

**REVENUE ESTIMATING CONFERENCE**

**TAX:** Sales Tax  
**ISSUE:** Hybrid and Alternative Fuel Vehicles  
**BILL NUMBER(S):** SB438  
**SPONSOR(S):** Senator Margolis  
**MONTH/YEAR COLLECTION IMPACT BEGINS:** July 1, 2007  
**DATE OF ANALYSIS:** November 6, 2006

**SECTION 1: NARRATIVE**

**a. Current Law:**

Sales of hybrid and alternative motor vehicles are taxable in Florida.

**b. Proposed Change:**

Creates a sales tax refund on the purchase of qualified hybrid and alternative fuel motor vehicles, by Florida residents. The sales tax shall be computed on the sales price up to a maximum of \$15,000. With a repeal date of July 1, 2010.

**SECTION 2: DESCRIPTION OF DATA AND SOURCES**

Cars.com web site for average price of new hybrid vehicles  
 hybridCARS.com web site for historical data on hybrid vehicles sold nationally  
 International Association of Natural Gas Vehicles  
 Florida Department of Transportation <http://www.dot.state.fl.us/Planning/policy/trends/tc-report/behavior120805.pdf>  
 Florida Department of Highway Safety and Motor Vehicles [http://www.hsmv.state.fl.us/reports/facts\\_mv.html](http://www.hsmv.state.fl.us/reports/facts_mv.html)  
 Demographic Estimating Conference, October 2006

**SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)**

1. Florida accounts for 5.1% of hybrid vehicles sold based on 2005 data. Kept that percentage constant. Low estimate is 10% below Median Estimate, and the High estimate is 10% above the Median.
2. Used a weighted average for the used car purchase price. Assumed that .5% of new car sales was low estimate, .75% was middle estimate, and 1% was high estimate.
3. Grew National hybrids sold by 1.8% for FY2009-10 and FY2010-11.
4. Grew the number of tags by 2% annually from FY2004-05 to FY2007-08 and FY2008-09.
5. Assume that buyers will wait for rebate therefore cash estimate is same as annualized.
6. Vehicles per household were 1.6 in 2004, and assumed that it stays constant. As an alternative choice, vehicles per household were 1.7. Households grown by Demographic Estimating Conference growth rates.
7. The FY 2010-11 is at 25% due to repeal July 1, 2010. 90 days to issue refunds on sales through June 30, 2010.

**SECTION 4: PROPOSED FISCAL IMPACT**

State Impact—All Funds	FY 2007-08 Annualized	FY 2007-08 Cash	FY 2008-09 Cash
High	0	(\$ 30.8 m)	(\$ 38.4 m)
Middle	0	(\$ 28.0 m)	(\$ 34.9 m)
Low	0	(\$ 25.2 m)	(\$ 31.4 m)

State Impact—All Funds	FY 2009-10 Cash	FY 2010-11 Cash
High	(\$ 42.8 m)	(\$11.0 m)
Middle	(\$ 38.9 m)	(\$ 10.0 m)
Low	(\$ 35.0 m)	(\$ 9.0 m)

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**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 1 / 19 / 07 )** Because the bill requires an appropriation to issue refunds, the conference adopted an estimate of no impact for the bill.

	FY 2007-08 Annualized	FY 2007-08 Cash	FY 2008-09 Cash
General Revenue			
Total State Impact			
Total Local Impact			
Total Impact	0	0	0

	FY 2009-10 Cash	FY 2010-11 Cash
General Revenue		
Total State Impact		
Total Local Impact		
Total Impact	0	0

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	15000 purchase												
2	New vehicles in Florida												
3													
4		National	National	National	Florida	Florida	Florida						
5		hybrid vehicles	Alternative Fuel	Total Hybrid &	Hybrids	Alterantive	Total Hybrid &						
6		sold	Vehicles sold	Alternative Fuel Vehicles	Sold	Fuel Vehicles	native Fuel Vehicles						
7													
8	FY 00-01	14,819			756								
9	FY 01-02	27,644			1,410								
10	FY 02-03	41,263			2,104								
11	FY 03-04	67,763			3,456								
12	FY 04-05	146,875			7,491								
13	FY 05-06	227,875	130,845	358,720	11,622	6,673	18,295						
14	FY 06-07	325,000	132,546	457,546	16,575	6,760	23,335						
15	FY07-08	475,000	134,269	609,269	24,225	6,848	31,073						
16	FY08-09	625,000	136,015	761,015	31,875	6,937	38,812						
17	FY09-10	706,300	137,783	844,083	36,021	7,027	43,048						
18	FY10-11	719,013	139,574	858,587	36,670	7,118	43,788						
19													
20				Low (90%)	Middle (100%)	High (110%)	Max						
21							Refund						
22	2007-2008 New Vehicles Sold			27,965	31,073	34,180	\$ 900						
23	2008-2009 New Vehicles Sold			34,931	38,812	42,693	\$ 900						
24	2009-2010 New Vehicles Sold			38,743	43,048	47,353	\$ 900						
25	2010-2011 New Vehicles Sold			39,409	43,788	48,167	\$ 900						
26													
27													
28													
29		Low	Middle	High									
30	2007-08	(\$25,168,906)	(\$27,965,451)	(\$30,761,996)									
31	2008-09	(\$31,437,512)	(\$34,930,569)	(\$38,423,626)									
32	2009-2010	(\$34,869,059)	(\$38,743,399)	(\$42,617,739)									
33	2010-2011	(\$8,867,061)	(\$9,852,290)	(\$10,837,519)									
34													
35	Individual vs Corporate with Vehicles per Household at 1.6						Individual vs Corporate with Vehicles per Household at 1.7						
36			FY2007-08	FY2008-09	FY2009-10	FY2010-11			FY2007-08	FY2008-09	FY2009-10	FY2010-11	
37	Households in FL		7,522,892	7,689,148	7,855,234	8,020,979		Households in FL		7,522,892	7,689,148	7,855,234	8,020,979
38	vehicles per household US		1.6	1.6	1.6	1.6		vehicles per household US		1.7	1.7	1.7	1.7
39	Household Vehicles in FL		12,036,627	12,302,637	12,568,374	12,833,566		Household Vehicles in FL		12,788,916	13,071,551	13,353,897	13,635,664
40	FY 2007-08 tags in FL		14,662,831					FY 2007-08 tags in FL		14,662,831			
41	FY 2008-09 tags in FL			14,956,087				FY 2008-09 tags in FL			14,956,087		
42	FY 2009-10 tags in FL				15,255,209			FY 2009-10 tags in FL				15,255,209	
43	FY 2010-11 tags in FL					15,560,313		FY 2010-11 tags in FL					15,560,313
44													
45	% of Individual Owners FY2007-08		82.1%					% of Individual Owners FY2007-08		87.2%			
46	% of Individual Owners FY2008-09			82.3%				% of Individual Owners FY2008-09			87.4%		
47	% of Individual Owners FY2009-10				82.4%			% of Individual Owners FY2009-10				87.5%	
48	% of Individual Owners FY2010-11					82.5%		% of Individual Owners FY2010-11					87.6%
49													
50	FY 2007-08	Low	Middle	High				FY 2007-08	Low	Middle	High		
51	Individual	(\$20,660,999)	(\$22,956,666)	(\$25,252,332)				Individual	(21,952,311)	(24,391,457)	(26,830,603)		
52	Corporate	(\$4,507,907)	(\$5,008,785)	(\$5,509,664)				Corporate	(3,216,594)	(3,573,994)	(3,931,393)		
53													
54	FY 2008-09							FY 2008-09					
55	Individual	(\$25,859,992)	(\$28,733,325)	(\$31,606,657)				Individual	(27,476,242)	(30,529,157)	(33,582,073)		
56	Corporate	(\$5,577,520)	(\$6,197,245)	(\$6,816,969)				Corporate	(3,961,271)	(4,401,412)	(4,841,553)		
57													
58	FY 2009-10							FY 2009-10					
59	Individual	(\$28,682,727)	(\$31,869,697)	(\$35,056,667)				Individual	(30,523,202)	(33,914,669)	(37,306,136)		
60	Corporate	(\$6,186,332)	(\$6,873,702)	(\$7,561,072)				Corporate	(4,345,857)	(4,828,730)	(5,311,603)		
61													
62	FY 2010-11							FY 2010-11					
63	Individual	(\$7,293,902)	(\$8,104,335)	(\$8,914,769)				Individual	(7,770,298)	(8,633,664)	(9,497,031)		
64	Corporate	(\$1,573,159)	(\$1,747,955)	(\$1,922,750)				Corporate	(1,096,763)	(1,218,626)	(1,340,488)		