

## ***Executive Summary*** ***Documentary Stamp Taxes***

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

The new forecast reflects conditions that continue to prove that Florida is well below normal patterns of construction and real-estate activity. These conditions are generally expected to last throughout calendar year 2008 and most of calendar year 2009, before beginning a relatively modest return to a more sustainable growth pattern. In this regard, Fiscal Year 2008-09 collections will only achieve 44% of the level at its height – the 2005-06 boom year. 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 February, with 2008 sales comprising only 47% of the 2005 level. Levels this low have not been seen since February 1996. Similarly, median sales prices have declined by 16% since last February, affecting every one of the state's metropolitan statistical areas.

According to the latest Florida Economic Conference, housing starts will continue their low levels through calendar year 2008 before beginning a rebound in the second half of 2009. Total construction expenditures follow a similar pattern, never returning to the 2005-06 level during the near-term forecast (through Fiscal Year 2014-15). On the other hand, growth in private nonresidential construction is projected to decelerate to a still healthy 13.0% this year, and then decline during the next two years (Fiscal Years 2008-09 and 2009-10). Meanwhile, after posting a 20.0% increase last year, public construction activity is projected to expand another 21.5% this fiscal year before dipping into negative territory next year.

Documentary Stamp tax collections are expected to continue declining as the adjustment to stricter lending standards and tighter credit conditions takes hold. Prices and sales will further weaken – exerting downward pressure on collections until the current housing inventory clears. This is not expected before mid-2009.

Total annual collections were greatest in Fiscal Year 2005-06 at \$4.1 billion. In comparison, the forecast for this year is only \$1.95 billion, a 35.6% decline over last year. Further negative growth is expected in 2008-09 (-8.5%) before growth rebounds and then returns to more normal levels for the remainder of the forecast.

**Documentary Stamp Tax Collections and Distributions  
Mar-08**

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	2017-18
7.00%	201.15	Total Documentary Stamp Tax Collections	1,953.7	1,787.7	1,948.2	2,287.2	2,630.3	2,867.0	3,047.6	3,227.4	3,411.4	3,588.8	3,768.2
		Less: General Revenue Service Charge	136.8	125.1	136.4	160.1	184.1	200.7	213.3	225.9	238.8	251.2	263.8
		Net Available for Distribution	1,816.9	1,662.6	1,811.8	2,127.1	2,446.2	2,666.3	2,834.3	3,001.5	3,172.6	3,337.6	3,504.4
62.63%	201.15(1)	Distribution for General Revenue and Debt Service	1,137.9	1,041.3	1,134.7	1,332.2	1,532.1	1,669.9	1,775.1	1,879.8	1,987.0	2,090.3	2,194.8
	201.15(1)(a)&(b)	P2000/Florida Forever/Everglades Restoration Debt Service	389.8	415.1	415.5	415.1	415.1	415.0	149.8	149.7	149.5	149.4	149.2
			748.1	626.2	719.2	917.1	1,117.0	1,254.9	1,625.3	1,730.1	1,837.5	1,940.9	2,045.6
	201.15(1)(d)	Dept. of Community Affairs Grants and Donations Trust Func	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
			744.9	622.9	716.0	913.9	1,113.7	1,251.7	1,622.1	1,726.9	1,834.2	1,937.7	2,042.4
	201.15(1)(d)	State Transportation Trust Func	541.8	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 Func	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0
	201.15(1)(d)	Public Education Capital Outlay and Debt Service Trust Func	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			123.1	1.2	94.2	292.1	492.0	629.9	1,000.3	1,105.1	1,212.5	1,315.9	1,420.6
	201.15(11)	Ecosystem Management & Restoration Trust Func	30.0	1.1	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 Func	2.0	0.1	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 restora	0.3	0.0	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
		Subtotal Other Distributions:	1,047.1	1,041.3	1,072.8	1,072.4	1,072.4	1,072.3	807.1	807.0	806.8	806.7	806.5
		General Revenue by Formula	90.8	0.0	61.9	259.8	459.7	597.6	968.0	1,072.8	1,180.2	1,283.6	1,388.3
	201.15(18)	Additional General Revenue due to Trust Fund Caps	131.3	88.6	133.2	232.7	339.0	415.5	473.1	528.9	585.8	641.1	696.6
		<b>Total General Revenue</b>	<b>222.1</b>	<b>88.6</b>	<b>195.1</b>	<b>492.5</b>	<b>798.7</b>	<b>1,013.1</b>	<b>1,441.1</b>	<b>1,601.7</b>	<b>1,766.0</b>	<b>1,924.7</b>	<b>2,084.9</b>
	201.15(12)	DOR Administrative Costs (Administrative Trust Fund)	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3
		Available for Other Distributions to Other Trust Fund:	668.7	611.0	666.8	784.6	903.8	986.1	1,048.9	1,111.4	1,175.3	1,237.0	1,299.3
2007-08	2008-09	201.15(2)	Land Acquisition Trust Fund (LATF)	84.9	84.9	86.0	87.3	87.3	86.6	86.2	86.2	86.1	86.2
7.5600%	7.5600%	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
1.9400%	1.9400%	201.15(4)	Water Management Lands Trust Func	60.5	60.5	61.1	61.8	61.8	61.4	61.2	61.2	61.2	61.2
4.2000%	4.2000%	201.15(5)	Conservation and Recreation Lands (CARL) Trust Func	63.7	51.1	55.8	65.6	75.6	82.5	87.8	93.0	103.5	108.7
3.5620%	3.1275%	201.15(5)	State Game Trust Fund (from CARL) - Land Managemen	7.1	6.4	7.0	8.2	9.5	10.4	11.0	11.7	12.3	13.0
0.3980%	0.3925%	201.15(6)	Invasive Plant Control Trust Fund	34.1	34.1	34.4	34.8	34.8	34.6	34.5	34.5	34.5	34.5
2.2800%	2.2800%	201.15(7)	State Game Trust Fund - Lake Restoration 2020 Prograrr	9.1	8.2	8.9	9.5	9.5	9.4	9.4	9.4	9.4	9.4
0.5000%	0.5000%	201.15(8)	Water Quality Assurance Trust Func	4.5	4.1	4.5	5.2	6.0	6.6	7.0	7.4	7.9	8.3
0.2500%	0.2500%	201.15(8)	General Inspection Trust Func	4.5	4.1	4.5	5.2	6.0	6.6	7.0	7.4	7.9	8.3
0.2500%	0.2500%	201.15(9)(a)	State Housing Trust Fund	53.5	53.5	54.1	54.7	54.7	54.3	54.1	54.1	54.1	54.1
3.7650%	3.7650%	201.15(9)(b)	Local Government Housing Trust Func	53.5	53.5	54.1	54.7	54.7	54.3	54.1	54.1	54.1	54.1
3.7650%	3.7650%	201.15(10)(a)	State Housing Trust Fund	17.0	17.0	17.2	17.3	17.3	17.2	17.2	17.2	17.2	17.2
1.0825%	1.0825%	201.15(10)(b)	Local Government Housing Trust Func	119.0	119.0	120.1	121.4	121.4	120.7	120.3	120.3	120.3	120.3
7.5775%	7.5775%		Subtotal Statutory % Distributions:	537.4	522.4	533.6	551.9	564.8	570.6	575.8	582.5	589.5	602.7
37.13%	36.69%												

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

F.S.	Trust Fund	FY 07-08
201.15(2)	Land Acquisition Trust Fund (LATF)	84.9
201.15(3)	LATF - Coastal Lands Acquisition & Debt Service	26.0
201.15(4)	Water Management Lands Trust Fund	60.5
201.15(6)	Invasive Plant Control Trust Fund	34.1
201.15(7)	State Game Trust Fund - Lake Restoration 2020 Prc	9.3
201.15(9)(a)	State Housing Trust Fund	53.5
201.15(9)(b)	Local Government Housing Trust Fund	53.5
201.15(10)(a)	State Housing Trust Fund	17.0
201.15(10)(b)	Local Government Housing Trust Fund	119.0

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.