

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.

To assess and evaluate the state revenue policies and practices and recommend options to enhance revenue collections and revenue competitiveness.

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 2008 Actual	FY 2009 Actual	FY 2010 Enacted	FY 2010 Revised	FY 2011 Recommended
Expenditures By Program					
Director of Revenue	451,949	603,237	562,988	435,742	611,412
Office of Revenue Analysis	30,782	363,514	598,055	404,380	536,753
Lottery Division	216,307,570	188,356,618	187,710,749	191,483,930	192,140,596
Municipal Finance	775,395	705,632	1,173,544	1,105,096	1,162,046
Taxation	19,088,461	17,011,434	20,204,279	18,071,909	20,295,558
Registry of Motor Vehicles	17,949,056	17,389,451	29,555,572	29,297,581	23,260,141
Total Expenditures	\$254,603,213	\$224,429,886	\$239,805,187	\$240,798,638	\$238,006,506
Expenditures By Object					
Personnel	35,370,444	33,251,500	37,759,865	34,580,363	37,654,747
Operating Supplies and Expenses	218,990,619	190,100,014	189,470,101	193,832,794	193,432,036
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	10,753	16,002	17,093	11,633	11,633
Subtotal: Operating Expenditures	\$254,371,816	\$223,367,516	\$227,247,059	228,424,790	231,098,416
Capital Purchases and Equipment	193,247	1,062,370	12,336,397	12,157,131	6,671,708
Debt Service	-	-	-	-	-
Operating Transfers	38,150	-	221,731	216,717	236,381
Total Expenditures	\$254,603,213	\$224,429,886	\$239,805,187	\$240,798,638	\$238,006,505
Expenditures By Funds					
General Revenue	35,086,502	32,332,034	36,191,064	33,882,287	35,671,581
Federal Funds	1,470,903	1,551,477	2,604,929	2,402,882	2,273,362
Restricted Receipts	789,994	706,530	845,292	739,952	824,191
Other Funds	217,255,814	189,839,845	200,163,902	203,773,517	199,237,371
Total Expenditures	\$254,603,213	\$224,429,886	\$239,805,187	\$240,798,638	\$238,006,505
FTE Authorization	465.0	410.0	424.0	428.0	428.0
Agency Measures					
Minorities as a Percentage of the Workforce	11.3%	10.0%	10.2%	10.2%	11.2%
Females as a Percentage of the Workforce	59.1%	49.0%	49.2%	49.2%	51.4%
Persons with Disabilities as a Percentage of the Workforce	2.4%	1.0%	1.0%	1.0%	1.1%

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 2008 Actual	FY 2009 Actual	FY 2010 Enacted	FY 2010 Revised	FY 2011 Recommended
Expenditures By Object					
Personnel	433,363	593,448	543,504	423,907	601,077
Operating Supplies and Expenses	10,223	9,789	19,484	10,335	10,335
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-	-
Subtotal: Operating Expenditures	\$443,586	\$603,237	\$562,988	\$434,242	\$611,412
Capital Purchases and Equipment	8,363	-	-	1,500	-
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Expenditures	\$451,949	\$603,237	\$562,988	\$435,742	\$611,412
Expenditures By Funds					
General Revenue	451,949	603,237	562,988	435,742	611,412
Total Expenditures	\$451,949	\$603,237	\$562,988	\$435,742	\$611,412
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 Revenue Analysis

	FY 2008 Actual	FY 2009 Actual	FY 2010 Enacted	FY 2010 Revised	FY 2011 Recommended
Expenditures By Object					
Personnel	18,155	355,404	487,505	363,830	496,203
Operating Supplies and Expenses	9,117	6,804	5,950	5,950	5,950
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-	-
Subtotal: Operating Expenditures	\$27,272	\$362,208	\$493,455	\$369,780	\$502,153
Capital Purchases and Equipment	3,510	1,306	104,600	34,600	34,600
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Expenditures	\$30,782	\$363,514	\$598,055	\$404,380	\$536,753
Expenditures By Funds					
General Revenue	30,782	363,514	598,055	404,380	536,753
Total Expenditures	\$30,782	\$363,514	\$598,055	\$404,380	\$536,753
Program Measures					
	NA	NA	NA	NA	NA
Percentage of Cash Collection Reports Issued within 10 Business Days					
	NA	75.0%	91.7%	91.7%	100.0%
Percentage of Revenue Assessment Reports Issued within 10 Business Days					
	NA	100.0%	91.7%	91.7%	100.0%
Percentage of Three Revenue Reports Issued Annually					
	NA	66.7%	100.0%	100.0%	100.0%
Percentage of Fiscal Notes Completed within Ten Calendar Days					
	NA	61.5%	75.0%	75.0%	80.0%

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 to 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 promotes and 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 Twin River 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 facilities, the technology providers, the host municipalities, the central computer system provider, 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 authorized video lottery terminals at Twin River to the Narragansett Indian Tribe.

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 2008 Actual	FY 2009 Actual	FY 2010 Enacted	FY 2010 Revised	FY 2011 Recommended
Expenditures By Object					
Personnel	4,716,242	4,665,305	5,281,177	4,758,196	5,262,342
Operating Supplies and Expenses	211,561,678	183,691,313	182,241,934	186,555,564	186,688,420
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-	-
Subtotal: Operating Expenditures	\$216,277,920	\$188,356,618	\$187,523,111	\$191,313,760	\$191,950,762
Capital Purchases and Equipment	(8,500)	-	4,807	4,807	4,807
Debt Service	-	-	-	-	-
Operating Transfers	38,150	-	182,831	165,363	185,027
Total Expenditures	\$216,307,570	\$188,356,618	\$187,710,749	\$191,483,930	\$192,140,596
Expenditures By Funds					
Other	216,307,570	188,356,618	187,710,749	191,483,930	192,140,596
Total Expenditures	\$216,307,570	\$188,356,618	\$187,710,749	\$191,483,930	\$192,140,596
Program Measures	NA	NA	NA	NA	NA

The Program

Department of Revenue Municipal Finance

Program Operations

The Division of Municipal Finance is responsible for annually calculating municipal property wealth, and assuring compliance by municipalities with the property tax cap and disclosure of the proposed municipal budget. The Division also monitors revaluations of property in the cities and towns, monitors the financial condition of municipalities, calculates state aid and provides other technical and legislative support to municipalities. The Division also maintains and publishes a record of elected and appointed municipal officials every election year (the blue book). In FY 2010, the Office of Local Government Assistance was transferred from the Department of Administration to the Division of Municipal Finance in the Department of Revenue. The Division provides staff assistance to the Vehicle Value Commission which establishes the value of motor vehicles subject to the excise tax used by municipalities in levying taxes.

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.

To monitor and report on the financial conditions of the cities and towns.

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 2008 Actual	FY 2009 Actual	FY 2010 Enacted	FY 2010 Revised	FY 2011 Recommended
Expenditures By Object					
Personnel	755,135	689,004	1,143,802	1,081,713	1,132,463
Operating Supplies and Expenses	19,113	10,232	23,346	16,987	23,187
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	1,147	6,396	6,396	6,396	6,396
Subtotal: Operating Expenditures	\$775,395	\$705,632	\$1,173,544	\$1,105,096	\$1,162,046
Capital Purchases and Equipment	-	-	-	-	-
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Expenditures	\$775,395	\$705,632	\$1,173,544	\$1,105,096	\$1,162,046
Expenditures By Funds					
General Revenue	775,395	705,632	1,173,544	1,105,096	1,162,046
Total Expenditures	\$775,395	\$705,632	\$1,173,544	\$1,105,096	\$1,162,046
Program Measures					
Percentage of Equalization Study Procedure Recommendations Implemented	31.0%	35.0%	35.0%	35.0%	35.0%
Percentage of Municipalities Transmitting Real Estate Sales Data Electronically to the Division of Taxation	97.0%	100.0%	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 2008 Actual	FY 2009 Actual	FY 2010 Enacted	FY 2010 Revised	FY 2011 Recommended
Expenditures By Subprogram					
Tax Administrator	474,202	550,406	554,647	569,061	1,097,738
Tax Processing Division	4,949,363	4,255,817	5,207,140	4,621,562	4,872,052
Compliance and Collection	3,133,969	2,901,503	3,353,994	2,758,755	3,179,662
Field Audit	5,034,383	4,575,200	5,504,768	4,842,375	5,217,145
Assessment and Review	2,652,140	2,306,911	2,540,636	2,621,074	2,976,500
Employer Tax	2,844,404	2,421,597	3,043,094	2,659,082	2,952,461
Total Expenditures	\$19,088,461	\$17,011,434	\$20,204,279	\$18,071,909	\$20,295,558
Expenditures By Object					
Personnel	16,862,669	15,474,873	17,776,167	15,960,049	17,610,285
Operating Supplies and Expenses	2,183,379	1,493,677	2,348,352	2,036,060	2,079,473
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	4,369	4,369	5,460	-	-
Subtotal: Operating Expenditures	\$19,050,417	\$16,972,919	\$20,129,979	\$17,996,109	\$19,689,758
Capital Purchases and Equipment	38,044	38,515	74,300	75,800	605,800
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Expenditures	\$19,088,461	\$17,011,434	\$20,204,279	\$18,071,909	\$20,295,558
Expenditures By Funds					
General Revenue	16,171,810	14,547,391	17,028,276	15,330,742	16,759,362
Federal Funds	1,189,768	996,499	1,292,658	1,114,408	1,234,831
Restricted Receipts	778,639	692,136	830,192	724,852	809,091
Other Funds	948,244	775,408	1,053,153	901,907	1,492,274
Total Expenditures	\$19,088,461	\$17,011,434	\$20,204,279	\$18,071,909	\$20,295,558
Program Measures					
Percentage of Personal Income Tax Refunds Mailed Within Thirty Days	99.0%	98.7%	98.5%	98.5%	98.5%
Percentage of Personal Income Tax Returns Filed Electronically	50.0%	62.0%	63.0%	63.0%	65.0%
Tax Dollars Assessed Per Hour by Field Audit	\$745.22	\$661.89	\$720.98	\$720.98	\$720.98
Percentage of Cash Collection Reports Issued Within 10 Business Days	0.0%	75.0%	91.7%	91.7%	100.0%
Percentage of Revenue Assessment Reports Issued Within 10 Business Days	0.0%	100.0%	91.7%	91.7%	100.0%
Percentage of Three Revenue Reports Issued Annually	0.0%	66.7%	100.0%	100.0%	100.0%
Percentage of Fiscal Notes Completed Within Ten Calendar Days	0.0%	61.5%	75.0%	75.0%	80.0%

The Program

Department of Revenue Registry of Motor Vehicles

Program Operations

The Division of Motor Vehicles (DMV) also known as 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. In addition to these responsibilities, the DMV is actively involved in the testing and training required to implement the new RIMS computer system in spring 2010; redesigning all business processes, documents, and communications resulting from the availability of enhanced hardware and software; and designing and relocating to a new facility in late summer 2010.

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 2008 Actual	FY 2009 Actual	FY 2010 Enacted	FY 2010 Revised	FY 2011 Recommended
Expenditures By Subprogram					
Registry of Motor Vehicles	17,926,292	17,375,057	29,525,372	29,267,381	23,229,940
Vehicle Value Commission	22,764	14,394	30,200	30,200	30,200
Total Expenditures	\$17,949,056	\$17,389,451	\$29,555,572	\$29,297,581	\$23,260,140
Expenditures By Object					
Personnel	12,584,880	11,473,466	12,527,710	11,992,668	12,552,377
Operating Supplies and Expenses	5,207,109	4,888,199	4,831,035	5,207,898	4,624,671
Aid To Local Units Of Government	-	-	-	-	-
Assistance, Grants and Benefits	5,237	5,237	5,237	5,237	5,237
Subtotal: Operating Expenditures	\$17,797,226	\$16,366,902	\$17,363,982	\$17,205,803	\$17,182,285
Capital Purchases and Equipment	151,830	1,022,549	12,152,690	12,040,424	6,026,501
Debt Service	-	-	-	-	-
Operating Transfers	-	-	38,900	51,354	51,354
Total Expenditures	\$17,949,056	\$17,389,451	\$29,555,572	\$29,297,581	\$23,260,140
Expenditures By Funds					
General Revenue	17,656,566	16,112,260	16,828,201	16,606,327	16,602,008
Federal Funds	281,135	554,978	1,312,271	1,288,474	1,038,531
Restricted Receipts	11,355	14,394	15,100	15,100	15,100
Other Funds	-	707,819	11,400,000	11,387,680	5,604,501
Total Expenditures	\$17,949,056	\$17,389,451	\$29,555,572	\$29,297,581	23,260,140
Program Measures	NA	NA	NA	NA	NA