

Executive Summary ***Documentary Stamp Taxes***

(a portion of these dollars fund general revenue and the rest is associated with various trust funds)

The new forecast reflects conditions that prove Florida to be beyond the end of the real estate boom and even dipping below normal patterns of construction and real-estate activity. These conditions are generally expected to last throughout calendar year 2008, with a slow return to a more sustainable growth pattern in 2009. As the primary driver of the five-year run-up in total documentary stamp tax collections, the state of Florida's housing market is inextricably linked to this revenue source.

The boom, characterized by double-digit growth in home sales and price appreciation, played a significant role in Florida's past economic performance. Among other things, recent data has indicated year-over year sales of existing homes dropped for the third consecutive July, with 2007 sales comprising only 54% of the 2005 level. Levels this low have not been seen since 1997. Similarly, median sales prices have declined by 5% since last July, affecting nearly every one of the state's metropolitan statistical areas.

According to the latest Florida Economic Conference, housing starts will continue falling through Fiscal Year 2007-08 before beginning a modest rebound in 2008-09. Total construction expenditures follow a similar pattern, never returning to the 2005-06 level during the immediate forecast (Fiscal Year 2010-11). On the other hand, growth in private nonresidential construction is projected to decelerate to a still healthy 7.9% this year, and then moderate in the out-years. Meanwhile, after posting an 18.3% increase last year, public construction activity is projected to expand another 10.9% this fiscal year before dipping into negative territory next year.

Documentary Stamp tax collections are expected to continue declining as the adjustment to higher interest rates, stricter lending standards and high housing prices take hold. Prices and sales will further weaken – exerting downward pressure on collections until the current housing inventory clears.

Total annual collections were greatest in Fiscal Year 2005-06 at \$4.1 billion. In comparison, the forecast for this year is only \$2.8 billion, a 13.6% decline over last year. Modest growth is expected in 2008-09 (2.9%) before growth returns to more normal levels for the remainder of the forecast.

**Documentary Stamp Tax Collections and Distributions
July, 2007**

Statutory %'s	F.S.	Statutory % Distributions	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
7.00%	201.15	Total Documentary Stamp Tax Collections	2,620.0	2,695.5	2,956.7	3,209.9	3,438.9	3,633.1	3,826.5	4,047.3	4,287.5	4,506.0
		Less: General Revenue Service Charge	183.4	188.7	207.0	224.7	240.7	254.3	267.9	283.3	300.1	315.4
		Net Available for Distribution	2,436.6	2,506.8	2,749.7	2,985.2	3,198.2	3,378.8	3,558.6	3,764.0	3,987.4	4,190.6
62.63%	201.15(1)	Distribution for General Revenue and Debt Service	1,526.0	1,570.0	1,722.1	1,869.6	2,003.0	2,116.1	2,228.8	2,357.4	2,497.3	2,624.6
	201.15(1)	P2000/Florida Forever/Everglades Restoration Debt Service	398.0	417.0	418.2	417.8	417.8	417.8	152.7	152.5	152.4	152.3
	201.15(11)	Ecosystem Management & Restoration Trust Fund	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
	201.15(11)	Marine Resources Conservation Trust Fund	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
	201.15(11)	General Inspection Trust Fund, oyster management and restoration	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
	201.15(1)(d)	State Transportation Trust Fund	541.8	541.8	541.8	541.8	541.8	541.8	541.8	541.8	541.8	541.8
	201.15(1)(d)	Water Protection and Sustainability Program Trust Fund	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	201.15(1)(d)	Public Education Capital Outlay and Debt Service Trust Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	201.15(1)(d)	Dept. of Community Affairs Grants and Donations Trust Fund	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
		Subtotal Other Distributions	1,075.3	1,094.3	1,095.5	1,095.1	1,095.1	1,095.1	830.0	829.8	829.7	829.6
		General Revenue by Formula	450.7	475.7	626.6	774.5	907.9	1,021.0	1,398.8	1,527.6	1,667.6	1,795.0
	201.15(18)	Additional General Revenue due to Trust Fund Caps	326.9	347.0	420.3	496.7	566.1	625.3	683.0	748.3	819.6	886.0
		Total General Revenue	777.6	822.7	1,046.9	1,271.2	1,474.0	1,646.3	2,081.8	2,275.9	2,487.2	2,681.0
	201.15(12)	DOR Administrative Costs (Administrative Trust Fund)	10.7	11.5	12.3	13.2	14.2	15.2	16.3	17.5	18.8	19.4
		Available for Other Distributions To Other Trust Funds	899.9	925.3	1,015.3	1,102.4	1,181.0	1,247.5	1,313.5	1,389.1	1,471.3	1,546.6
7.5600%	201.15(2)	Land Acquisition Trust Fund (LATF)	84.9	85.4	86.7	86.7	86.5	86.3	86.3	86.5	86.6	86.4
1.9400%	201.15(3)	LATF - Coastal Lands Acquisition & Debt Service	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0
4.2000%	201.15(4)	Water Management Lands Trust Fund	60.5	60.8	61.5	61.5	61.4	61.3	61.3	61.4	61.4	61.4
3.8010%	201.15(5)	Conservation and Recreation Lands (CARL) Trust Fund	91.5	94.1	103.3	112.1	120.1	126.9	133.6	141.3	149.6	157.3
0.3990%	201.15(5)	State Game Trust Fund (from CARL) - Land Management	9.6	9.9	10.8	11.8	12.6	13.3	14.0	14.8	15.7	16.5
2.2800%	201.15(6)	Invasive Plant Control Trust Fund	36.1	36.3	36.7	36.6	36.6	36.5	36.5	36.6	36.6	36.6
0.5000%	201.15(7)	State Game Trust Fund - Lake Restoration 2020 Program	9.3	9.3	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4
0.2500%	201.15(8)	Water Quality Assurance Trust Fund	6.0	6.2	6.8	7.4	7.9	8.3	8.8	9.3	9.8	10.3
0.2500%	201.15(8)	General Inspection Trust Fund	6.0	6.2	6.8	7.4	7.9	8.3	8.8	9.3	9.8	10.3
3.7650%	201.15(9)(a)	State Housing Trust Fund	53.5	53.8	54.4	54.4	54.3	54.2	54.2	54.3	54.3	54.3
3.7650%	201.15(9)(b)	Local Government Housing Trust Fund	53.5	53.8	54.4	54.4	54.3	54.2	54.2	54.3	54.3	54.3
1.0825%	201.15(10)(a)	State Housing Trust Fund	17.0	17.1	17.3	17.3	17.2	17.2	17.2	17.2	17.2	17.2
7.5775%	201.15(10)(b)	Local Government Housing Trust Fund	119.0	119.5	120.8	120.8	120.6	120.4	120.4	120.6	120.7	120.5
37.37%		Subtotal Statutory % Distributions	573.0	578.3	595.0	605.7	614.9	622.2	630.5	640.8	651.7	660.6

Note: Effective July 1, 2007, certain of the above trust funds have their distributions capped as follows:

<u>F.S.</u>	<u>Trust Fund</u>
201.15(2)	Land Acquisition Trust Fund (LATF)
201.15(3)	LATF - Coastal Lands Acquisition & Debt Service
201.15(4)	Water Management Lands Trust Fund
201.15(6)	Invasive Plant Control Trust Fund
201.15(7)	State Game Trust Fund - Lake Restoration 2020 Program
201.15(9)(a)	State Housing Trust Fund
201.15(9)(b)	Local Government Housing Trust Fund
201.15(10)(a)	State Housing Trust Fund
201.15(10)(b)	Local Government Housing Trust Fund

Effective July 1, 2008, the caps are increased by 10% of the growth of total collections from the prior fiscal year, multiplied by the fund's applicable statutory percentage, except for the 215.15(3) cap, which receives no adjustment.