The near-term National and Florida Economic Forecasts were weaker in several key respects compared to August 2019. The Conference also recognized that there is an elevated level of risk to any forecast due to the mature stage of the current economic expansion and geopolitical pressures to global growth. However, revenue collections are running above monthly estimates through the first half of the fiscal year by a combined $414.9 million. Over 40 percent of this gain is related to Corporate Income Tax receipts.

Focusing on the year-to-date gains to the forecast, anticipated revenues were revised upward by $306.0 million in FY 2019-20 and by $86.0 million in FY 2020-21, for a two-year combined increase of $392.0 million. This change is less than one percent (0.9%) in FY 2019-20 and less than one-half of one percent (0.3%) in FY 2020-21. These numbers affect the revenues available for the budget being crafted for FY 2020-21.

The largest adjustment in the new forecast relates to the Corporate Income Tax. The gain to General Revenue is an additional $100.6 million in FY 2019-20 and $80.9 million in FY 2020-21. Even though year-to-date collections are over estimate by $176.3 million, the forecast addresses the increased uncertainty in taxpayers’ response to recent federal and state tax law changes.

Outside of the adjustment for Corporate Income Tax, the greatest changes influencing the estimates were the upward adjustment in the current year to Sales Tax ($48.6 million) and in both years to Earnings on the State’s Investments ($83.4 million and $14.3 million, respectively).

As a result of the changes described above, the state’s revenue collections for General Revenue are still expected to fall below the prior year by 0.5 percent this year, an improvement from the projected loss of 1.4 percent in August that was mostly caused by the loss of Indian Gaming revenue sharing. This improvement is largely related to the strength of collections in the first half of the fiscal year—some of which is not expected to continue through the remainder of the year.

Excluding Indian Gaming revenue which is still shown as zero, several of the revisions to the forecast (Tobacco Taxes, Article V Fees & Transfers, and Highway Safety Licenses & Fees) are the results of earlier conferences. Additional information regarding the estimates for sources adopted at prior conferences can be found on the Legislative Office of Economic and Demographic Research’s website: [http://edr.state.fl.us/Content/conferences/index.cfm](http://edr.state.fl.us/Content/conferences/index.cfm).