,982
Capital Purchases and Equipment	97,508	151,830	41,000	591,000	91,000
Debt Service	-	-	-	-	-
Operating Transfers	-	-	50,000	38,900	38,900
Total Expenditures	\$17,022,464	\$17,949,056	\$18,765,666	\$17,910,561	\$17,470,882
Expenditures By Funds					
General Revenue	16,861,199	17,656,566	18,296,260	16,424,074	16,805,201
Federal Funds	146,098	281,135	454,306	1,471,387	650,581
Restricted Receipts	15,167	11,355	15,100	15,100	15,100
Total Expenditures	\$17,022,464	\$17,949,056	\$18,765,666	\$17,910,561	\$17,470,882
Program Measures	NA	NA	NA	NA	NA