

REVENUE ESTIMATING CONFERENCE

TAX: Sales tax / corporate income tax

ISSUE: sales tax/cit tax credit for former offender new hires

BILL NUMBER(S): SB 470

SPONSOR(S): Senator Dawson

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2007

DATE OF ANALYSIS: 1/31/07

SECTION 1: NARRATIVE

a. Current Law: Currently, there is no \$1,500 CIT or sales tax voucher credit for employing former offenders

b. Proposed Change: Provides a \$1,500 credit voucher for use against any tax liability created under chapter 212 or chapter 220, Florida Statutes, for each former offender who is employed full time by the business after July 1, 2007. The business must document:

1. the position is continuously filled for at least 12 full consecutive months by a former offender;
2. the salary for the position is at least \$9 per hour;
3. the former offender performs duties in connection with the operations of the business on a regular full-time basis for an average of at least 36 hours per week each month throughout the year.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

Florida Statistical Abstract 1993-2005

Florida Department Corrections, website, Bureau of Research and Data Analysis

REC 11/2006

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

Assume the released offenders age 18-64 is 90% of the total released offenders

Assume 50% factor up to include other offenders supervised by state and county systems

Assume 20% reduction factor for some offenders in prison more than once and disability

Assume 50% former offenders are currently employed

Assume ex offenders have higher turnover rate than the general population

Assume 50% former offender new hires meet the credit requirement

SECTION 4: PROPOSED FISCAL IMPACT

State Impact—All Funds	FY 2007-08 Annualized	FY 2007-08 Cash	FY 2008-09 Cash
High			
Middle	-\$258.4m	0	-\$129.2m
Low			

State Impact—All Funds	FY 2009-10 Cash	FY 2010-11 Cash
High		
Middle	-\$258.4m	-\$258.4m
Low		

REVENUE ESTIMATING CONFERENCE

TAX: Sales tax / corporate income tax

ISSUE: sales tax/cit tax credit for former offender new hires

BILL NUMBER(S): SB 470

SPONSOR(S): Senator Dawson

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2007

DATE OF ANALYSIS: 1/31/07

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 2 / 9 / 07) The conference adopted the proposed estimate.

	FY 2007-08 Annualized	FY 2007-08 Cash	FY 2008-09 Cash
General Revenue: Sales	(182.8)		(91.4)
Corporate	(51.7)		(25.8)
State Trust	(.4)		(.2)
Total State Impact	(234.9)		(117.4)
Revenue Sharing	(6.0)		(3.0)
Local Gov't Half Cent	(17.5)		(8.8)
Total Local Impact	(23.5)		(11.8)
Total Impact	(258.4)	0	(129.2)

	FY 2009-10 Cash	FY 2010-11 Cash
General Revenue:Sales	(182.8)	(182.8)
Corporate	(51.7)	(51.7)
State Trust	(.4)	(.4)
Total State Impact	(234.9)	(234.9)
Revenue Sharing	(6.0)	(6.0)
Local Gov't Half Cent	(17.5)	(17.5)
Total Local Impact	(23.5)	(23.5)
Total Impact	(258.4)	(258.4)

	A	B	C	D	E	F	G	H	I	J	K
1	SB 470 - Employment incentive for former offenders										
2											
3	released inmates and offenders from community control										
4				# offenders	# offenders	# release	total				
5	FI inmate	release	under com	active on	community	released					
6	population	total	control	duri June 30th	control	offenders					
7			the year								
8	FY1990	42,733	40,197								
9	FY1991	46,233	35,416								
10	FY1992	47,012	36,154								
11	FY1993	50,603	30,192	26,218	14,892	11,326	41,518				
12	FY1994	56,052	26,184	26,278	14,926	11,352	37,536				
13	FY1995	61,992	22,174	25,940	14,692	11,248	33,422				
14	FY1996	64,333	22,720	27,849	14,465	13,384	36,104				
15	FY1997	64,713	23,866	27,980	14,605	13,375	37,241				
16	FY1998	66,280	23,065	28,001	13,895	14,106	37,171				
17	FY1999	68,599	23,025	28,173	14,540	13,633	36,658				
18	FY2000	71,233	24,317	28,623	13,651	14,972	39,289				
19	FY2001	72,007	26,805	25,255	10,126	15,129	41,934				
20	FY2002	73,553	26,299	24,593	9,766	14,827	41,126				
21	FY2003	77,316	26,599	24,991	8,510	16,481	43,080				
22	FY2004	81,974	29,082	20,515	7,957	12,558	41,640				
23	FY2005	84,901	31,537			13,000	44,537				
24	FY2006	88,576	33,464			13,000	46,464				
25											
26			released	% remain in	remain in	Florida	total FI				
27	FI pop	offenders	% of	working age	working age	unemploye	civilian	new jobs			
28	age 18-64	age 18-64	pop 18-64	in FY2003	in FY2006	pop	jobs				
29	FY1983	6,158,622	22,787	45.00%	10,254						
30	FY1984	6,387,974	23,636	46.00%	10,872						
31	FY1985	6,593,372	24,395	47.00%	11,466						
32	FY1986	6,791,423	25,128	48.00%	12,062						
33	FY1987	6,972,515	25,798	49.00%	12,641						
34	FY1988	7,132,431	26,390	50.00%	13,195						
35	FY1989	7,297,777	27,002	52.50%	14,176						
36	FY1990	7,422,998	27,465	55.00%	15,106						
37	FY1991	7,559,041	27,968	60.00%	16,781						
38	FY1992	7,698,898	28,486	65.00%	18,516						
39	FY1993	7,821,328	37,366	0.48%	70.00%	26,156	551,174	5,755,700	172,928		
40	FY1994	7,991,035	33,782	0.42%	72.50%	24,492	524,455	5,992,500	236,800		
41	FY1995	8,153,276	30,080	0.37%	77.50%	23,312	447,489	6,174,400	181,900		
42	FY1996	8,337,190	32,494	0.39%	80.00%	25,995	423,124	6,365,200	190,800		
43	FY1997	8,529,378	33,517	0.39%	82.50%	27,651	405,879	6,594,500	229,300		
44	FY1998	8,741,608	33,454	0.38%	85.00%	28,436	375,510	6,820,600	226,100		
45	FY1999	9,017,149	32,992	0.37%	87.50%	28,868	348,074	7,000,500	179,900		
46	FY2000	9,264,951	35,360	0.38%	90.00%	31,824	332,572	7,213,400	212,900		
47	FY2001	9,470,011	37,741	0.40%	92.00%	34,721	450,002	7,247,700	34,300		
48	FY2002	9,735,516	37,013	0.38%	94.00%	34,793	519,300	7,315,300	67,600		
49	FY2003	9,995,311	38,772	0.39%	96.00%	37,221	589,723	7,406,200	90,900		
50	FY2004	10,242,760	37,476	0.37%	98.00%	36,726	507,017	7,711,000	304,800		
51	FY2005	10,534,060	40,083	0.38%	99.00%	39,682	447,698	8,012,700	301,700		
52	FY2006	10,799,850	41,818	0.39%	100.00%	41,818	356,395	8,220,300	207,600		
53				total FY06	458,539						
54											
55	the average age at release is about 34 years and the number of released age 50-64 is about 6%										
56	assume released offenders age 18-64 is 90% of the total released offenders										
57	factor up the estimate to include other offenders supervised by state and county systems									50%	687,808
58	assuming the reduction factor for some former offenders in prison more than once and some disabled is									20%	550,246
59	assume 50% are currently employed									50%	275,123
60											
61	ex offenders	other	turnover	total pop	total job	ex offender	ex offender	% total			
62	w no jobs	unemploye	rate 10%	need jobs	available	15%	need jobs	need jobs			
63	275,123	81,272	801,270	1,157,665	1,008,870	120,191	395,314	34.15%			
64											
65	ex offender	50% meet									
66	new hire	12 months	credit	impact							
67	344,504	172,252	\$1,500	258,377,937							
68											
69	assume ex offenders have higher turnover rate										
70	assume 50% of ex offender new hires meet the credit requirement										
71	source: Florida Statistical Abstract 2001-2005										
72	Statistical Abstract of the United States: 2002-04										
73	REC 11/2006										
74	Florida Department of Corrections Release Report FY 2001-2006										
75	Bureau of Research and Data Analysis, Florida Department of Corrections										