

REVENUE ESTIMATING CONFERENCE

Tax: Motor fuel tax
Issue: Biodiesel
Bill Number(s): SB522/HB633

- Entire Bill**
 Partial Bill:

Sponsor(s): Senator Bradley/Representative Bradley
Month/Year Impact Begins: July 1, 2013 (with one month’s collection lag)
Date of Analysis: 3/15/2013

Section 1: Narrative

- a. Current Law:** Currently, local government users of diesel fuel pay taxes for biodiesel manufactured and then get refund. The local government users have to register as wholesaler.
- b. Proposed Change:** the bill amends s. 206.02,F.S., exempting municipalities, counties, and school districts manufacturing biodiesel fuel for internal use from certain reporting, bonding, and licensing requirements applicable to biodiesel manufacturers; amending s. 206.874 F.S. requiring such entities to pay the tax on such manufactured biodiesel fuel only when they use it.

Section 2: Description of Data and Sources

DOR biodiesel fuel data 2006 to 2012

Section 3: Methodology (Include Assumptions and Attach Details)

REC Dec 2012 Transportation Conference, diesel fuel growth rates
 Assuming the percentage of biodiesel to diesel is from 1.00% to 1.10% for FY 2013 to FY 2018
 Assuming high is local governments use all the biodiesel fuel manufactured in the same month, 0 impact.
 Assuming middle using 75% of the high estimates manufactured and delay 25% for the next month.
 Assuming low using 50% of the high estimates manufactured and delay 50% for the next month or later.
 With removing the registration as wholesaler, there is a negative insignificant impact.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(insig.)	(insig.)	(Insig.)	(Insig.)	(Insig.)	(Insig.)
2014-15	(insig.)	(insig.)	(Insig.)	(Insig.)	(Insig.)	(Insig.)
2015-16	(insig.)	(insig.)	(Insig.)	(Insig.)	(Insig.)	(Insig.)
2016-17	(insig.)	(insig.)	(Insig.)	(Insig.)	(Insig.)	(Insig.)
2017-18	(Insig.)	(insig.)	(Insig.)	(Insig.)	(Insig.)	(Insig.)

List of affected Trust Funds:

Fuel tax group
 GR trust fund

Section 5: Consensus Estimate (Adopted: 03/16/2013) The conference adopted a negative insignificant impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(Insignificant)	(Insignificant)					(Insignificant)	(Insignificant)
2014-15	(Insignificant)	(Insignificant)					(Insignificant)	(Insignificant)
2015-16	(Insignificant)	(Insignificant)					(Insignificant)	(Insignificant)
2016-17	(Insignificant)	(Insignificant)					(Insignificant)	(Insignificant)
2017-18	(Insignificant)	(Insignificant)					(Insignificant)	(Insignificant)

SB 522 biodiesel fuel

	A	B	C	D	E	F	G	H	I
1									
2	DOR biodiesel data								
3		diesel	biodiesel		diesel	biodiesel			
4		gallons	gallons	% of diesel	growth	growth		price of domestic crude oil	
5	FY 2006	1,809,252,784	2,267,332	0.13%				\$60.74	
6	FY 2007	1,770,709,729	2,700,927	0.15%	-2.13%	19.12%		\$60.70	
7	FY 2008	1,646,056,806	4,027,922	0.24%	-7.04%	49.13%		\$93.26	
8	FY 2009	1,442,080,798	3,886,409	0.27%	-12.39%	-3.51%		\$68.80	
9	FY 2010	1,356,837,768	6,039,100	0.45%	-5.91%	55.39%		\$73.44	
10	FY 2011	1,392,511,817	3,538,878	0.25%	2.63%	-41.40%		\$89.64	
11	FY 2012	1,378,710,128	10,848,746	0.79%	-0.99%	206.56%		\$102.65	
12	CY 2012	1,370,508,346	13,690,944	1.00%					
13	biodiesel is included in diesel gallons								
14					diesel	biodiesel			
15		diesel gallons	biodiesel	% of diesel	growth	growth			
16	FY 2013	1,397,100,000	13,971,000	1.00%	1.33%	28.78%			
17	FY 2014	1,433,400,000	14,620,680	1.02%	2.60%	4.65%			
18	FY 2015	1,475,000,000	15,340,000	1.04%	2.90%	4.92%			
19	FY 2016	1,523,700,000	16,151,220	1.06%	3.30%	5.29%			
20	FY 2017	1,566,300,000	16,916,040	1.08%	2.80%	4.74%			
21	FY 2018	1,607,100,000	17,678,100	1.10%	2.60%	4.50%			
22	assuming biodiesel % of diesel are 1.00% to 1.1% from FY 2013 to FY 2018								
23	The latest 12 months local government gallons with taxes paid is about 33.000								
24									
25						206.87(1)		assuming	
26		total local	3 cents of	206.87(1)	206.87(1)	(d) SCETS		SCETS	
27		tax paid gallons	4 c excise	(b) 1 cent	© 6 cents	cents	total	rates	
28	FY 2013	33,000	990.0	330.0	1,980.0	2,310.0	5,610.0	7.0	
29	FY 2014	34,535	1,036.0	345.3	2,072.1	2,452.0	5,905.4	7.1	
30	FY 2015	36,234	1,087.0	362.3	2,174.0	2,608.8	6,232.2	7.2	
31	FY 2016	38,150	1,144.5	381.5	2,289.0	2,784.9	6,599.9	7.3	
32	FY 2017	39,956	1,198.7	399.6	2,397.4	2,956.8	6,952.4	7.4	
33	FY 2018	41,756	1,252.7	417.6	2,505.4	3,131.7	7,307.4	7.5	
34									
35	impact	High	middle	low					
36	FY 2014	5,905	4,429	2,953					
37	FY14 cash	5,413	4,060	2,707					
38	FY 2015	6,232	4,674	3,116					
39	FY 2016	6,600	4,950	3,300					
40	FY 2017	6,952	5,214	3,476					
41	FY 2018	7,307	5,481	3,654					

REVENUE ESTIMATING CONFERENCE

TAX: Sales and Use Tax

ISSUE: Sales Tax Holiday, Three Day Weekend in August, 2013 for Computers and related accessories \$750 or less

BILL NUMBER(S): HB419/SB916

Entire Bill

Partial Bill:

SPONSOR(s): Representative Ahern

MONTH/YEAR COLLECTION IMPACT BEGINS: Assume impact begins August, 2013 over 3 days

DATE OF ANALYSIS: March 1, 2013

SECTION 1: NARRATIVE

a. **Current Law:**

Under current law in Ch. 212, F.S., computers and related accessories are subject to the 6% Sales and Use Tax.

b. **Proposed Change:**

Computers: Exempt purchases over \$750 of "computer and related accessories with a sales price of \$750 or less, purchased for noncommercial home or personal use" pursuant to the language below:

- "Personal computers and related accessories with a sales price of \$750 or less, purchased for noncommercial home or personal use, including personal computer base units and keyboards, personal digital assistants, handheld computers, monitors, other peripheral devices, modems for Internet and network access, and nonrecreational software, regardless of whether the accessories are used in association with a personal computer base unit. Computer and computer related accessories do not include furniture or any systems, devices, software, or peripherals designed or intended primarily for recreational use."

SECTION 2: DESCRIPTION OF DATA AND SOURCES

- Consumer Computer spending forecast, FEB 2013 U.S. Economic Estimating Conference
- Communication with Global Insight Staff on components of variable: Consumer Spending--Computers UYCDCMP
- U.S Population (total and 65+), 3rd Quarter estimates, FEB 2013 U. S. Economic Estimating Conference
- Review of CTIA Wireless Association, Mid-Year 2012 Results, November 2012
- Review of Changes and Trends in the North American Wireless Industry, A Survey for 2011

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS) SEE ATTACHED

Computers: Florida spending is derived from total national spending for computers and peripherals.. It is assumed that one fourth of total consumer computer spending will occur in the one holiday weekend since one of the four peak buying periods for consumer computer spending typically coincides with the back to school spending. Some general comments from Global Insight staff regarding the components of computer spending are provided below.

Consumer Spending--Computers UYCDCMP

Does include:

- Software installed on a computer system that is purchased
- Tablet computers
- "about anything that is in the computer department of the local [big box electronics store] which is not photographic or video, or stand-alone software"

Does not include

- Phones
- Computer game software not already installed on device (included in the variable for "Software" spending).
- Computer gaming specific equipment (included in variable for "Toys").
- PDA's or personal digital assistants of the stand-alone variety (included in "calculators, typewriters and other information processing equipment" spending).
- Software not already installed on a computer device or stand-alone software (Included in variable for "Software").

There may be additional items included in national computer spending that may not be covered by the language. Also,

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BILL NUMBER(S): HB419/SB916

no adjustments were made to account for computer related items covered by the language but excluded from national computer spending totals (such as stand-alone software or personal digital assistants) with the exception of smart phone purchases. The sales tax exemption impact for smart phones, assumed to be covered under the language as a "hand held computer", was estimated using a separate methodology described below.

Smart Phone Purchases

Two methods were used to derive an estimate for the impact of a sales tax exemption for smart-phones over a 3 day period.

Method 1: Based on FCC handset numbers for Florida through 2011 estimated increased for 2012 and 2013 using growth rate of 1.04. Then applied certain industry assumptions regarding churn rates, upgrade rates, and rates of smart phone purchases by new and upgrading purchasers, and derived a 3 day purchase number of units for smart phones. Assumed a typical price of \$200 for each phone to calculate total sales and derive the 6% impact to state sales tax revenue.

Method 2: Used national smart phone totals for June 2009 through 2012, calculated yearly increase of 2012 over 2011 and derived a total national smart phone estimate for June 2013. Derived Florida percent of the national total increase in handsets based on Florida population as a percent of total population (6.1%). Calculated a three day purchase number and assumed a total cost per phone of \$200. Assumed that the yearly increase calculated for Florida would exactly match the number of purchases; however it is likely that the number of purchases each year would be greater than the increase each year (since smart-phone owners from previous years would be upgrading to newer smart-phones and would not be counted in the net increase).

SECTION 4: PROPOSED FISCAL IMPACT

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(5.0)		(4.5)		(4.1)	
2014-15						
2015-16						
2016-17						
2017-18						

SECTION 5: CONSENSUS ESTIMATE (ADOPTED: 03/16/2013) THE CONFERENCE ADOPTED THE HIGH ESTIMATE.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(4.4)	0.0	(Insignificant)	0.0	(0.1)	0.0	(0.4)	0.0
2014-15	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2015-16	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2016-17	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2017-18	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(0.4)	0.0	(1.0)	0.0	(5.4)	0.0
2014-15	0.0	0.0	0.0	0.0	0.0	0.0
2015-16	0.0	0.0	0.0	0.0	0.0	0.0
2016-17	0.0	0.0	0.0	0.0	0.0	0.0
2017-18	0.0	0.0	0.0	0.0	0.0	0.0

**Sales Tax Holiday, (NONRECURRING)
August, 2013**

Three days in August (Fri, Sat, Sun) - Based on 62.4 % of TEN DAY IMPACT

Expenditure Type	2013-14			LIMIT
	HIGH	MIDDLE	LOW	
Personal Computers and related accessories (Including Smartphones) - with a sales price of \$750 or less, purchased for non-comercial or home use	-5.0	-4.5	-4.1	\$ 750.0

*Estimates in millions of dollars

SALES TAX HOLIDAY ON COMPUTERS, \$750 OR LESS, THREE DAYS

hb 419 As Introduced
August 2-4, 2013

2013-14

		<u>High</u>	<u>Medium</u>	<u>Low</u>
National Consumer Expenditure on Computers		5,707.0	5,707.0	5,707.0
Fl. share based on pop forecast (Q3 2013)		348.3	348.3	348.3
	6.10%			
Fl. Exp. Adjusted for % 65+ - NO ADJUSTMENT				
Est. Fl. Based Sales of Computers (mail ord. Adj.)		299.5	299.5	299.5
Sales Tax at 6%		18.0	18.0	18.0
Exempted Amount - \$750 Limit (85%, 90%, 95%)		17.1	16.2	15.3
Impact in Florida (\$750 Limit) - ONE-FOURTH of full year - Consumers only - HB 419		\$ (4.3)	\$ (4.0)	\$ (3.8)

SMART PHONE PURCHASES -Method 1

Year	Wireless E911 receipts	E911 attributed wireless handsets	FCC Reported Handsets	Absolute Increase	
2005	66,760,806	11,239,193	12,568,000		
2006	76,170,443	12,823,307	14,762,000	2,194,000	1.89 monthly churn
2007	77,524,657	13,051,289	15,605,000	843,000	23% annual churn
2008	77,451,429	13,038,961	16,158,000	553,000	
2009	75,932,488	12,783,247	16,744,000	586,000	1.04 Growth rate for 2012 & 2013 based on 2011 growth over 2010
2010	77,170,979	12,991,747	17,251,000	507,000	
2011	77,299,279	13,013,347	17,923,000	672,000	
2012 est			18,621,177	698,177	
2013 est			19,346,552	725,374	
					NEW CUSTOMERS
					4,948,657 Churn at 23% annually PLUS new
					2,375,355 48% into smartphones
					19,523 Units purchased per day based on annual, times 3 Days
					3,904,694 Times cost per unit of \$200
					\$ 234,282 Sales tax 6% 3 Day Impact Churned increase plus new
					CUSTOMERS UPGRADING
					4,751,305 Assume 33% of 77% that stay upgrade annually
					2,423,166 51% of annual upgraders chose smartphones
					19,916 Units purchased per day based on annual, times 3 Days
					3,983,286 Units X cost per unit of \$200
					\$ 238,997 Sales tax 6% 3 Day Impact Upgrade increase
					\$ 473,279 Total Impact - 3 Day- State Florida from Sales Tax Holiday

Source:
 Changes and Trends in the North American wireless industry, A survey for 2011
 \$199 price for smartphones: Page 34
 Churn for Postpaid customers is 1.89: Page 66
 48% of new postpaid customers buy smartphones: Page 2

SMART PHONE PURCHASES - Method 2

9-Jun	10-Jun	11-Jun	12-Jun	13-Jun est	
41,000,000	61,000,000	96,000,000	131,000,000	178,760,417	total U.S. - Smart Phones
	1.49	1.57	1.36	1.36	Growth Rate
	20,000,000	35,000,000	35,000,000	47,760,417	Yearly Increase in Number of Smart Phones
	6.1%	6.1%	6.1%	6.1%	% Florida Share of total us Smart Phone Growth (based on FL percent of population)
	1,220,547	2,135,957	2,135,957	2,914,691	Florida Share new units - Annual
	10,032	17,556	17,556	23,956	Units purchased per day based on annual, times 3 Days
	2,006,378	3,511,162	3,511,162	4,791,273	Units X cost per unit of \$200
\$	120,383	\$ 210,670	\$ 210,670	\$ 287,476	Sales tax 6% Total Impact - 3 Day- State Florida from Sales Tax Holiday

Assumption:
 * Method 1&2: All purchases are assumed to be consumer non-business purchases.
 * Method 1&2: Assume little flexibility as to timing of purchases.
 * Method 2: Assume Increase equals new purchases; however, new purchases in Florida are likely to exceed the net increase as previous smart phone owners upgrade to newer smart phones each year.

High	Medium	Low
(0.7)	(0.5)	(0.3)

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Residency and Veterans Exemption – Fish and Wildlife Licenses

Bill Number(s): CS/SB448/CS/CS/HB333

Entire Bill

Partial Bill: Section 2 – Hunting and Fishing License Residency Requirements

Sponsor(s): Senator Dean and others; Representative Steube and others

Month/Year Impact Begins: July 1, 2013

Date of Analysis: March 14, 2013

Section 1: Narrative

a. Current Law:

Florida offers both resident and nonresident licenses for both recreational and commercial fishing and hunting activities. Resident is defined, for the purposes of purchasing *recreational* hunting and fishing licenses, in section 379.101(30)(b), F.S., as requiring an individual to continuously reside in the State for a period of 6 months.

Resident is defined, for the purposes of purchasing a saltwater *commercial* fishing license, in section 379.101(30)(a), F.S., as requiring an individual to continuously reside in the State for a period of 1 year and also to continuously reside in a Florida county for 6 months.

See attached bill analysis for additional information.

b. Proposed Change:

This bill would allow individuals to be eligible to purchase a Florida resident recreational hunting or fishing license right away, without having to continuously reside in the State for 6 months, upon submission of a Florida driver license or identification card issued by the Florida Department of Highway Safety and Motor Vehicles (Department) with a Florida address and residency verified by the Department. Those individuals who do not have a Florida driver license or identification card would be able to prove residency with a Florida voter information card, a sworn statement manifesting and evidencing domicile in Florida, or a current Florida homestead exemption. A child under the age of 18, in lieu of providing one of the above listed documents, would be able to provide a student ID card from a Florida school or could, when accompanied by a parent, use the parent's proof of residency.

The bill would further alter the definition of resident to eliminate the requirement that those persons applying for a resident commercial saltwater fishing license must reside continuously in a Florida county for 6 months. The requirement to reside continuously in the State for one year is retained.

In addition, following changes implemented in the bill, for purposes of acquiring resident commercial and recreational hunting licenses, resident aliens will be treated as residents after establishing they have continuously resided in the State for a year (and provided proof); the requirement that a resident alien additionally prove he or she continuously resided in a Florida county for 6 months is deleted.

Section 2: Description of Data and Sources

Available data includes actual unit license sales for each license type sold by the agency, going back in time 33 years and projected forward in time to FY 2015-16 (spreadsheet available).

Section 3: Methodology (Include Assumptions and Attach Details)

The agency is of the opinion there would be no fiscal impact from the commercial license residency change, but that there would be an impact from the recreational residency change.

The fiscal impact would relate only to new residents to the state of Florida who would seek to hunt or fish recreationally in Florida during the first 6 months of their residency, and who would choose to go ahead and purchase the non-resident license during that period rather than wait until they are eligible to buy the resident license. The impact would be the sum total of the price difference for each such buyer between the non-resident license choice he/she would have made under the current law and the resident license he/she would choose under the new law. The price choices are as follows:

NON-RESIDENT:

\$15.50 - freshwater fishing license to take freshwater fish for 3 consecutive days

\$28.50 - freshwater fishing license to take freshwater fish for 7 consecutive days

\$15.50 - saltwater fishing license to take saltwater fish for 3 consecutive days

\$28.50 - saltwater fishing license to take saltwater fish for 7 consecutive days

\$45.50 - annual freshwater fishing license

\$45.50 - annual saltwater fishing license

\$45.00 - hunting license to take game for 10 consecutive days

\$150.00 - annual hunting license to take game

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Residency and Veterans Exemption – Fish and Wildlife Licenses

Bill Number(s): CS/SB448/CS/CS/HB333

RESIDENT:

\$15.50 - Annual freshwater fishing license

\$15.50 - Annual saltwater fishing license

\$15.50 - Annual hunting license to take game

\$31.00 - Annual combination hunting and freshwater fishing license

\$31.00 - Annual combination freshwater fishing and saltwater fishing license

\$46.50 - Annual combination hunting, freshwater fishing and saltwater fishing license

\$79.00 - Annual sportsman’s license (includes: freshwater fishing, hunting, and various permits valued at \$60 if purchased separately)

\$12.00 - Annual sportsman’s license for a resident 64 years of age or older

\$98.50 - Annual gold sportsman’s license (includes: saltwater fishing, freshwater fishing, hunting, and various permits valued at \$75 if purchased separately)

\$18.50 - military gold sportsman’s license

\$77.50 - five year freshwater fishing license

\$77.50 - five year saltwater fishing license

\$77.50 - five year hunting license

\$300.00 - lifetime freshwater or saltwater fishing license for person’s 13 years of age or older

\$500.00 - lifetime hunting license for person’s 13 years of age or older

\$1,000.00 - lifetime sportsman’s license for person’s 13 years of age or older

Lifetime licenses are also available for persons under the age of 13 but not listed here because they are optional.

The agency was unable to determine the fiscal impact because it has no data on how many people fit within the affected population annually, and no data as to which license type such persons are likely to buy under the current or proposed residency requirement.

Section 4: Proposed Fiscal Impact

Unable to determine.

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14						
2014-15						
2015-16						
2016-17						
2017-18						

List of affected Trust Funds: State Game Trust Fund, Marine Resources Conservation Trust Fund, Dedicated License Trust Fund, and Lifetime Fish and Wildlife Trust Fund

Section 5: Consensus Estimate (Adopted:03/16/2013) The conference adopted a negative insignificant impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2014-15	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2015-16	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2016-17	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2017-18	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Residency and Veterans Exemption-Fish and Wildlife Licenses

Bill Number(s): CS/SB448/CS/CS/HB133

Entire Bill

Partial Bill: Section 3 – Disabled Veterans and Military Recreational Hunting and Fishing License Exemption

Sponsor(s): Senator Dean and others; Representative Steube and others

Month/Year Impact Begins: July 1, 2013

Date of Analysis: March 14, 2013

Section 1: Narrative

a. Current Law:

Florida residents and visitors need an appropriate Florida hunting, freshwater fishing, or saltwater fishing license to hunt or fish in Florida unless they are exempt. Those wishing to hunt or fish for sport and personal use of harvested fish and wildlife (as opposed to commercial uses) must purchase a recreational hunting or fishing license. See attached bill analysis for additional information.

b. Proposed Change:

For outdoor recreational events designed to provide rehabilitation or enjoyment to disabled veterans or active or reserve duty military personnel, the bill would provide the following participants with an exemption from the requirement to purchase a recreational hunting or fishing license for the duration of the event: disabled veterans; active or reserve duty members of any branch of the United States Armed Forces, the United States Coast Guard, or the Florida National Guard; immediate family members of participating disabled veterans and military personnel; and one designated person to assist each disabled veteran.

Section 2: Description of Data and Sources

Available data includes actual unit license sales for each recreational license type sold by the agency, going back in time 33 years and projected forward in time to FY 2015-16 (spreadsheet available).

Section 3: Methodology (Include Assumptions and Attach Details)

The Commission has no data on how many events would be permitted, how many individuals may take advantage of the new exemption, or what license type they would be exempted from. The bill could, however, result in increased purchases of hunting and fishing licenses, since permitted events may introduce people to hunting and fishing in Florida who may not have otherwise done so, prompting those individuals to purchase a license to continue hunting and fishing once the permitted event has ended. These exact fiscal impacts are unknown, but are anticipated to be insignificant.

Section 4: Proposed Fiscal Impact: Unknown

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14						
2014-15						
2015-16						
2016-17						
2017-18						

List of affected Trust Funds: State Game Trust Fund, Marine Resources Conservation Trust Fund

Section 5: Consensus Estimate (Adopted: 03/16/2013) The conference adopted a negative insignificant impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2014-15	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2015-16	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2016-17	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2017-18	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Residency and Veterans Exemptions-Fish and Wildlife License

Bill Number(s): CS/SB448/CS/CS/HB333

Entire Bill

Partial Bill: Section 4 – Free Fishing Days

Sponsor(s): Senator Dean and others; Representative Steube and others

Month/Year Impact Begins: July 1, 2013

Date of Analysis: March 14, 2013

Section 1: Narrative

a. Current Law:

Section 379.354(15), F.S., currently allows the Commission to designate two saltwater and two freshwater recreational fishing days per year, during which a recreational fishing license requirement is waived. All other laws regulating fishing such as seasons, bag limits, and size limits remain in effect for all anglers during the free fishing days. See attached bill analysis for additional information.

b. Proposed Change:

The bill would provide statutory authorization for the Commission to offer a total of four license-free recreational saltwater fishing days and four license-free recreational freshwater fishing days to the public.

Section 2: Description of Data and Sources

Available data includes actual unit license sales for each recreational license type sold by the agency, going back in time 33 years and projected forward in time to FY 2015-16 (spreadsheet available).

Section 3: Methodology (Include Assumptions and Attach Details)

The Commission has no data on how many individuals currently take advantage of the free fishing days or how many more may take advantage of them if the number of days is increased. The immediate fiscal impact on the Commission is unknown, but is anticipated to be insignificant.

There may be a positive fiscal impact long-term, via an increase in the number of anglers introduced to the sport who later purchase a license. Funds from the purchase of licenses are used by the Commission to continue to maintain healthy fisheries and to continue outreach and education of the public.

Section 4: Proposed Fiscal Impact

Unknown

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14						
2014-15						
2015-16						
2016-17						
2017-18						

List of affected Trust Funds: State Game Trust Fund, Marine Resources Conservation Trust Fund

Section 5: Consensus Estimate (Adopted: 03/16/2013) The conference adopted a negative insignificant impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2014-15	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2015-16	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2016-17	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)
2017-18	0.0	0.0	(Insignificant)	(Insignificant)	0.0	0.0	(Insignificant)	(Insignificant)

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Residency and Veterans Exemption-Fish and Wildlife Licenses

Bill Number(s): CS/SB448/CS/CS/HB333

Entire Bill

Partial Bill: Section 5 – Veterans Exemption from Commercial Fishing License Requirements

Sponsor(s): Senator Dean and others; Representative Steube and others

Month/Year Impact Begins: July 1, 2013

Date of Analysis: March 17, 2013

Section 1: Narrative

a. Current Law:

In Florida, a Saltwater Products License (SPL) is required to commercially harvest or sell all saltwater products. An SPL is Florida's commercial fishing license. Florida offers three types of SPLs depending on the needs of the fisherman. An "Individual SPL" authorizes one individual person to engage in commercial fishing activities from the shore or a vessel. This SPL is not tied to any one vessel and is issued in the individual's name. The price for a resident individual SPL is \$50. A "Crew SPL" is also issued in an individual's name and it authorizes the named individual to engage in commercial fishing activities from the shore or a vessel. It also authorizes each person who is fishing with the named individual aboard a vessel to engage in such activities. This means the license holder can take a crew out on any vessel to harvest saltwater fish and the SPL covers the crew, as well. The price for a resident crew SPL is \$150. The final type of SPL is a "Vessel SPL." This license is issued to a valid commercial vessel registration number and authorizes each person aboard that registered vessel to engage in commercial saltwater fishing activities. This license differs from the two previous SPLs because it is not issued in an individual's name, but is rather tied to a specific vessel. The price for a resident vessel SPL is \$100.

In addition to an SPL, a Restricted Species endorsement (RS) is required to commercially harvest and sell certain specified species. There is no cost to acquire an RS. In order to acquire an RS, however, licensed commercial fishermen must "qualify," or show proof of landings (actual saltwater products harvested and brought to shore) reported under their SPL reflecting that a specified amount or percentage of their total annual income (\$5,000 or 25 percent) during one of the previous three years was attributable to reported landings and sales of saltwater products to a Florida wholesale dealer. See attached bill analysis for additional information.

b. Proposed Change:

Until June 30, 2014, this bill would provide a waiver of the income requirement to acquire an RS for a complete license year to all resident military veterans honorably discharged from any branch of the U.S. Armed Forces, the Reserves, the Florida National Guard, the U.S. Coast Guard, or the U.S. Coast Guard reserve between September 11, 2001, and June 30, 2014, and who apply for an SPL and RS. The waiver would be allowed on an individual or crew SPL, not on a vessel SPL.

Beginning July 1, 2014, the bill would waive the income requirements to attain an RS for a complete license year for a resident military veteran who applies for an SPL and RS within 4 years after an honorable discharge from any branch of the United States Armed Forces, the Reserves, the Florida National Guard, the U.S. Coast Guard, or the U.S. Coast Guard reserve. This waiver would be allowed only one time per military enlistment, and would be issued on an individual or crew SPL, not on a vessel SPL.

Under the bill, the income requirement to acquire an RS would also be waived for one complete license year for any honorably discharged resident military veteran that is certified to have at least a 10% service-connected disability by the U.S. Department of Veterans Affairs or any branch of the U.S. Armed Forces. In addition, the disabled veteran would only be required to provide proof of \$2,500 in income from saltwater products instead of the current requirement of \$5,000 after the license year waived, as well as thereafter. Disabled veterans would be eligible for the one-time waiver of the income requirement in any year following their honorable discharge. The initial income waiver would be a one-time exemption, and would be issued on an individual or crew SPL, not on a vessel SPL.

The bill would clarify the term "1 year" to mean a "complete license year" for the RS income requirement for those purchasing a used commercial fishing vessel, or for an immediate family member carrying on the fishing operation for the family member possessing the RS who has died or has become permanently disabled.

The bill clarifies that upon the sale of a used commercial fishing vessel owned by a person, firm, or corporation possessing or eligible to possess an RS, the purchaser is exempted from the income requirement for a complete license year.

The bill clarifies that upon the death or permanent disablement of a person possessing an RS, an immediate family member wishing to carry on the fishing operation shall be exempted from the income requirement for a complete license year.

Section 2: Description of Data and Sources

Beginning November 11, 2012, the changes proposed in this section of the bill were implemented in advance through rule 68B-2.006 FAC. Therefore, a four month sample of sales activity representing actual implementation of the bill is available and used for the

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Residency and Veterans Exemption-Fish and Wildlife Licenses

Bill Number(s): CS/SB448/CS/CS/HB333

revenue projection. There were 8 non-disabled veterans who took advantage of the waiver during the four month implementation. Two purchased the crew license at \$150, and the rest purchased the \$50 individual license. There were 26 disabled veterans who took advantage of the waiver during the four month implementation. Two purchased the crew license at \$150, and the rest purchased the \$50 individual license.

Additional background: During Fiscal Year 2011-2012, 12,752 SPLs were issued in the State. Of those, 9,191 had an RS. According to the Florida Department of Veterans Affairs (FDVA), there are approximately 249,000 veterans from all eras with any percentage of disability rating from service-connected disabilities in Florida. There are approximately 223,000 Florida veterans of Operation Iraqi Freedom and Operation Enduring Freedom (post 9/11 missions) who list Florida as their home of record. These veterans began returning home after being discharged in significant numbers in 2005.

Section 3: Methodology (Include Assumptions and Attach Details)

Non-disabled Veterans: The first year following the implementation of the bill would likely result in a higher number of veterans taking advantage of the opportunity, since the bill provides the opportunity to all resident veterans discharged after September 11, 2001, until June 30, 2014. In subsequent years, the waiver is limited to resident veterans who apply for an SPL and RS within 4 years after an honorable discharge. During the sample 4-month period, 8 veterans took advantage of the waiver and paid \$600 for SPL licenses. We assume they would not otherwise have purchased an SPL if the waiver was not available. We assume the 4-month period multiplied by 3 will adequately represent an annual period. We assume the same level of participation under the bill that we are seeing under the rule. We assume a 10% loss of renewals due to failure to meet the subsequent RS income requirements (based on agency experience with general SPL/RS participants). After the first year, we assume participants who meet the income requirement will renew and new participants will be consistent with the number of first year participants who met the 4-year window requirement. There were 2 in the 4-month sample. We assume the annual projection from this is 6 participants buying the individual SPL. Calculations details attached.

Disabled Veterans: During the sample 4-month period, 26 veterans took advantage of the exemption and paid \$1,500 for SPL licenses. We assume they would not otherwise have purchased an SPL if the waiver was not available. We assume the 4-month period multiplied by 3 will adequately represent an annual period. We assume the same level of participation under the bill that we are seeing under the rule. We assume a 10% loss of renewals due to failure to meet the subsequent RS income requirements. We assume after the first year of implementation, annual new participation will be about 25% of the first year participation. Calculation details attached.

There may be a minimal workload impact due to increased license sales that can be easily absorbed within existing budget. Therefore, the workload impact is not included in the fiscal impact.

Section 4: Proposed Fiscal Impact: The estimate described above is shown as middle. High is 10% higher and Low is 10% lower.

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	\$6,930		\$6,300		\$5,670	
2014-15	\$8,580		\$7,800		\$7,020	
2015-16	\$9,625		\$8,750		\$7,875	
2016-17	\$11,110		\$10,100		\$9,090	
2017-18	\$12,595		\$11,450		\$10,305	

List of affected Trust Funds: Marine Resources Conservation Trust Fund

Section 5: Consensus Estimate (Adopted:03/16/2013) The conference adopted a positive insignificant impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	0.0	0.0	Insignificant	Insignificant	0.0	0.0	Insignificant	Insignificant
2014-15	0.0	0.0	Insignificant	Insignificant	0.0	0.0	Insignificant	Insignificant
2015-16	0.0	0.0	Insignificant	Insignificant	0.0	0.0	Insignificant	Insignificant
2016-17	0.0	0.0	Insignificant	Insignificant	0.0	0.0	Insignificant	Insignificant
2017-18	0.0	0.0	Insignificant	Insignificant	0.0	0.0	Insignificant	Insignificant

DISABLED MILITARY VETERANS

DATA - Persons taking advantage of the exemption under the rule Nov 11, 2012 to March 14, 2013

License	SPL	Discharge Date	SPL Price
SP-173095	INDIVIDUAL	6/30/1996	\$50.00
SP-182623	INDIVIDUAL	10/15/1971	\$50.00
SP-188892	INDIVIDUAL	9/11/1969	\$50.00
SP-189172	INDIVIDUAL	11/30/2001	\$50.00
SP-189535	INDIVIDUAL	3/31/2002	\$50.00
SP-189672	INDIVIDUAL	8/10/2009	\$50.00
SP-189695	INDIVIDUAL	11/30/1979	\$50.00
SP-189839	CREW	4/30/2007	\$150.00
SP-189923	INDIVIDUAL	8/7/2008	\$50.00
SP-189947	INDIVIDUAL	2/28/2009	\$50.00
SP-190027	INDIVIDUAL	3/5/1976	\$50.00
SP-190054	INDIVIDUAL	3/9/2004	\$50.00
SP-190067	INDIVIDUAL	2/27/2012	\$50.00
SP-190072	INDIVIDUAL	1/6/1998	\$50.00
SP-190080	INDIVIDUAL	5/5/1964	\$50.00
SP-190084	INDIVIDUAL	8/31/1996	\$50.00
SP-190114	CREW	12/13/1985	\$150.00
SP-190134	INDIVIDUAL	9/30/2001	\$50.00
SP-190139	INDIVIDUAL	8/19/1985	\$50.00
SP-190187	INDIVIDUAL	8/13/1971	\$50.00
SP-190241	INDIVIDUAL	12/31/1997	\$50.00
SP-190305	INDIVIDUAL	8/14/2007	\$50.00
SP-59284	INDIVIDUAL	12/5/1978	\$50.00
SP-80477	INDIVIDUAL	2/28/1994	\$50.00
SP-82677	INDIVIDUAL	10/2/1967	\$50.00
SP-96480	INDIVIDUAL	1/31/2008	\$50.00

\$1,500.00

Fiscal Impact under SB 448 effective date July 1, 2013

DISABLED MILITARY VETERANS

Dollars Units
 FY 13/14 will be the same as our four-month sample annualized
\$4,500.00 78 new entrants under the bill

This is a high amount due to it being new & well publicized

FY 14/15
 \$4,500.00 78 available to renew
 \$0.00 0 loss due to failure to meet requirements (none affected yet)
\$1,200.00 20 gain 25% of first year in new entrants
\$5,700.00 98

FY 15/16
 \$5,700.00 98 available to renew
 -\$400.00 -8 10% loss due to failure to meet requirements (FY 13/14 entrants)
\$1,200.00 20 gain 25% of first year in new entrants
\$6,500.00 110

FY 16/17
 \$6,500.00 110 available to renew
 -\$100.00 -2 10% loss due to failure to meet requirements (new FY 14/15 only)
\$1,200.00 20 gain 25% of first year in new entrants
\$7,600.00 128

FY 17/18
 \$7,600.00 128 available to renew
 -\$100.00 -2 10% loss due to failure to meet requirements (new FY 15/16 only)
\$1,200.00 20 gain 25% of first year in new entrants
\$8,700.00 146

Non-DISABLED MILITARY VETERANS

DATA - Persons taking advantage of the exemption under the rule Nov 11, 2012 to March 14, 2013

License	SPL	Discharge Date	SPL Price
SP-187834	INDIVIDUAL	9/28/2006	\$50.00
SP-188965	CREW	6/8/2011	\$150.00
SP-189917	CREW	10/31/2003	\$150.00
SP-189918	INDIVIDUAL	5/31/2006	\$50.00
SP-189967	INDIVIDUAL	3/28/2002	\$50.00
SP-190004	INDIVIDUAL	7/23/2004	\$50.00
SP-190130	INDIVIDUAL	1/31/2013	\$50.00
SP-93943	INDIVIDUAL	3/20/2004	\$50.00
			\$600.00

Fiscal Impact under SB 448 effective date July 1, 2013

Non-DISABLED MILITARY VETERANS

Dollars Units
 FY 13/14 will be the same as our four-month sample annualized - post 9/11 group
\$1,800.00 24 new entrants under the bill

FY 14/15
 \$1,800.00 24 available to renew
 \$0.00 0 loss due to failure to meet requirements (none affected yet)
 \$300.00 6 Post March 14, 2009 annualized sample
\$2,100.00 30

FY 15/16
 \$2,100.00 30 available to renew
 -\$150.00 -3 10% loss due to failure to meet requirements (FY 13/14 entrants)
 \$300.00 6 Post March 14, 2009 annualized sample
\$2,250.00 33

FY 16/17
 \$2,250.00 33 available to renew
 -\$50.00 -1 10% loss due to failure to meet requirements (new FY 14/15 only)
 \$300.00 6 Post March 14, 2009 annualized sample
\$2,500.00 38

FY 17/18
 \$2,500.00 38 available to renew
 -\$50.00 -1 10% loss due to failure to meet requirements (new FY 15/16 only)
 \$300.00 6 Post March 14, 2009 annualized sample
\$2,750.00 43

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Soccer Facilities Distribution

Bill Number(s): SB358/HB219

Entire Bill

Partial Bill:

Sponsor(s): Sen. Simmons, Rep. Nelson and Rep. Santiago

Month/Year Impact Begins: July 2013 (September 2013 due to 60 day lag in distribution after certification)

Date of Analysis: February 27, 2013

Section 1: Narrative

- a. **Current Law:** Professional Sports franchises certified by the Florida Department of Economic Opportunity (DEO) are eligible to receive a sales tax distribution payment of approximately \$2m per year for 30 years. In F.S. 288.1162(4)(c) the term “league” refers to the National or American League of Major League Baseball, the National Basketball Association, the National Football League and the National Hockey League. In F.S. 288.1162(4)(h) the number of certifications for a professional sports franchise is capped at 8 facilities.
- b. **Proposed Change:** The term “League” will be amended to include Major League Soccer. The number of certifications will be expanded to 10 facilities and 2 of those will be reserved for Major League Soccer Franchises. MLS franchises would then be eligible for the monthly sales tax distribution payments.

Section 2: Description of Data and Sources

Section 3: Methodology (Include Assumptions and Attach Details)

There is a 60 day lag in distribution after certification from DEO.

The low estimate represents a certification process of 6 months for the first franchise and a second franchise achieving certification 1.5 years later.

The middle estimate represents 1 franchise achieving certification on the implementation date and a second franchise becoming certified 2 years later.

The high estimate represents 2 franchises achieving certification on the implementation date.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(3.3m)	(4m)	(1.7m)	(4m)	(0.8m)	(4m)
2014-15	(4m)	(4m)	(2m)	(4m)	(2m)	(4m)
2015-16	(4m)	(4m)	(3.7m)	(4m)	(3.7m)	(4m)
2016-17	(4m)	(4m)	(4m)	(4m)	(4m)	(4m)
2017-18	(4m)	(4m)	(4m)	(4m)	(4m)	(4m)

List of affected Trust Funds: Sales Tax Group

Section 5: Consensus Estimate (Adopted: 03/16/2013) The conference adopted the low estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(0.8)	(4.0)	0.0	0.0	0.0	0.0	(0.8)	(4.0)
2014-15	(2.0)	(4.0)	0.0	0.0	0.0	0.0	(2.0)	(4.0)
2015-16	(3.7)	(4.0)	0.0	0.0	0.0	0.0	(3.7)	(4.0)
2016-17	(4.0)	(4.0)	0.0	0.0	0.0	0.0	(4.0)	(4.0)
2017-18	(4.0)	(4.0)	0.0	0.0	0.0	0.0	(4.0)	(4.0)

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Designate New Spaceport Territory in Brevard County

Bill Number(s): CS/SB848/CS/HB135

Entire Bill

Partial Bill:

Sponsor(s): Sen. Gardiner and Rep. Goodson

Month/Year Impact Begins: June 1, 2013 (with a one month collection lag)

Date of Analysis: March 12, 2013

Section 1: Narrative

a. Current Law: In section 331.304 spaceport territory is currently defined as the following:

- (1). Certain real property located in Brevard County that is included within the 1998 boundaries of Patrick Air Force Base, Cape Canaveral Air Force Station, or John F. Kennedy Space Center.
- (2). Certain real property located in Santa Rosa, Okaloosa, Gulf, and Walton Counties which is included within the 1997 boundaries of Eglin Air Force Base.
- (3). Certain real property located in Duval County which is included within the boundaries of Cecil Airport and Cecil Commerce Center.
- (4). Real property within the state which is a spaceport licensed by the Federal Aviation Administration, as designated by the board of directors of Space Florida.

Section 212.02(22) F.S. defines "Spaceport activities" as those directed or sponsored by Space Florida on spaceport territory pursuant to its powers and responsibilities under the Space Florida Act.

b. Proposed Change: Expands the list of spaceport territory to include: "Certain Real property located in Brevard County which is included within the boundaries of Space Coast Regional Airport, Space Coast Regional Airport Industrial Park, and Spaceport Commerce Park." The effective date for the bill is upon becoming law.

Section 2: Description of Data and Sources

Florida Tax Handbook 2012

Air Force Personnel Center – Database

Fall 2012 Revenue Estimating Conference growth rates for business investment

Section 3: Methodology (Include Assumptions and Attach Details)

The medium impact is derived by multiplying the square mileage for the Space Coast Regional Airport, the Space Coast Regional Airport Industrial Park, and the Spaceport Commerce Park by the machinery and equipment tax exemption per mile. The per square mile exemption works out to be \$27,794/Mi², which is the total amount of allocated tax exemptions for spaceports, divided by the square mileage of such locations. The out year are grown by the business investment sales tax growth rates from the Fall 2012 general revenue estimating conference.

The High estimate is the value adopted from the previous version of this bill presented at Impact conference increased by the additional square millage.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	\$(.12 M)	\$(.12 M)	\$(.08 M)	\$(.09 M)		
2014-15	\$(.12 M)	\$(.12 M)	\$(.1 M)	\$(.1 M)		
2015-16	\$(.12 M)	\$(.12 M)	\$(.11 M)	\$(.11 M)		
2016-17	\$(.12 M)	\$(.12 M)	\$(.11 M)	\$(.11 M)		
2017-18	\$(.12 M)	\$(.12 M)	\$(.12 M)	\$(.12 M)		

List of affected Trust Funds: Sales Tax Fund Grouping

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Designate New Spaceport Territory in Brevard County

Bill Number(s): CS/SB848/CS/HB135

Section 5: Consensus Estimate (Adopted: 03/16/2013) The conference adopted the high estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(0.1)	(0.1)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
2014-15	(0.1)	(0.1)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
2015-16	(0.1)	(0.1)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
2016-17	(0.1)	(0.1)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
2017-18	(0.1)	(0.1)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(0.1)	(0.1)
2014-15	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(0.1)	(0.1)
2015-16	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(0.1)	(0.1)
2016-17	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(0.1)	(0.1)
2017-18	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(0.1)	(0.1)

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: NBA and MLS All Star Events – Sales Tax Exemption

Bill Number(s): CS/HB219

Entire Bill

Partial Bill:

Sponsor(s): N/A

Month/Year Impact Begins: July 1, 2013

Date of Analysis: March 15, 2013

Section 1: Narrative

- a. **Current Law:** Current law (s. 212.04(2)(a), F.S.), exempts admission to a Major League Baseball, National Basketball Association, or National Hockey League all-star game from sales tax. The following National Basketball Association All-Star Events: the Rookie Challenge, the Celebrity Game, the 3-Point Shooting Contest, and the Slam Dunk Challenge are exempt from sales tax as well.
- b. **Proposed Change:** The proposed change to the statute adds Major League Soccer to the list of all-star games exempt from sales tax. The proposed change also strikes the provision covering NBA All-Star Events and replaces it with wording that covers all NBA All-Star Events that are held at an arena, convention center, or municipal facility

Section 2: Description of Data and Sources

2012 NBA All-Star Events, Source: NBA.com
 NBA All-Star Jam Session PowerPoint Presentation
 2012 MLS All-Star Event, Source MLS.com
 List of MLS Stadiums, Source MLS.com

Section 3: Methodology (Include Assumptions and Attach Details)

Major League Soccer (MLS)

Florida currently does not have an MLS team. However, Orlando is pursuing a franchise team with the goal of beginning play during the 2016 season. If Orlando is awarded a team; then it is likely that Orlando would be awarded an All-Star Game in the future. The high estimate forecasts an MLS All-Star game in Florida during FY 2016-17. The middle estimate forecasts it in a later period (FY2017-18). The low estimate forecasts no MLS All-Star game occurring in Florida during the 5-year fiscal window.

National Basketball Association (NBA)

The proposed change covers additional All-Star Events while retaining the exemption for events covered by the current statute. Based on the list of events from 2012 NBA All-Star Week in Orlando, two additional events would be exempted: the NBA All-Star Practice and the All-Star Jam Session. Currently, no future NBA All-Star game is scheduled in Florida. Orlando is submitting a bid to host the 2016 All-Star Game. No evidence could be found of Miami submitting a bid to host an NBA All-Star Game. The high impact forecasts Orlando winning the bid to host the 2016 All-Star Game. The middle impact forecasts either Orlando or Miami hosting the All-Star Game in FY 2017-18. The low impact forecasts no NBA All-Star Game occurring in Florida during the 5-year fiscal window.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	\$0.0m	\$0.0m)	\$0.0m	\$0.0m	\$0.0m	\$0.0m
2014-15	\$0.0m	\$0.0m	\$0.0m	\$0.0m	\$0.0m	\$0.0m
2015-16	(\$0.15 m)	\$0.0m	\$0.0m	\$0.0m	\$0.0m	\$0.0m
2016-17	(\$0.13m)	\$0.0m	\$0.0m	\$0.0m	\$0.0m	\$0.0m
2017-18	\$0.0m	\$0.0m	(\$0.29m)	\$0.0m	\$0.0m	\$0.0m

List of affected Trust Funds: Sales Tax Group

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: NBA and MLS All Star Events – Sales Tax Exemption

Bill Number(s): Proposed Language

Section 5: Consensus Estimate (Adopted:03/16/2013) The conference adopted a negative indeterminate impact. If an All Star event occurs, the impact for an MLS All Star event would be (\$0.1m) while an NBA All Star even would be (\$0.1m).

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)
2014-15	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)
2015-16	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)
2016-17	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)
2017-18	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)	(Indeterm.)

Sales Tax: MLS NBA ALL-Star

	A	B	C	D	E	F	G	H	I	J
1	Major League Soccer				MLS All-Star Games					
2	Average Stadium Size:		19,673		Year	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
3	All-Star Ticket Cost:		\$105		High:	0	0	0	1	0
4	Tax Loss:		\$123,940		Middle:	0	0	0	0	1
5					Low:	0	0	0	0	0
6										
7					MLS Fiscal Impact					
8					Growth*	1.65%	1.53%	1.55%	1.64%	1.73%
9					Year	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
10					High:	\$0	\$0	\$0	\$132,013	\$0
11					Middle:	\$0	\$0	\$0	\$0	\$134,294
12					Low:	\$0	\$0	\$0	\$0	\$0
13										
14										
15	NBA All-Star Events				NBA All-Star Game in Florida					
16	NBA All-Star Events not currently				Year	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
17	exempt from sales tax.				High:	0	0	1	0	0
18	All-Star Jam Session				Middle:	0	0	0	0	1
19	Average Cost:		\$21		Low:	0	0	0	0	0
20	Estimated Attendance		70,000							
21	Tax Loss:		\$88,200		NBA All-Star Game Fiscal Impact					
22	NBA All-Star Practice				Growth*	1.65%	1.53%	1.55%	1.64%	1.73%
23	Average Cost:		\$62.50		Year	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
24	Estimated Attendance		15,077		High:	\$0	\$0	\$151,684	\$0	\$0
25	Tax Loss:		\$56,538		Middle:	\$0	\$0	\$0	\$0	\$156,830
26			====		Low:	\$0	\$0	\$0	\$0	\$0
27	Total Tax Loss:		\$144,738		Total Fiscal Impact					
28					Year	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
29					High:	\$0	\$0	\$151,684	\$132,013	\$0
30					Middle:	\$0	\$0	\$0	\$0	\$291,124
31					Low:	\$0	\$0	\$0	\$0	\$0
32										
33	* Growth: JPCEXP: Expected Rate of Inflation									

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Professional sports franchise facilities

Bill Number(s): HB721/SB922

Entire Bill

Partial Bill:

Sponsor(s): Representative Cummings , Senator Bradley

Month/Year Impact Begins: Upon becoming a law (assuming June 1, 2013)

Date of Analysis: 3/8/2013

Section 1: Narrative

a. Current Law: additional certification for those facilities that have been previously certified as a facility for a new or retained professional sports franchise is not allowed.

b. Proposed Change: amends 288.1162 F.S. to allow an additional certification for those facilities that have been previously certified as a facility for a new or retained professional sports franchise. The certification authorizes those eligible facilities to make improvements to those facilities under certain circumstances:

1. the cost of the planned improvements to the facility is at least \$80 million;
 2. the professional sports franchise has been in existence for at least 15 years;
 3. the signed agreement for use of the facility described in (4) (b) has at least 15 years remaining on the agreement’s term;
 4. the applicant has an independent analysis or study, verified by the department, which demonstrates that the amount of the revenues generated by the taxes imposed under chapter 212 with respect to the use and operation of the professional sports franchise facility will equal or exceed \$4 million annually;
- (b) as used in this subsection, the term “facility standards” means the stadium equipment standards in place throughout the league as certified in writing by the league’s commissioner.

Section 2: Description of Data and Sources

Currently there are 8 facilities, all meet the requirement #2 above.

Low estimates assume one facility will receive the funding

Middle estimates assume one facility receives the funding from year 1 and a second facility joins in year 3 and a third in year 5

High estimates assume all eight facilities will receive the funding from year 1

Section 3: Methodology (Include Assumptions and Attach Details)

Section 4: Proposed Fiscal Impact

distribution	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(\$16m)	(\$16m)	(\$2m)	(\$2m)	(\$2m)	(\$2m)
2014-15	(\$16m)	(\$16m)	(\$2m)	(\$2m)	(\$2m)	(\$2m)
2015-16	(\$16m)	(\$16m)	(\$4m)	(\$4m)	(\$2m)	(\$2m)
2016-17	(\$16m)	(\$16m)	(\$4m)	(\$4m)	(\$2m)	(\$2m)
2017-18	(\$16m)	(\$16m)	(\$6m)	(\$6m)	(\$2m)	(\$2m)

List of affected Trust Funds:

Section 5: Consensus Estimate (Adopted: 03/16/2013) The conference adopted the middle cash estimates and the high recurring estimates.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(2.0)	(16.0)	0.0	0.0	0.0	0.0	(2.0)	(16.0)
2014-15	(2.0)	(16.0)	0.0	0.0	0.0	0.0	(2.0)	(16.0)
2015-16	(4.0)	(16.0)	0.0	0.0	0.0	0.0	(4.0)	(16.0)
2016-17	(4.0)	(16.0)	0.0	0.0	0.0	0.0	(4.0)	(16.0)
2017-18	(6.0)	(16.0)	0.0	0.0	0.0	0.0	(6.0)	(16.0)

REVENUE ESTIMATING CONFERENCE

Tax: Corporate Income Tax

Issue: Defense Contractors

Bill Number(s): Proposed Language

Entire Bill

Partial Bill:

Sponsor(s):

Month/Year Impact Begins:

Date of Analysis: 3/14/2013

Section 1: Narrative

a. Current Law: 220.13, F.S., Defines the term “adjusted federal income,” meaning an amount equal to the taxpayer’s taxable income as defined in subsection (2), or such taxable income of more than one taxpayer as provided in s. 220.131, for the taxable year

b. Proposed Change: 220.13(1)(b)(6) is amended to read: Pursuant to s. 288.1046, 4 percent of the value of approved defense subcontract awards, up to a maximum of \$10 million per taxable year, shall be subtracted.

Section 2 of the proposed language creates 288.1046 Defense Subcontracts; Taxable Income Reduction Incentive. (b) Defines “Eligible subcontract work” as: manufacturing, engineering, construction, distribution, research, or development of equipment, supplies, technology, or other goods or services that, directly or indirectly, support the United States Armed Forces or that can be reasonably determined by the department to support national security; or aero-space related activities that directly or indirectly support the United States Armed Forces. (c) Defines “qualified business entity” meaning: a business entity that employs up to 250 individuals and maintains its principal place of business in this state. (7) Establishes a maximum of \$10 million in a taxable year that an entity may reduce its’ income by.

Section 2: Description of Data and Sources

DOR Corporate Income Tax Returns – 2011

NEEC 2013-02, Government spending growth rates

http://siadapp.dmdc.osd.mil/personnel/L03/fy09/atlas_2009.pdf

Section 3: Methodology (Include Assumptions and Attach Details)

DOR Corporate Income Tax returns were examined for six of the largest Florida defense contractors, which represented 28 percent of total defense contracts in Florida. The potential impact of this 28 percent of the market was then extrapolated across the entire industry to arrive at the low estimate. The high estimate assumes 20 entities would be able to subtract \$10m (100% FL apportionment) from their adjusted federal income which results in an impact of \$0.55m per entity. The middle estimate is an average of the high and low estimates.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(\$11.0m)	(\$11.0m)	(\$6.1m)	(\$6.1m)	(\$1.2m)	(\$1.2m)
2014-15	(\$10.9m)	(\$10.9m)	(\$6.0m)	(\$6.0m)	(\$1.2m)	(\$1.2m)
2015-16	(\$10.8m)	(\$10.8m)	(\$6.0m)	(\$6.0m)	(\$1.2m)	(\$1.2m)
2016-17	(\$10.8m)	(\$10.8m)	(\$6.0m)	(\$6.0m)	(\$1.2m)	(\$1.2m)
2017-18	(\$10.8m)	(\$10.8m)	(\$6.0m)	(\$6.0m)	(\$1.2m)	(\$1.2m)

List of affected Trust Funds: General Revenue

Section 5: Consensus Estimate (Adopted: 03/16/2013) The conference adopted the high estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(11.0)	(11.0)	0.0	0.0	0.0	0.0	(11.0)	(11.0)
2014-15	(10.9)	(10.9)	0.0	0.0	0.0	0.0	(10.9)	(10.9)
2015-16	(10.8)	(10.8)	0.0	0.0	0.0	0.0	(10.8)	(10.8)
2016-17	(10.8)	(10.8)	0.0	0.0	0.0	0.0	(10.8)	(10.8)
2017-18	(10.8)	(10.8)	0.0	0.0	0.0	0.0	(10.8)	(10.8)

Proposed Language - Defense Contractors

	A	B	C	D	E
1	FY 2009		United States	Florida	
2	Personnel/Expenditures				
3	I. Personnel - Total		2,617,048	105,724	4.0%
4		Active Duty Military	1,088,465	42,642	3.9%
5		Civilian	709,265	28,429	4.0%
6		Reserve and National Guard	819,318	34,653	4.2%
7					
8	II. Expenditures - Total		527,824,146	22,802,179	4.3%
9					
10	A. Payroll Outlays - Total		195,170,178	9,417,919	4.8%
11		Active Duty Military Pay	84,459,939	2,816,465	3.3%
12		Civilian Pay	49,735,662	1,942,655	3.9%
13		Reserve and National Guard Pay	22,758,996	826,134	3.6%
14		Retired Military Pay	38,215,581	3,832,665	10.0%
15	B. Contracts - Total		327,461,911	13,188,889	4.0%
16		Supply and Equipment Contracts	155,780,846	5,292,177	3.4%
17		RDT and E Contracts	44,110,479	786,420	1.8%
18		Service Contracts	117,662,278	6,108,610	5.2%
19		Construction Contracts	9,908,308	1,001,682	10.1%
20	C. Grants		5,192,057	195,371	3.8%
21					
22	6 of the largest defense contractors awards*	\$	3,720,639	28.2% of all contracts in FL	
23	Potential Impact for 28.2%	\$	331,419		
24	*Relatively low Florida apportionment factors < 10%				
25	Potential Impact for 100%	\$	1,174,811		
26					
27		Maximum Subtraction per entity			
28	4% value of subcontract up to:	\$	10,000,000		
29					
30	Maximum Impact per Entity*	\$	550,000		
31	<i>assumes 100% FL apportionment</i>				
32					
33		# of Entities	20		
34			\$ 11,000,000		
35					
36		High	Middle	Low	<i>gov't spending, neec 2</i>
37	2013-14	\$ 11.0	\$ 6.1	\$ 1.2	
38	2014-15	\$ 10.9	\$ 6.0	\$ 1.2	-1.00%
39	2015-16	\$ 10.8	\$ 6.0	\$ 1.2	-0.60%
40	2016-17	\$ 10.8	\$ 6.0	\$ 1.2	-0.10%
41	2017-18	\$ 10.8	\$ 6.0	\$ 1.2	0.20%
42					
43	http://siadapp.dmdc.osd.mil/personnel/L03/fy09/atlas_2009.pdf				

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Exemption for Purchases of Machinery and Equipment For Certain SIC codes

Bill Number(s): Proposed Language

Entire Bill

Partial Bill:

Sponsor(s): N/A

Month/Year Impact Begins: January 1, 2014(One month lag to collections)

Date of Analysis: March 15, 2013

Section 1: Narrative

a. Current Law: Section 212.08(7)(xx), F.S., Current law provides a sales tax exemption on both parts and materials, and labor charges for the repair of machinery and equipment used for the manufacture, processing, compounding, production or preparation for shipping of items of tangible personal property at a fixed location within this state. The exemption is limited to a list of qualifying industries as designated by SIC Industry Major Group Numbers 10, 12-14, 20, 22-39, and industry Group Number 212. The current law also specifies the definition of "SIC" as used in the subparagraph: "Those classifications contained in the Standard Industrial Classification Manual 1987, as published by the Office of Management and Budget, Executive Office of the President."

b. Proposed Change: The proposed language is the addition of paragraph (∞) to Section 212.08(7), F.S.:

(III) Certain machinery and equipment.—

1. Subject to the provisions of subparagraphs 2. and 3., there is exempt from the tax imposed by this chapter all industrial machinery and equipment which is used for the manufacture, processing, compounding, production, or preparation for shipping of items of tangible personal property at a fixed location within this state.

2. This exemption applies only to industries classified under SIC Industry Major Group Numbers 10, 12, 13, 14, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, and 39 and Industry Group Number 212. As used in this subparagraph, "SIC" means those classifications contained in the Standard Industrial Classification Manual, 1987, as published by the Office of Management and Budget, Executive Office of the President.

For the purposes of the exemptions provided in subparagraphs 1. and 2., these terms have the following meanings:

3. "Industrial machinery and equipment" means tangible personal property or other property that has a depreciable life of 3 years or more and that is used as an integral part in the manufacturing, processing, compounding, or production of tangible personal property for sale or is exclusively used in spaceport activities. A building and its structural components are not industrial machinery and equipment unless the building or structural component is so closely related to the industrial machinery and equipment that it houses or supports that the building or structural component can be expected to be replaced when the machinery and equipment are replaced. Heating and air-conditioning systems are not industrial machinery and equipment unless the sole justification for their installation is to meet the requirements of the production process, even though the system may provide incidental comfort to employees or serve, to an insubstantial degree, nonproduction activities.

Section 2: Description of Data and Sources

Department of Revenue Annual Sales Tax Files

Fall 2012 Revenue Estimating Conference Business Investment Growth Rates

Section 3: Methodology (Include Assumptions and Attach Details)

The analysis for this bill consists of two parts. The first part is use tax paid on purchases for manufacturing. Previous estimates for language with a similar outcome referencing the exemption from sales and use tax for new and expanding businesses have been made for changing the exemption criteria for expanding businesses from a 10% to a 5% increase in productive output. As this proposed language would have some overlap with that language the previously adopted numbers are removed from the potential pool of taxable purchases. The low estimate is the average dollar value from 2003 to 2011 grown by the business investment growth rate. The manufacturers with no taxable purchases and the manufacturers with taxable purchases are of relatively equal size when comparing gross sales numbers. In addition to being of equal size in dollar value they are of similar distribution in terms of activities in which they are engaged. Due to the similarity between the two groups of manufacturers and the uncertainty in regards to whether the tax on this equipment is being reported correctly or is being

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Exemption for Purchases of Machinery and Equipment For Certain SIC codes

Bill Number(s): Proposed Language

collected and remitted by the seller it was assumed that the low estimate could be double the size the taxable purchases for the high. The middle estimate is average of the high and the low estimate.

The second part of the analysis is from use tax paid by other types of businesses, excluding manufacturing, construction, and utilities. Under current law and administrative code for the exemption for new or expanding manufacturing is not restricted solely to manufacturing activity. While this language is significantly different from the new and expanding exemption there is still some amount of flexibility in how the proposed exemption might apply. The Department would expect that if a business was able to account separately for activities that were manufacturing in nature within its normal operations then the equipment specific for this activity might qualify for this exemption.

The proposed changes do not come into effect until January 1, 2014, and there is a six month collection lag for 2013-14.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	\$-	\$(86.5 M)	\$-	\$(63.7 M)	\$-	\$(41.0 M)
2014-15	\$(83.4 M)	\$(91.0 M)	\$(61.5 M)	\$(67.1 M)	\$(39.6 M)	\$(43.2 M)
2015-16	\$(96.9 M)	\$(96.9 M)	\$(71.4 M)	\$(71.4 M)	\$(45.9 M)	\$(45.9 M)
2016-17	\$(103.0 M)	\$(103.0 M)	\$(75.9 M)	\$(75.9 M)	\$(48.8 M)	\$(48.8 M)
2017-18	\$(109.5 M)	\$(109.5 M)	\$(80.7 M)	\$(80.7 M)	\$(51.9 M)	\$(51.9 M)

List of affected Trust Funds: Sales Tax Fund Grouping

Section 5: Consensus Estimate (Adopted: 03/16/2013) The conference adopted the high estimate plus 10% of the tax on purchases in FY10-11 (\$41.4m).

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(56.6)	(113.4)	(Insignificant)	(Insignificant)	(1.9)	(3.7)	(5.4)	(10.8)
2014-15	(117.4)	(117.4)	(Insignificant)	(Insignificant)	(3.9)	(3.9)	(11.2)	(11.2)
2015-16	(122.6)	(122.6)	(Insignificant)	(Insignificant)	(4.0)	(4.0)	(11.7)	(11.7)
2016-17	(128.0)	(128.0)	(Insignificant)	(Insignificant)	(4.2)	(4.2)	(12.2)	(12.2)
2017-18	(133.8)	(133.8)	(Insignificant)	(Insignificant)	(4.4)	(4.4)	(12.7)	(12.7)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(5.5)	(11.0)	(12.8)	(25.5)	(69.4)	(138.9)
2014-15	(11.4)	(11.4)	(26.4)	(26.4)	(143.8)	(143.8)
2015-16	(11.9)	(11.9)	(27.6)	(27.6)	(150.2)	(150.2)
2016-17	(12.4)	(12.4)	(28.8)	(28.8)	(156.8)	(156.8)
2017-18	(13.0)	(13.0)	(30.1)	(30.1)	(163.9)	(163.9)

Sales Tax Exemption: Manufacturing Machinery Equipment
 Certain SIC Codes

	A	B	C	D	E	F	G	H	I	J
1	Numbers for manufacturing SIC Codes only									
2	CY	Taxable Purchase	Tax on Purchases	Gross Sales	Taxable Sales	Tax Due	Tax due less tax on purchases	Discretionary	DSC as a % of taxable sales	
3	2003	\$ 1,636.3	\$ 106.0	\$ 49,804.0	\$ 11,315.1	\$ 738.7	\$ 632.8	\$ 54.7	0.48%	
4	2004	\$ 1,712.3	\$ 112.3	\$ 54,571.8	\$ 12,465.9	\$ 820.3	\$ 708.0	\$ 66.0	0.53%	
5	2005	\$ 1,765.6	\$ 117.5	\$ 57,099.3	\$ 13,097.8	\$ 860.0	\$ 742.5	\$ 69.1	0.53%	
6	2006	\$ 2,253.1	\$ 150.2	\$ 76,404.6	\$ 15,852.7	\$ 1,077.0	\$ 926.7	\$ 85.7	0.54%	
7	2007	\$ 2,186.0	\$ 144.1	\$ 68,544.1	\$ 12,779.0	\$ 864.6	\$ 720.5	\$ 70.8	0.55%	
8	2008	\$ 1,939.6	\$ 126.7	\$ 68,574.3	\$ 10,921.0	\$ 738.6	\$ 611.9	\$ 57.8	0.53%	
9	2009	\$ 1,403.7	\$ 92.3	\$ 48,700.2	\$ 7,892.4	\$ 518.1	\$ 425.8	\$ 42.6	0.54%	
10	2010	\$ 1,335.5	\$ 88.0	\$ 48,996.7	\$ 7,451.5	\$ 488.6	\$ 400.6	\$ 39.9	0.54%	
11	2011	\$ 1,507.9	\$ 99.1	\$ 53,167.9	\$ 8,064.3	\$ 526.1	\$ 427.1	\$ 40.5	0.50%	
12										
13	Calendar Year to Fiscal Year Conversion									
14		Taxable Purchase	Tax on Purchases	Gross Sales	Taxable Sales	Tax Due	Tax due less tax on purchases	Discretionary	DSC as a % of taxable sales	
15	2003-04	\$ 1,674.3	\$ 109.1	\$ 52,187.9	\$ 11,890.5	\$ 779.5	\$ 670.4	\$ 60.3	0.51%	
16	2004-05	\$ 1,739.0	\$ 114.9	\$ 55,835.6	\$ 12,781.9	\$ 840.2	\$ 725.2	\$ 67.6	0.53%	
17	2005-06	\$ 2,009.3	\$ 133.9	\$ 66,752.0	\$ 14,475.3	\$ 968.5	\$ 834.6	\$ 77.4	0.53%	
18	2006-07	\$ 2,219.5	\$ 147.2	\$ 72,474.4	\$ 14,315.9	\$ 970.8	\$ 823.6	\$ 78.3	0.55%	
19	2007-08	\$ 2,062.8	\$ 135.4	\$ 68,559.2	\$ 11,850.0	\$ 801.6	\$ 666.2	\$ 64.3	0.54%	
20	2008-09	\$ 1,671.7	\$ 109.5	\$ 58,637.3	\$ 9,406.7	\$ 628.4	\$ 518.8	\$ 50.2	0.53%	
21	2009-10	\$ 1,369.6	\$ 90.2	\$ 48,848.5	\$ 7,672.0	\$ 503.4	\$ 413.2	\$ 41.2	0.54%	
22	2010-11	\$ 1,421.7	\$ 93.5	\$ 51,082.3	\$ 7,757.9	\$ 507.3	\$ 413.8	\$ 40.2	0.52%	
23	avg		\$ 116.7							
24										
25	Numbers for all other SIC Codes									
26	CY	Taxable Purchase	Tax on Purchases	Gross Sales	Taxable Sales	Tax Due	Tax due less tax on purchases	Discretionary	DSC as a % of taxable sales	
27	2003	\$ 5,110.2	\$ 333.5	\$ 511,892.9	\$ 239,725.2	\$ 15,953.3	\$ 15,619.8	\$ 1,258.2	0.52%	
28	2004	\$ 6,105.3	\$ 400.5	\$ 551,128.4	\$ 255,114.7	\$ 16,931.9	\$ 16,531.4	\$ 1,355.8	0.53%	
29	2005	\$ 5,369.6	\$ 351.6	\$ 531,202.8	\$ 238,159.6	\$ 15,761.1	\$ 15,409.4	\$ 1,341.7	0.56%	
30	2006	\$ 6,517.2	\$ 427.2	\$ 680,379.2	\$ 281,650.4	\$ 20,160.2	\$ 19,732.9	\$ 1,725.4	0.61%	
31	2007	\$ 6,147.8	\$ 403.4	\$ 674,429.6	\$ 267,791.0	\$ 19,314.3	\$ 18,911.0	\$ 1,683.5	0.63%	
32	2008	\$ 7,921.5	\$ 511.8	\$ 679,074.0	\$ 251,710.3	\$ 18,245.6	\$ 17,733.8	\$ 1,607.0	0.64%	
33	2009	\$ 5,359.9	\$ 351.7	\$ 596,731.3	\$ 246,115.4	\$ 16,390.9	\$ 16,039.2	\$ 1,491.4	0.61%	
34	2010	\$ 5,754.7	\$ 376.4	\$ 622,205.7	\$ 250,475.9	\$ 16,648.3	\$ 16,272.0	\$ 1,500.1	0.60%	
35	2011	\$ 6,114.5	\$ 397.7	\$ 672,622.4	\$ 266,770.1	\$ 17,637.5	\$ 17,239.8	\$ 1,504.7	0.56%	
36										
37	CY to FY	Taxable Purchase	Tax on Purchases	Gross Sales	Taxable Sales	Tax Due	Tax due less tax on purchases	Discretionary	DSC as a % of taxable sales	
38	2003-04	\$ 5,607.7	\$ 367.0	\$ 531,510.7	\$ 247,420.0	\$ 16,442.6	\$ 16,075.6	\$ 1,307.0	0.53%	
39	2004-05	\$ 5,737.4	\$ 376.1	\$ 541,165.6	\$ 246,637.2	\$ 16,346.5	\$ 15,970.4	\$ 1,348.8	0.55%	
40	2005-06	\$ 5,943.4	\$ 389.4	\$ 605,791.0	\$ 259,905.0	\$ 17,960.6	\$ 17,571.2	\$ 1,533.6	0.59%	
41	2006-07	\$ 6,332.5	\$ 415.3	\$ 677,404.4	\$ 274,720.7	\$ 19,737.3	\$ 19,322.0	\$ 1,704.5	0.62%	
42	2007-08	\$ 7,034.7	\$ 457.6	\$ 676,751.8	\$ 259,750.7	\$ 18,780.0	\$ 18,322.4	\$ 1,645.3	0.63%	
43	2008-09	\$ 6,640.7	\$ 431.7	\$ 637,902.6	\$ 248,912.9	\$ 17,318.3	\$ 16,886.5	\$ 1,549.2	0.62%	
44	2009-10	\$ 5,557.3	\$ 364.0	\$ 609,468.5	\$ 248,295.6	\$ 16,519.6	\$ 16,155.6	\$ 1,495.7	0.60%	
45	2010-11	\$ 5,934.6	\$ 387.0	\$ 647,414.1	\$ 258,623.0	\$ 17,142.9	\$ 16,755.9	\$ 1,502.4	0.58%	
46	avg		\$ 398.5							
47										

Sales Tax Exemption: Manufacturing Machinery Equipment
 Certain SIC Codes

	A	B	C	D	E	F	G	H	I	J
48		Business Investment Growth Rates			Previously adopted impact from changes to New and Expanding Exemption 10% to 5%					
49		2011-12	3.0%							
50		2012-13	2.3%		2012-13	\$ 51.92				
51		2013-14	4.9%		2013-14	\$ 55.77				
52		2014-15	6.5%		2014-15	\$ 60.45				
53		2015-16	6.3%		2015-16	\$ 64.18				
54		2016-17	6.3%		2016-17	\$ 68.25				
55		2017-18	6.3%		2017-18	\$ 72.57				
56										
57		Impact for Manufacturing only using average manufacturing use tax								
58		High		Middle		Low				
59	Part 1	Cash	Recurring	Cash	Recurring	Cash	Recurring			
60	2011-12		\$ (120.2 M)		\$ (90.2 M)		\$ (60.1 M)			
61	2012-13		\$ (71.1 M)		\$ (53.3 M)		\$ (35.6 M)			
62	2013-14		\$ (73.2 M)	\$ -	\$ (54.9 M)	\$ -	\$ (36.6 M)			
63	2014-15	\$ (70.5 M)	\$ (76.9 M)	\$ (52.9 M)	\$ (57.7 M)	\$ (35.3 M)	\$ (38.5 M)			
64	2015-16	\$ (81.9 M)	\$ (81.9 M)	\$ (61.4 M)	\$ (61.4 M)	\$ (40.9 M)	\$ (40.9 M)			
65	2016-17	\$ (87.1 M)	\$ (87.1 M)	\$ (65.3 M)	\$ (65.3 M)	\$ (43.5 M)	\$ (43.5 M)			
66	2017-18	\$ (92.6 M)	\$ (92.6 M)	\$ (69.4 M)	\$ (69.4 M)	\$ (46.3 M)	\$ (46.3 M)			
67										
68		Impact for all other SIC codes								
69		High-3%		Middle-2%		Low-1%				
70	Part 2	Cash	Recurring	Cash	Recurring	Cash	Recurring			
71	2011-12		\$ (12.3 M)		\$ (8.2 M)		\$ (4.1 M)			
72	2012-13		\$ (12.6 M)		\$ (8.4 M)		\$ (4.2 M)			
73	2013-14	\$ -	\$ (13.2 M)	\$ -	\$ (8.8 M)	\$ -	\$ (4.4 M)			
74	2014-15	\$ (12.9 M)	\$ (14.1 M)	\$ (8.6 M)	\$ (9.4 M)	\$ (4.3 M)	\$ (4.7 M)			
75	2015-16	\$ (15.0 M)	\$ (15.0 M)	\$ (10.0 M)	\$ (10.0 M)	\$ (5.0 M)	\$ (5.0 M)			
76	2016-17	\$ (15.9 M)	\$ (15.9 M)	\$ (10.6 M)	\$ (10.6 M)	\$ (5.3 M)	\$ (5.3 M)			
77	2017-18	\$ (16.9 M)	\$ (16.9 M)	\$ (11.3 M)	\$ (11.3 M)	\$ (5.6 M)	\$ (5.6 M)			
78										
79										
80		High		Middle		Low				
81		Cash	Recurring	Cash	Recurring	Cash	Recurring			
82	2013-14	\$ -	\$ (86.5 M)	\$ -	\$ (63.7 M)	\$ -	\$ (41.0 M)			
83	2014-15	\$ (83.4 M)	\$ (91.0 M)	\$ (61.5 M)	\$ (67.1 M)	\$ (39.6 M)	\$ (43.2 M)			
84	2015-16	\$ (96.9 M)	\$ (96.9 M)	\$ (71.4 M)	\$ (71.4 M)	\$ (45.9 M)	\$ (45.9 M)			
85	2016-17	\$ (103.0 M)	\$ (103.0 M)	\$ (75.9 M)	\$ (75.9 M)	\$ (48.8 M)	\$ (48.8 M)			
86	2017-18	\$ (109.5 M)	\$ (109.5 M)	\$ (80.7 M)	\$ (80.7 M)	\$ (51.9 M)	\$ (51.9 M)			
87										

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Certified Audit

Bill Number(s): HB495/SB 866-Proposed amendment 15% Interest, \$15,000 Liability

Entire Bill

Partial Bill:

Sponsor(s): Rep. Raulerson/ Sen. Abruzzo

Month/Year Impact Begins: July 1, 2013

Date of Analysis: 3/15/2013

Section 1: Narrative

- a. **Current Law:** : Currently under 213.285 FS, taxpayers are allowed to become participating taxpayers prior to a notice of intent to audit being issued and the participating taxpayer has entered into an engagement with a qualified practitioner for tax compliance and are approved by the Department of Revenue under the certified audits project. For further incentive in participating in the certified audit program, 213.21(8) FS abates penalties and the first \$25,000 of interest liability in addition to 25% of total interest liability less the initial \$25,000.

b. **Proposed Change:**

Proposed amendment allows for taxpayers to participate in the certified audit program after the taxpayer has received the notice of intent to audit. 213.21FS is modified to allow abatement of all penalties and the first \$15,000 in interest liability and additionally 15% of total interest liability over the initial \$15,000.

Section 2: Description of Data and Sources

DOR Audit Collections

Historic participation in the Certified Audit Program

Section 3: Methodology (Include Assumptions and Attach Details)

Assumption – Both the Senate and House bill are amended to clarify that the certified Audit Program is restricted to Sales and Use tax and Tourist Development taxes.

2011 Annual Sales tax file was merged with audit assessment data file for 2008-2011. Additionally, those taxpayers currently under audit were identified. Taxpayers were sorted from the largest to smallest taxpayers. The dataset was then broken into 11 tiers. The top two tiers each contained 500 taxpayers. The next eight tiers each consisted of 5.995 of the total taxes collected. The eleventh tier consisted of those taxpayers that had been audited, but were not in the 2011 Annual sales tax file. Certain statistics were then calculated for each tier. Assumes that recoveries will be 50% of Assessment and interest amount.

Post Audit Notification Methodology

Middle Estimate

Uses tiered sales tax data set. Assumes that taxpayer participation consists of 33 Tier 1 taxpayers 33 Tier 2 taxpayers, and 33 Tier 3 taxpayers, all of whom have interest liability greater than \$25,000. Assumes the assessment and interest is at the average rate for those taxpayers that have interest greater than \$25,000. Assumes that replacement audits come from various taxpayer tiers at the rate of audit activity over period from 2008 to present. Assumes replacement audits are at the average rate of assessment and recovery for respective taxpayer tier. Assumes 97% audit replacement rate.

Low Estimate

Uses tiered sales tax data set. Assumes that taxpayer participation consists of 33 Tier 1 taxpayers 33 Tier 2 taxpayers, and 33 Tier 3 taxpayers, all of whom have interest liability greater than \$15,000. Assumes the assessment and interest is at the average rate for those taxpayers that have interest greater than \$15,000. Assumes that replacement audits come from various taxpayer tiers at the rate of audit activity over period from 2008 to present. Assumes replacement audits are at the average rate of assessment and recovery for respective taxpayer tier. Assumes 97% audit replacement rate.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Certified Audit

Bill Number(s): HB495/SB 866-Proposed amendment 15% Interest, \$15,000 Liability

Section 4: Proposed Fiscal Impact

Post Audit Notification

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14			0	(\$2.7)	0	(\$0.9)
2014-15			(\$2.7)	(\$2.7)	(\$0.9)	(\$0.9)
2015-16			(\$2.9)	(\$2.9)	(\$1.0)	(\$1.0)
2016-17			(\$3.1)	(\$3.1)	(\$1.0)	(\$1.0)
2017-18			(\$3.2)	(\$3.2)	(\$1.1)	(\$1.1)

List of affected Trust Funds:

Sales and Use Tax Group

Section 5: Consensus Estimate (Adopted: 03/16/2013) The conference adopted the middle estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	0.0	(2.4)	0.0	(Insignificant)	0.0	(0.1)	0.0	(0.2)
2014-15	(2.4)	(2.4)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2015-16	(2.6)	(2.6)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2016-17	(2.7)	(2.7)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.3)	(0.3)
2017-18	(2.8)	(2.8)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.3)	(0.3)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	0.0	(0.2)	0.0	(0.5)	0.0	(2.9)
2014-15	(0.2)	(0.2)	(0.5)	(0.5)	(2.9)	(2.9)
2015-16	(0.3)	(0.3)	(0.6)	(0.6)	(3.2)	(3.2)
2016-17	(0.3)	(0.3)	(0.6)	(0.6)	(3.3)	(3.3)
2017-18	(0.3)	(0.3)	(0.6)	(0.6)	(3.4)	(3.4)

Middle - Taxpayers that choose to use Certified Auditor after Notice of Intent to Audit are 33% Tier 1, 33% Tier 2 and 33% Tier 3 at the average audit for those taxpayers that have interest liabilities greater than \$25,000. This analysis assumes the same entities chose to participate as the analysis adopted 3-8-2013. Replacement audits occur in the same percentage as current audit plan. Assumes 97% replacement rate.							
Assessment Information							
Data (Taxpayers with an Interest Liability > \$15k)							
Sales and Use Tax		Int> \$25k					
Date (FY Ending) - Reduced compliance and recoveries	Total	5.0%					
	\$132,758,076	\$6.64					
SUT Interest (15000* count)+(interest value-15000*count)*0.15				# Audits			
	Total Interest	Middle		Middle			
	\$21,155,349	\$4.45		100			
assumed replacement audit activity							
		Middle		Middle			
		\$5.66		96			
Total Impact		Middle					
		(\$5.4)					
Adjustment to recoveries (50% of Assessment)		Cash 2013-14		0			
		Cash 2014-15		(\$2.7)			
		Cash 2015-16		(\$2.9)			
		Cash 2016-17		(\$3.0)			
		Cash 2017-18		(\$3.2)			

	A	B	C	D	E	F	G	H
1	Low - Taxpayers that choose to use Certified Auditor after Notice of Intent to Audit are 33% Tier 1, 33% Tier 2 and 33% Tier 3 at the average audit for those taxpayers that have interest liabilities greater than \$15,000. Assumes these entities will have average assessment and interest amounts for those taxpayers that have greater than \$15,000 interest. This average amount is lower than the average assessment and interest for the analysis adopted 3-8-2013.							
2	Assessment Information							
3	Data (Taxpayers with an Interest Liability > \$15k)							
4	Sales and Use Tax			Int> \$15k				
5	Date (FY Ending) - Reduced compliance and recoveries		Total	5.0%				
6			\$72,174,784	\$3.61				
7	SUT Interest (15000* count)+(interest value-15000*count)*0.15							
8				Total Interest	low			
9				\$17,357,228	\$3.88			
10	assumed replacement audit activity							
11				Low				
12				\$5.66				
13								
14	Total Impact			Low				
15				(\$1.8)				
16	Adjustment to recoveries (50% of Assessment)		Cash 2013-14	0				
17			Cash 2014-15	(\$0.9)				
18			Cash 2015-16	(\$1.0)				
19			Cash 2016-17	(\$1.0)				
20			Cash 2017-18	(\$1.1)				

Audits
Middle
100
Middle
96

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
2	Tier	Cumulative tax	Number of taxpayers	% of audits	% of total tax	Avg Annual Tax	Avg Assessment	Avg Interest	AVG Assmnt + Avg Interest	Total Assessment	Total Interest	% of audits w/ Int > 15k	Assmnt > 15k	Int> 15K	Avg Assmnt >15k	Avg Int > 25k
3	1	8,772,411,162	500	1.9%	44.6%	17,544,822.32	550,305	179,747	730,052	159,038,229	51,946,817	69%	156,874,820	51,499,361	788,316	258,791
4	2	10,233,554,683	500	1.4%	7.44%	2,922,287.04	149,277	41,852	191,129	32,542,468	9,123,660	44%	29,575,462	8,517,702	311,321	89,660
5	3	11,410,332,240	696	1.7%	5.99%	1,690,772.35	194,108	60,202	254,310	50,468,102	15,652,430	33%	47,166,102	14,912,197	561501	177,526
6	4	12,587,109,797	1269	3.0%	5.99%	927,326.68	83,608	27,836	111,444	38,208,641	12,721,043	24%	31,647,185	11,253,092	298,558	106,161
7	5	13,763,887,354	2553	4.9%	5.99%	460,939.11	64,572	21,648	86,220	48,945,606	16,409,059	18%	38,851,301	14,028,128	287,787	105,245
8	6	14,940,664,912	5067	7.3%	5.99%	232,243.45	47,973	13,731	61,704	53,873,422	15,420,444	15%	40,703,433	12,648,065	246,687	76,655
9	7	16,117,442,469	9695	10.4%	5.99%	121,379.84	34,007	8,834	42,841	54,309,606	14,107,393	10%	37,811,966	10,676,009	233,407	65,901
10	8	17,294,220,026	18850	10.9%	5.99%	62,428.52	31,841	9,254	41,095	53,206,048	15,463,724	8%	36,277,852	11,996,927	283,030	93,726
11	9	18,470,997,583	41692	12.1%	5.99%	28,225.50	25,440	6,168	31,608	47,191,304	11,440,779	9%	28,973,518	7,640,811	183,377	48,359
12	10	19,647,775,140	498105	31.5%	5.99%	2,362.51	27,985	8,469	36,454	135,336,675	40,956,974	7%	95,793,947	32,597,204	284,255	96,727
13	11	0	2414	14.8%			70,742	21,057	91,799	160,231,473	47,693,170	21%	139,189,967	42,280,104	305,241	92,719
14			581,341							833,351,574	250,935,493					
15																
16																
17	Certified Audits		100													
18	Tier	Assessment	Interest	total	Replacement audits		100									
19	1	26,014,428.00	8,540,089.80	34,554,517.80	Tier	Audit plan perce	Replacement au	Assessment	Interest							
20	2	10,273,593.00	2,958,780.00	13,232,373.00	2	1.4%	1	149,277	41,852							
21	3	18,529,533.00	5,858,358.00	24,387,891.00	3	1.7%	2	388,216	120,403							
22	Total	54,817,554.00	17,357,227.80	72,174,781.80	4	3.0%	3	250,823	83,508							
23					5	5.0%	5	322,860	108,239							
24					6	7.5%	7	335,809	96,120							
25					7	10.6%	10	340,073	88,337							
26					8	11.1%	11	350,249	101,796							
27					9	12.3%	12	305,281	74,010							
28					10	32.2%	31	867,543	262,545							
29					11	15.1%	15	1,061,136	315,849							
30							97	4,371,267	1,292,659							
31																
32					Middle	Low										
33					5,663,926	5,663,926										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
2	Tier	Cumulative tax	Number of taxpayers	% of audits	% of total tax	Avg Annual Tax	Avg Assessment	Avg Interest	AVG Assmnt + Avg Interest	Total Assessment	Total Interest	% of audits w/ Int > 25k	Assmnt - Int > 25k	Int > 25K	Avg Assmnt >25k	Avg Int > 25k
3	1	8,772,411,162	500	1.9%	44.6%	17,544,822.32	550,305	179,747	730,052	159,038,229	51,946,817	58%	154,386,453	50,857,247	924,470	304,534
4	2	10,233,554,683	500	1.4%	7.44%	2,922,287.04	149,277	41,852	191,129	32,542,468	9,123,660	32%	27,453,017	8,023,584	397,870	116,284
5	3	11,410,332,240	696	1.7%	5.99%	1,690,772.35	194,108	60,202	254,310	50,468,102	15,652,430	25%	45,654,949	14,537,294	691,742	220,262
6	4	12,587,109,797	1269	3.0%	5.99%	927,326.68	83,608	27,836	111,444	38,208,641	12,721,043	18%	29,139,504	10,773,615	355,360	131,386
7	5	13,763,887,354	2553	4.9%	5.99%	460,939.11	64,572	21,648	86,220	48,945,606	16,409,059	13%	36,293,600	13,560,874	359,343	134,266
8	6	14,940,664,912	5067	7.3%	5.99%	232,243.45	47,973	13,731	61,704	53,873,422	15,420,444	10%	36,560,074	11,507,108	341,683	107,543
9	7	16,117,442,469	9695	10.4%	5.99%	121,379.84	34,007	8,834	42,841	54,309,606	14,107,393	6%	32,339,129	9,366,096	344,033	99,639
10	8	17,294,220,026	18850	10.9%	5.99%	62,428.52	31,841	9,254	41,095	53,206,048	15,463,724	5%	31,870,755	11,041,841	408,599	141,562
11	9	18,470,997,583	41692	12.1%	5.99%	28,225.50	25,440	6,168	31,608	47,191,304	11,440,779	5%	23,313,320	6,261,887	267,969	71,976
12	10	19,647,775,140	498105	31.5%	5.99%	2,362.51	27,985	8,469	36,454	135,336,675	40,956,974	4%	85,123,024	29,895,661	432,097	151,755
13	11	0	2414	14.8%			70,742	21,057	91,799	160,231,473	47,693,170	14%	128,558,726	39,475,189	414,706	127,339
14			581,341							833,351,574	250,935,493					
15																
16																
17		Certified Audits	100													
18	Tier	Assessment	Interest	total												
19	1	46,223,488.92	15,226,720.66	61,450,209.58												
20	2	19,893,490.58	5,814,191.30	25,707,681.88												
21	3	34,587,082.58	11,013,101.52	45,600,184.09												
22	Total	100,704,062.08	32,054,013.48	132,758,075.56												
23																

REVENUE ESTIMATING CONFERENCE

Tax: Motor Fuel Tax

Issue: Fuel sales tax refund paid by sheriff's office

Bill Number(s): SB/664 & HB-Proposed language

Entire Bill

Partial Bill:

Sponsor(s): Senator Simmons

Month/Year Impact Begins: July 1, 2013

Date of Analysis: 3/16/13

Section 1: Narrative

- a. **Current Law:** Sheriff's offices do not get refunds directly, they could give their gallon information to counties and counties get the refund. Based on the survey by Florida Sheriff Association, currently, one county has its sheriff's office fuel consumption information and gets refund to the county.
- b. **Proposed Change:** Amend ss. 206.41 and 206.625, F.S. requiring that fuel sales tax paid by a county sheriff's office be returned and used to offset ongoing fuel costs.

Section 2: Description of Data and Sources

Motor vehicle registration data from FLHSMV
 Survey by Florida Sheriff Association
 Florida population by county 2011
 REC Mar 2013 Transportation conference, growth rates for highway fuels and fuel sales tax

Section 3: Methodology (Include Assumptions and Attach Details)

Three different methodologies low, middle and high
 Low: based on FLHSMV data and various assumptions on fuel efficiency, hours/day, miles/hour
 Middle: combination of FLHSMV data and survey by Florida Sheriff Association
 High: combination of survey data and Florida population

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	-3.7m	-4.0m	-3.1m	-3.3m	-2.9m	-3.1m
2014-15	-4.1m	-4.1m	-3.5m	-3.5m	-3.2m	-3.2m
2015-16	-4.3m	-4.3m	-3.6m	-3.6m	-3.4m	-3.4m
2016-17	-4.4m	-4.4m	-3.7m	-3.7m	-3.5m	-3.5m
2017-18	-4.5m	-4.5m	-3.8m	-3.8m	-3.6m	-3.6m

List of affected Trust Funds:

Section 5: Consensus Estimate (Adopted: 03/16/2013) The conference adopted the middle estimate less the amount for the sheriff's fuel sales tax refund.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(0.2)	(0.2)	(2.4)	(2.6)	0.0	0.0	(2.6)	(2.8)
2014-15	(0.2)	(0.2)	(2.7)	(2.7)	0.0	0.0	(2.9)	(2.9)
2015-16	(0.2)	(0.2)	(2.8)	(2.8)	0.0	0.0	(3.0)	(3.0)
2016-17	(0.3)	(0.3)	(2.9)	(2.9)	0.0	0.0	(3.2)	(3.2)
2017-18	(0.3)	(0.3)	(3.0)	(3.0)	0.0	0.0	(3.3)	(3.3)

	A	B	C	D	E	F	G	H	I	J	K	
1	based on the registration data from HSMV March 2013											
2	LOW					gallons	annual	average	fuel	tax per		
3		# vehicles	miles/g.	hours/day	miles/hour	per day	g. per veh.	miles	sales tax	vehicle	total tax	
4	Auto	2,958	20	5	50	12.5	4,563	91,250	0.129	\$589	\$1,740,968	
5	Truck	552	20	5	50	12.5	4,563	91,250	0.129	\$589	\$324,887	
6	Bus	59	15	4	50	13.3	4,867	73,000	0.129	\$628	\$37,040	
7	Other	1,164	9	4	40	17.8	6,489	58,400	0.129	\$837	\$974,346	
8	total	4,733					total gallons		23,854,575		\$3,077,240	
9							less		600,000	0.129	-77,400	
10	based on a survey by Florida Sheriff's Association										impact	\$2,999,840
11	MIDDLE	annual	# vehicles									
12		gallons	FLHSMV	g per v								
13	Alachua	300,000	110	2,727						fuel		
14	Bay	285,000	60	4,750			g per v	# vehicles	tot gal.	sales tax	total tax	
15	Charlotte	372,000	39	9,538			5,478	4,733	25,927,374	0.129	3,344,631	
16	Indian River	252,000	61	4,131			less		600,000	0.129	-77,400	
17	Manatee	635,000	106	5,991					25,327,374	impact	3,267,231	
18	Marion	240,000	52	4,615								
19	Osceola	600,000	62	9,677								
20	total	2,684,000	490	5,478								
21												
22	HIGH	grow by the ratio of population										
23		annual										
24		gallons	pop	pop %								
25	Alachua	300,000	247,337									
26	Bay	285,000	169,278									
27	Charlotte	372,000	160,463									
28	Indian River	252,000	138,694									
29	Manatee	635,000	325,905									
30	Marion	240,000	331,745									
31	Osceola	600,000	273,867									
32	total	2,684,000	1,647,289	8.71%								
33	Florida	18,905,070									if 10 counties	

	A	B	C	D	E	F	G	H	I	J	K	
34										have refund	gallons of	
35		hwy fuel	fuel sales	gallons	gallons	gallons	impact	impact	impact	incl sheriffs'	10 counties	
36		growth	tax rate	low	middle	high	low	middle	high	fuel sales tax		
37	FY 2012-13	0.4%	0.129	23,854,575	25,327,374	30,202,857					3,869,757	
38	FY 2013-14	1.5%	0.130	24,220,214	25,715,588	30,665,802	3,148,628	3,343,026	3,986,554	510,779	3,929,072	
39	FY 14 cash						2,886,242	3,064,441	3,654,341			
40	FY 2014-15	1.6%	0.132	24,619,521	26,139,548	31,171,374	3,249,777	3,450,420	4,114,621	527,188	3,993,849	
41	FY 2015-16	2.0%	0.134	25,110,176	26,660,497	31,792,604	3,364,764	3,572,507	4,260,209	545,842	4,073,445	
42	FY 2016-17	1.9%	0.136	25,581,892	27,161,336	32,389,855	3,479,137	3,693,942	4,405,020	564,396	4,149,968	
43	FY 2017-18	1.7%	0.138	26,014,995	27,621,180	32,938,217	3,590,069	3,811,723	4,545,474	582,391	4,220,227	
44												
45	Trucks are classified by weight						registration					
46	categories	weight	mpg		gal / year	ann. Miles	# million					
47	Class 1a	0-6k	20-33	Type A	250-750	6-25K	135					
48	Class 1b	0-6k	20-25	Type A	300-1k	6-25K	70					
49	Class 2a	6k-10k	10-21	Type A	500-1.1k	10-25k	23					
50	Class 2b	6k-10k	10-21	Type B	1.5-2.7k	10-40k	6.2					
51	Class 3	10k-14k	8-13	Type B	2.5-3.8k	20-50k	0.69					
52	Class 4	14k-16k	7-12	Type B	7-12k	20-60k	0.19					
53	Class 5	16k-19.5k	6-12	Type B	6-11k	20-60k	0.17					
54	Class 6	19.5k-26k	5-12	Type C	5-7k	25-75k	1.71					
55	Class 7	26-33k	4-8	Type C	6-8k	75-200k	0.13					
56	Class 8	above 33k	2.5-6	Type C	10-13k	35-75k	0.43					
57	source: NADA DATA 2012						Total	237.52				
58	source: US DOT NHTSA											
59	based on a survey on truck weighted 30k lb using gas, the range is about 7 to 9 mpg											
60												
61	fuel sales tax refund											
62	county/city/school	gasoline		diesel								
63	FY 2009	3,032,702		3,541,696								
64	FY 2010	2,996,606		3,198,471								
65	FY 2011	2,541,287		3,041,928								
66	FY 2012	2,855,030		3,640,698								

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem Tax

Issue: Storm Hardening

Bill Number(s): HB277/SB1064

Entire Bill:

Partial Bill:

Sponsor(s): Rep. Vasilinda, Sen. Latvala

Month/Year Impact Begins: July 1, 2013 (Applying to assessments beginning January 1, 2014)

Date of Analysis: 2/29/2013

Section 1: Narrative

- a. **Current Law:** section 4(i), Article VII of the Florida Constitution allows the legislature, by general law, to prohibit the consideration of any change or improvement made for the purpose of improving the property's resistance to wind damage in determining the assessed value of real property used for residential purposes. No current general law authorization exists.
- b. **Proposed Change:** by general law, when determining the assessed value of real property used for residential purposes, any increase in the just value of the property attributable to the installation of a renewable energy source device or changes or improvements made for the purpose of improving a property's resistance to wind damage may not be considered. These provisions apply to installations, changes, or improvements for new and existing residential real property that are installed or made on or after January 1, 2013.

Section 2: Description of Data and Sources:

Historic NAL Tax Roll, Florida Department of Revenue,

Florida Department of Business & Professional Regulation, Building Codes and Standards Section

Broward County Board of Rules & Appeals

Florida Department of Emergency Management (for GIS and wind zone information)

University of Florida, GeoPlan Center (for GIS and wind zone information)

Internet Sources: Security, Storm and Hurricane Shutters (www.stormshutters.com)

Hurricane Shutter Guide: Compare Types, Calculate Costs (www.sun-sentinel.com)

Section 3: Methodology (Include Assumptions and Attach Details)

Wind Improvements

Residential population by wind zone was obtained from a population density overlay map for Risk Category II occupancy type, which includes one and two-family residential homes and small commercial buildings. It was assumed that the historical distribution of Florida's population was not significantly different from that depicted in this map. The population distribution was then used to evaluate which properties were constructed in wind zones while considering the building code that was active at the time and any requirements to install certain storm hardening improvements. It was also assumed that storm shutters would result in the most significant expense related to wind damage improvements.

Existing Homes

An adjusted number of existing homes was obtained to estimate the number of single-family residential and condominiums (both homestead and non-homestead) that are currently not subject to the statewide building code. Five cohorts were tracked (calendar years 2013-2017) using a composite cost that included a distribution in the number of windows per dwelling, a shutter cost of \$776 (Bahamian type), and installation costs.

The estimates were then derived as follows:

- The high estimate assumes that the bill applies to 1% of existing homes;
- The middle estimate assumes that the bill applies to 0.55% of existing homes; and
- The low estimate assumes that the bill applies to 0.1% of existing homes.

The 2012 millage rates were applied. The applicable dollar amounts were broken down to provide the school and non-school values.

New Homes

New construction estimates adopted during the March 2013, Ad Valorem Conference was used to track five cohorts (calendar years 2013-2017).

The estimates were then derived as follows:

- the high estimate assumes that the bill applies to 15% of total new construction;
- the middle estimate assumes that the bill applies to 10% of total new construction; and

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem Tax

Issue: Storm Hardening

Bill Number(s): HB277/SB1064

- the low estimate assumes that the bill applies to 5% of total new construction. The 2012 millage rates were applied. The applicable dollar amounts were broken down to provide the school and non-school values.

Section 4: Proposed Fiscal Impact

Impact Value School:

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(\$0m)	(\$142.9m)	(\$0m)	(\$94.2m)	(\$0m)	(\$44.3m)
2014-15	(\$33.6m)	(\$142.9m)	(\$21.7m)	(\$94.2m)	(\$9.7m)	(\$44.3m)
2015-16	(\$60.5m)	(\$142.9m)	(\$39.3m)	(\$94.2m)	(\$17.9m)	(\$44.3m)
2016-17	(\$96.2m)	(\$142.9m)	(\$62.7m)	(\$94.2m)	(\$29.1m)	(\$44.3m)
2017-18	(\$142.9m)	(\$142.9m)	(\$94.2m)	(\$94.2m)	(\$44.3m)	(\$44.3m)

Impact Value Non-School

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(\$0m)	(\$189.5m)	(\$0m)	(\$123.9m)	(\$0m)	(\$58.3m)
2014-15	(\$44.3m)	(\$189.5m)	(\$28.5m)	(\$123.9m)	(\$12.8m)	(\$58.3m)
2015-16	(\$79.7m)	(\$189.5m)	(\$51.7m)	(\$123.9m)	(\$23.6m)	(\$58.3m)
2016-17	(\$126.7m)	(\$189.5m)	(\$82.5m)	(\$123.9m)	(\$38.3m)	(\$58.3m)
2017-18	(\$189.5m)	(\$189.5m)	(\$123.9m)	(\$123.9m)	(\$58.3m)	(\$58.3m)

List of affected Trust Funds: Ad Valorem Tax Grouping

Section 5: Consensus Estimate (Adopted:03/16/2013) The conference adopted the low estimate.

Storm Hardening:

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	0.0	(44.3)	0.0	(58.3)	0.0	(102.6)
2014-15	(9.7)	(44.3)	(12.8)	(58.3)	(22.5)	(102.6)
2015-16	(17.9)	(44.3)	(23.6)	(58.3)	(41.5)	(102.6)
2016-17	(29.1)	(44.3)	(38.3)	(58.3)	(67.4)	(102.6)
2017-18	(44.3)	(44.3)	(58.3)	(58.3)	(102.6)	(102.6)

	A	J	K	L	M	N
1	<u>EXISTING RESIDENTIAL STRUCTURES ANALYSIS (HOMESTEAD AND NON-HOMESTEAD)</u>					
2						
3	<u>HOMESTEAD PROPERTIES</u>					
4		<u>Historical Totals</u>	<u>Statewide 2002-2012</u>	<u>Statewide 1994-2012</u>	<u>Broward/Miami- Dade 1994-2012</u>	<u>Adjusted Number of Existing Homes</u>
5	UC 1 (SF Residential)	3,488,292	647,906	1,234,696	279,041	2,561,345
6	UC 4 (Condominiums)	561,644	61,726	120,044	27,130	472,788
7	<u>HOMESTEAD TOTAL</u>	4,049,936	709,632	1,354,740	306,171	3,034,133
8						
9	<u>NON-HOMESTEAD PROPERTIES</u>					
10		<u>Historical Totals</u>	<u>Statewide 2002-2012</u>	<u>Statewide 1994-2012</u>	<u>Broward/Miami- Dade 1994-2012</u>	<u>Adjusted Number of Existing Homes</u>
11	UC 1 (SF Residential)	1,433,931	352,034	523,434	118,296	963,601
12	UC 4 (Condominiums)	988,802	221,855	334,503	75,598	691,349
13	<u>NON-HOMESTEAD TOTAL</u>	2,422,733	573,889	857,937	193,894	1,654,950
14						
15						
16	4,689,083	= Adjusted Number of				4,689,083
17		Existing Homes				TOTAL

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1															
2					2013	2014	2015	2016	2017		SINGLE-FAMILY RESIDENTIAL COST				
3	High Estimate Assumes that Bill Applies to 1% of Existing			Cohort 1	398,440,761	398,440,761	398,440,761	398,440,761	398,440,761						
4				Cohort 2		394,456,353	394,456,353	394,456,353	394,456,353		Number of Windows	Windows Distribution	Cost per Shutter	Composite Cost For Single-Family Residential	Composite Cost Doubled to Account for Installation
5				Cohort 3			390,511,789	390,511,789	390,511,789		2	0.025	776	38.8	77.6
6				Cohort 4				386,606,671	386,606,671		4	0.135	776	419.0	838.1
7				Cohort 5					382,740,605		5	0.34	776	1,319.2	2,638.4
8				Cohort Totals	398,440,761	792,897,113	1,183,408,903	1,570,015,574	1,952,756,179		6	0.34	776	1,583.0	3,166.1
9											7	0.135	776	733.3	1,466.6
10	High Estimate Tax Impact (School)				3.3	6.5	9.7	12.9	16.0		8	0.025	776	155.2	310.4
11	High Estimate Tax Impact (Non-School)				4.3	8.5	12.8	16.9	21.1						
12														4,248.6	8,497.2
13					2013	2014	2015	2016	2017						SF Residential
14	Middle Estimate Assumes that Bill Applies to 0.55% of Existing			Cohort 1	219,142,418	219,142,418	219,142,418	219,142,418	219,142,418						TOTAL
15				Cohort 2		217,937,135	217,937,135	217,937,135	217,937,135						
16				Cohort 3			216,738,481	216,738,481	216,738,481		Millage Rates				
17				Cohort 4				215,546,419	215,546,419		School	8.1912			
18				Cohort 5					213,390,955		Non-School	10.782			
19				Cohort Totals	219,142,418	437,079,553	653,818,034	869,364,453	1,082,755,408						
20															
21	Middle Estimate Tax Impact (School)				1.8	3.6	5.4	7.1	8.9						
22	Middle Estimate Tax Impact (Non-School)				2.4	4.7	7.0	9.4	11.7						
23															
24					2013	2014	2015	2016	2017						
25	Low Estimate Assumes that Bill Applies to 0.1% of Existing			Cohort 1	39,844,076	39,844,076	39,844,076	39,844,076	39,844,076						
26				Cohort 2		39,804,232	39,804,232	39,804,232	39,804,232						
27				Cohort 3			39,764,428	39,764,428	39,764,428						
28				Cohort 4				39,724,663	39,724,663						
29				Cohort 5					39,327,417						
30				Cohort Totals	39,844,076	79,648,308	119,412,736	159,137,399	198,464,816						
31															
32	Low Estimate Tax Impact (School)				0.3	0.7	1.0	1.3	1.6						
33	Low Estimate Tax Impact (Non-School)				0.4	0.9	1.3	1.7	2.1						

	A	B	C	D	E	F	G	H	I
1	<u>NEW RESIDENTIAL STRUCTURES ANALYSIS (HOMESTEAD AND NON-HOMESTEAD)</u>								
2									
3									
4	<u>Using Total New Construction</u>								
5	<u>(Numbers From March 2013 Ad</u>								
6	<u>Valorem Conference)</u>								
7		2010	2011	2012	2013	2014	2015	2016	2017
7	HOMESTEAD JUST VALUE	4,596	4,106	4,155	4,312	6,044	9,079	12,495	17,118
8	NON-HOMESTEAD JUST VALUE	6,709	4,397	4,554	4,813	6,911	10,226	13,982	19,150.00
9	TOTAL JUST VALUE	11,305	8,503	8,709	9,125	12,955	19,305	26,477	36,268
10									
11					2013	2014	2015	2016	2017
12	<u>High Estimate Assumes that Bill Applies to 15% of Total New Construction</u>				1,369	1,369	1,369	1,369	1,369
13				Cohort 1					
14				Cohort 2		1,943	1,943	1,943	1,943
15				Cohort 3			2,896	2,896	2,896
16				Cohort 4				3,972	3,972
17				Cohort 5					5,440
18				Cohort Totals	1,369	3,312	6,208	10,179	15,620
19	<u>High Estimate Tax Impact (School)</u>				11.2	27.1	50.8	83.4	127.9
20	<u>High Estimate Tax Impact (Non-School)</u>				14.8	35.7	66.9	109.8	168.4
21									
22					2013	2014	2015	2016	2017
23	<u>Middle Estimate Assumes that Bill Applies to 10% of Total New Construction</u>				913	913	913	913	913
24				Cohort 1					
25				Cohort 2		1,296	1,296	1,296	1,296
26				Cohort 3			1,931	1,931	1,931
27				Cohort 4				2,648	2,648
28				Cohort 5					3,626.8
29				Cohort Totals	913	2,208	4,139	6,786	10,413
30	<u>Middle Estimate Tax Impact (School)</u>				7.5	18.1	33.9	55.6	85.3
31	<u>Middle Estimate Tax Impact (Non-School)</u>				9.8	23.8	44.6	73.2	112.3
32									
33					2013	2014	2015	2016	2017
34	<u>Low Estimate Assumes that Bill Applies to 5% of Total New Construction</u>				456	456	456	456	456
35				Cohort 1					
36				Cohort 2		648	648	648	648
37				Cohort 3			965	965	965
38				Cohort 4				1,324	1,324
39				Cohort 5					1,813
40				Cohort Totals	456	1,104	2,069	3,393	5,207
41	<u>Low Estimate Tax Impact (School)</u>				3.7	9.0	16.9	27.8	42.6
42	<u>Low Estimate Tax Impact (Non-School)</u>				4.9	11.9	22.3	36.6	56.1
43									
44	<u>Millage Rates</u>								
45	School	8.1912							
46	Nono-School	10.782							

	A	B	C	D	E	F	G	H	I
1	TOTAL RESIDENTIAL STRUCTURES ANALYSIS (HOMESTEAD AND NON-HOMESTEAD; EXISTING AND NEW)								
2	(in \$ Millions)								
3									
4									
5	TO EXISTING RESIDENTIAL STRUCTURES				2013	2014	2015	2016	2017
6									
7	High Estimate Tax Impact---SCHOOL (1% Assumption)				3.3	6.5	9.7	12.9	16.0
8	High Estimate Tax Impact---NON-SCHOOL (1% Assumption)				4.3	8.5	12.8	16.9	21.1
9									
17									
18	Middle Estimate Tax Impact---SCHOOL (0.55% Assumption)				1.8	3.6	5.4	7.1	8.9
19	Middle Estimate Tax Impact---NON-SCHOOL (0.55% Assumption)				2.4	4.7	7.0	9.4	11.7
20									
28									
29	Low Estimate Tax Impact---SCHOOL (0.1% Assumption)				0.3	0.7	1.0	1.3	1.6
30	Low Estimate Tax Impact---NON-SCHOOL (0.1% Assumption)				0.4	0.9	1.3	1.7	2.1
31									
32									
33	TO NEW RESIDENTIAL STRUCTURES				2013	2014	2015	2016	2017
41									
42	High Estimate Tax Impact---SCHOOL (15% Assumption)				11.2	27.1	50.8	83.4	127.9
43	High Estimate Tax Impact---NON-SCHOOL (15% Assumption)				14.8	35.7	66.9	109.8	168.4
44									
52									
53	Middle Estimate Tax Impact---SCHOOL (10% Assumption)				7.5	18.1	33.9	55.6	85.3
54	Middle Estimate Tax Impact---NON-SCHOOL (10% Assumption)				9.8	23.8	44.6	73.2	112.3
55									
56									
64	Low Estimate Tax Impact---SCHOOL (5% Assumption)				3.7	9.0	16.9	27.8	42.6
65	Low Estimate Tax Impact---NON-SCHOOL (5% Assumption)				4.9	11.9	22.3	36.6	56.1
66									
67									
68	TOTAL RESIDENTIAL STRUCTURES (IMPACT VALUE SCHOOL)				2013	2014	2015	2016	2017
69									
70	High Estimate Tax Impact				14.5	33.6	60.5	96.2	143.9
71									
72	Middle Estimate Tax Impact				9.3	21.7	39.3	62.7	94.2
73									
74	Low Estimate Tax Impact				4.1	9.7	17.9	29.1	44.3
75									
76									
77									
78	TOTAL RESIDENTIAL STRUCTURES (IMPACT VALUE NON-SCHOOL)				2013	2014	2015	2016	2017
79									
80	High Estimate Tax Impact				19.1	44.3	79.7	126.7	189.5
81									
82	Middle Estimate Tax Impact				12.2	28.5	51.7	82.5	123.9
83									
84	Low Estimate Tax Impact				5.3	12.8	23.6	38.3	58.3
85									

REVENUE ESTIMATING CONFERENCE

Tax: Corporate Income Tax
Issue: International Banking Facility Deduction
Bill Number(s): PCS/SB306-sections 4, 5 & 6

- Entire Bill**
 Partial Bill: sections 4, 5 & 6

Sponsor(s): Senator Braynon
Month/Year Impact Begins: FY2013-14
Date of Analysis: 2/5/2013

Section 1: Narrative

- a. Current Law:** 260.63(5) There shall be allowed as a deduction from adjusted federal income, to the extent not deductible in determining federal taxable income or subtracted pursuant to s. 220.13(1)(b)2., the eligible net income of an international banking facility.
- b. Proposed Change:** Removes the definition of international banking facility from 220.62(3) and (5), and also removes the deduction for international banking facilities in 220.62(5).

Section 2: Description of Data and Sources

DOR Corporate Income Tax Returns – 2011
 NEEC 2013-02 – Corporate Profit Growth

Section 3: Methodology (Include Assumptions and Attach Details)

Those entities that took the deduction in the 2011 corporate income tax returns were identified. Each entity’s deduction was then multiplied by their respective apportionment factor followed by the corporate tax rate 5.5 percent. The summation of these values resulted in the low estimate.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	\$18.0m	\$18.0m	\$13.5m	\$13.5m	\$9.0m	\$9.0m
2014-15	\$18.8m	\$18.8m	\$14.1m	\$14.1m	\$9.4m	\$9.4m
2015-16	\$18.2m	\$18.2m	\$13.7m	\$13.7m	\$9.1m	\$9.1m
2016-17	\$17.6m	\$17.6m	\$13.2m	\$13.2m	\$8.8m	\$8.8m
2017-18	\$17.4m	\$17.4m	\$13.0m	\$13.0m	\$8.7m	\$8.7m

List of affected Trust Funds: General Revenue

Section 5: Consensus Estimate (Adopted: 03/16/2013) The conference adopted the middle estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	13.5	13.5	0.0	0.0	0.0	0.0	13.5	13.5
2014-15	14.1	14.1	0.0	0.0	0.0	0.0	14.1	14.1
2015-16	13.7	13.7	0.0	0.0	0.0	0.0	13.7	13.7
2016-17	13.2	13.2	0.0	0.0	0.0	0.0	13.2	13.2
2017-18	13.0	13.0	0.0	0.0	0.0	0.0	13.0	13.0

PCS/SB306-sections 4,5, - International Banking Facility Deduction

	A	B	C	D	E
1	Impact of deductions taken 2011 CIT Returns		8,607,282		
2					
3		17,214,564	12,910,923.23	8,607,282	<i>US corp profits, NEEC 2013-</i>
4	2013-14	\$ 18.0	\$ 13.5	\$ 9.0	4.6%
5	2014-15	\$ 18.8	\$ 14.1	\$ 9.4	4.6%
6	2015-16	\$ 18.2	\$ 13.7	\$ 9.1	-3.2%
7	2016-17	\$ 17.6	\$ 13.2	\$ 8.8	-3.2%
8	2017-18	\$ 17.4	\$ 13.0	\$ 8.7	-1.4%

REVENUE ESTIMATING CONFERENCE

Tax: Prepaid E911 Fees

Issue: Prepaid Calling Plans 46 cent fee

Bill Number(s): HB807/SB1070

Entire Bill

Partial Bill:

Sponsor(s): Representative Steube

Month/Year Impact Begins: January 1, 2013 (With fee collection starting in two phases on November 1, 2013 for retailers and January 1, 2014 for Remittance with a one month delay.)

Date of Analysis: March 1, 2013

Section 1: Narrative

a. Current Law: Section 365.172 F.S. under subsection (8) authorizes and imposes a per access line fee for up to 25 access lines per account bill. The fee is set at fifty cents for each line except for counties that had a lesser rate in place by July 1, 2007. Subsection (8)(a) provides that "Each voice communications services provider shall collect the fee described in this subsection." The subsection allows that the fee shall not be assessed on any pay telephone in the state, and that it will not be collected from the sale of prepaid wireless service before July 1, 2013.

Of the fees collected the provider may retain 1 percent of the amount of the fees collected as the reimbursement for the administrative costs incurred by the provider to bill, collect, and remit the fee.

b. Proposed Change: The proposed language changes the statewide rate from 50 cents to 46 cents except for those counties that had previously adopted a lower rate as of July 1, 2007. The E911 fee is imposed on prepaid wireless service at 46 cents instead of 50 cents. The proposed language imposes the tax on January 1, 2014 instead of July 1, 2013. The seller of the prepaid service may elect not to apply the wireless E911 fee to transactions for less than 10 minutes or \$5. The fee shall be remitted to the Department of Revenue and the department shall retain up to 1 percent of such funds to reimburse its direct costs of administering the prepaid wireless fee. Sellers are allowed to begin collecting the E911 fees two months in advance of the time which they will begin collecting and remitting to the Department of Revenue. The sellers will retain 100 percent of these collections to allow sellers of all sizes and technological capabilities adequate time to comply with the imposed rate. Beginning January 1, 2014, a seller may retain 5 percent of the prepaid wireless E911 fees that are collected by the seller from consumers.

Section 2: Description of Data and Sources

E911 Board Annual Reports and Underlying data

Tax base numbers from 02/2013 Revenue Estimating Conference Gross Receipts and Communications Services Tax

Wireless growth numbers from the Estimates for Prepaid base presented at the 02/2013 REC Gross Receipt/CST meeting

Section 3: Methodology (Include Assumptions and Attach Details)

Under the current law the 50 cent fee would be due on prepaid wireless service beginning on July 1, 2013. The 2013-14 impact is reduced by two months for the current law and for one month in the proposed changes. This means that the values being compared for prepaid wireless service E911 fees are 10 months of 50 cent fees, less collection allowance, for the current law and 5 months of 46 cent fees, less collection allowance, for the proposed change. The difference in delay to remittance between the current and proposed language comes from the Department of Revenue assuming administration of the E911 fee on Prepaid Wireless under the proposed language. The proposed language specifies that the prepaid wireless E911 fees collected by sellers shall be remitted to the Department of Revenue at the times and in the manner provided under s. 212.11. This means the Department of Revenue should see the remittances one month sooner than the E911 fees administered by the E911 Board. The proposed language prevents the 50 cent fee from applying to prepaid wireless service in advance of the January 1, 2014 rate change. For this reason the cash value for the first year is larger than the recurring value. The recurring value represents a full year of the 50 cent fee, less collection allowance, compared to the full year of the 46 cent fee, less collection allowance.

The proposed language also alters the statewide rate for E911 fees and the potential impact to county level funds occurs due to this change from 50 cents per month per handset to 46 cents per month per handset. The number of lines per county, except for the three counties with rates lower than 46 cents, is multiplied by the new rate and this amount is subtracted from the current rates multiplied by the lines per county. This calculation is done for each of the four provider group categories reported to the E911 Board. The fourth category, specialty providers, has no subscriber lines for 2011-12 and was excluded from this impact estimate. For the local exchange carriers (LEC) the three counties with lower rates have no change between the new and old rate. For the remaining two categories, VOIP and wireless, the changes are applied and then grown at the appropriate

REVENUE ESTIMATING CONFERENCE

Tax: Prepaid E911 Fees

Issue: Prepaid Calling Plans 46 cent fee

Bill Number(s): HB807/SB1070

growth rate. The wireless amount is grown at the postpaid wireless growth rates presented to the REC on 02/28/13. The LEC amount is grown at the landline base that is part of the estimate adopted for the Gross Receipts/CST conference from 02/28/13. The VOIP amount is grown at the Other/Miscellaneous base that is part of the estimate adopted for the Gross Receipts/CST conference from 02/28/13.

The effective date of the rate change means that the new fee only effects four months for the wireless, LEC, and VOIP E911 fees for the 2013-14 fiscal year.

The high, middle, and low estimates take the high, middle, and low amounts for the prepaid and postpaid wireless amounts and combine them with the amounts from the LEC and VOIP for each period.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	\$(25.1 M)	\$(13.8 M)	\$(25.1 M)	\$(13.8 M)	\$(24.3 M)	\$(13.5 M)
2014-15	\$(14.1 M)	\$(14.1 M)	\$(14.1 M)	\$(14.1 M)	\$(13.6 M)	\$(13.6 M)
2015-16	\$(14.5 M)	\$(14.5 M)	\$(14.5 M)	\$(14.5 M)	\$(13.9 M)	\$(13.9 M)
2016-17	\$(14.9 M)	\$(14.9 M)	\$(14.9 M)	\$(14.9 M)	\$(14.1 M)	\$(14.1 M)
2017-18	\$(15.4 M)	\$(15.4 M)	\$(15.4 M)	\$(15.4 M)	\$(14.3 M)	\$(14.3 M)

List of affected Trust Funds: Emergency Communications Number E911 System Fund

Section 5: Consensus Estimate (Adopted:03/16/2013) The conference adopted the middle impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	0.0	0.0	(25.1)	(13.8)	0.0	0.0	(25.1)	(13.8)
2014-15	0.0	0.0	(14.1)	(14.1)	0.0	0.0	(14.1)	(14.1)
2015-16	0.0	0.0	(14.5)	(14.5)	0.0	0.0	(14.5)	(14.5)
2016-17	0.0	0.0	(14.9)	(14.9)	0.0	0.0	(14.9)	(14.9)
2017-18	0.0	0.0	(15.4)	(15.4)	0.0	0.0	(15.4)	(15.4)

HB 807 E911 Fee changes

Summary

	A	B	C	D	E	F	G
1	Impacts from changes to Fee (\$M)						
2		Wireless-High	Wireless-Middle	Wireless-Low	LEC	VOIP	
3	2013-14	\$ (5.1)	\$ (5.1)	\$ (5.0)	\$ (2.2)	\$ (0.9)	
4	2014-15	\$ (5.1)	\$ (5.1)	\$ (4.9)	\$ (2.1)	\$ (0.9)	
5	2015-16	\$ (5.0)	\$ (5.0)	\$ (4.8)	\$ (1.9)	\$ (0.9)	
6	2016-17	\$ (5.0)	\$ (5.0)	\$ (4.7)	\$ (1.8)	\$ (0.9)	
7	2017-18	\$ (5.0)	\$ (5.0)	\$ (4.6)	\$ (1.7)	\$ (1.0)	
8							
9	Impacts from Imposing E911 Fee on Prepaid Wireless						
10		Prepaid-High	Prepaid-Middle	Prepaid-Low			
11	2013-14 Cash	\$ (22.4)	\$ (22.4)	\$ (21.6)			
12	2013-14 Recurring	\$ (5.64)	\$ (5.63)	\$ (5.44)			
13	2014-15	\$ (6.13)	\$ (6.12)	\$ (5.82)			
14	2015-16	\$ (6.64)	\$ (6.61)	\$ (6.20)			
15	2016-17	\$ (7.16)	\$ (7.13)	\$ (6.58)			
16	2017-18	\$ (7.69)	\$ (7.65)	\$ (6.96)			
17							
18	Net Change With Timing Delay						
19		High		Middle		Low	
20		Cash	Recurring	Cash	Recurring	Cash	Recurring
21	2013-14	\$ (25.1 M)	\$ (13.8 M)	\$ (25.1 M)	\$ (13.8 M)	\$ (24.3 M)	\$ (13.5 M)
22	2014-15	\$ (14.1 M)	\$ (14.1 M)	\$ (14.1 M)	\$ (14.1 M)	\$ (13.6 M)	\$ (13.6 M)
23	2015-16	\$ (14.5 M)	\$ (14.5 M)	\$ (14.5 M)	\$ (14.5 M)	\$ (13.9 M)	\$ (13.9 M)
24	2016-17	\$ (14.9 M)	\$ (14.9 M)	\$ (14.9 M)	\$ (14.9 M)	\$ (14.1 M)	\$ (14.1 M)
25	2017-18	\$ (15.4 M)	\$ (15.4 M)	\$ (15.4 M)	\$ (15.4 M)	\$ (14.3 M)	\$ (14.3 M)

HB 807 E911 Fee changes
Wireless Postpaid

	A	B	C	D	E	F	G
1	Wireless Subscribers						
2	All current rates \$0.50				Annual fees applied to monthly handsets		
3	County	6 month avg. Jul 11- Dec 11(Monthly)	6 month avg. Jan 12- Jun12(Monthly)		\$0.46 Rate (\$5.52*Col C)	\$0.50 Rate (\$6.00 * Col C)	Column F minus Column G
4	Alachua	149,607	139,687		\$ 771,073.16	\$ 838,123.00	\$ (67,049.84)
5	Baker	11,323	11,106		\$ 61,306.04	\$ 66,637.00	\$ (5,330.96)
6	Bay	100,246	98,750		\$ 545,101.84	\$ 592,502.00	\$ (47,400.16)
7	Bradford	11,439	10,731		\$ 59,236.96	\$ 64,388.00	\$ (5,151.04)
8	Brevard	375,927	331,846		\$ 1,831,791.76	\$ 1,991,078.00	\$ (159,286.24)
9	Broward	1,400,355	1,038,249		\$ 5,731,135.40	\$ 6,229,495.00	\$ (498,359.60)
10	Calhoun	5,379	5,115		\$ 28,234.80	\$ 30,690.00	\$ (2,455.20)
11	Charlotte	92,654	82,999		\$ 458,153.56	\$ 497,993.00	\$ (39,839.44)
12	Citrus	71,033	68,315		\$ 377,096.04	\$ 409,887.00	\$ (32,790.96)
13	Clay	131,007	121,545		\$ 670,928.40	\$ 729,270.00	\$ (58,341.60)
14	Collier	214,990	178,824		\$ 987,108.48	\$ 1,072,944.00	\$ (85,835.52)
15	Columbia	31,173	30,772		\$ 169,859.60	\$ 184,630.00	\$ (14,770.40)
16	Desoto	11,772	10,831		\$ 59,786.20	\$ 64,985.00	\$ (5,198.80)
17	Dixie	5,027	4,849		\$ 26,763.72	\$ 29,091.00	\$ (2,327.28)
18	Duval	643,379	556,653		\$ 3,072,725.48	\$ 3,339,919.00	\$ (267,193.52)
19	Escambia	182,889	183,707		\$ 1,014,064.48	\$ 1,102,244.00	\$ (88,179.52)
20	Flagler	55,911	52,355		\$ 288,997.76	\$ 314,128.00	\$ (25,130.24)
21	Franklin	4,879	4,601		\$ 25,399.36	\$ 27,608.00	\$ (2,208.64)
22	Gadsden	20,936	19,806		\$ 109,330.96	\$ 118,838.00	\$ (9,507.04)
23	Gilchrist	7,945	7,752		\$ 42,791.96	\$ 46,513.00	\$ (3,721.04)
24	Glades	3,578	3,245		\$ 17,910.56	\$ 19,468.00	\$ (1,557.44)
25	Gulf	6,947	6,590		\$ 36,377.72	\$ 39,541.00	\$ (3,163.28)
26	Hamilton	4,819	4,741		\$ 26,169.40	\$ 28,445.00	\$ (2,275.60)
27	Hardee	10,699	10,015		\$ 55,280.04	\$ 60,087.00	\$ (4,806.96)
28	Hendry	17,241	13,219		\$ 72,970.72	\$ 79,316.00	\$ (6,345.28)
29	Hernando	99,342	86,664		\$ 478,386.20	\$ 519,985.00	\$ (41,598.80)
30	Highlands	46,248	42,738		\$ 235,912.84	\$ 256,427.00	\$ (20,514.16)
31	Hillsborough	946,390	772,402		\$ 4,263,660.88	\$ 4,634,414.00	\$ (370,753.12)
32	Holmes	6,768	6,400		\$ 35,326.16	\$ 38,398.00	\$ (3,071.84)
33	Indian River	84,433	75,817		\$ 418,510.76	\$ 454,903.00	\$ (36,392.24)
34	Jackson	20,842	20,307		\$ 112,095.56	\$ 121,843.00	\$ (9,747.44)
35	Jefferson	6,960	6,877		\$ 37,959.20	\$ 41,260.00	\$ (3,300.80)
36	Lafayette	2,713	2,683		\$ 14,812.00	\$ 16,100.00	\$ (1,288.00)
37	Lake	177,336	167,430		\$ 924,210.84	\$ 1,004,577.00	\$ (80,366.16)
38	Lee	403,802	323,819		\$ 1,787,479.04	\$ 1,942,912.00	\$ (155,432.96)
39	Leon	163,517	161,930		\$ 893,855.44	\$ 971,582.00	\$ (77,726.56)
40	Levy	19,649	18,982		\$ 104,780.64	\$ 113,892.00	\$ (9,111.36)
41	Liberty	3,076	2,963		\$ 16,357.60	\$ 17,780.00	\$ (1,422.40)
42	Madison	7,236	7,042		\$ 38,869.08	\$ 42,249.00	\$ (3,379.92)
43	Manatee	200,875	171,763		\$ 948,132.68	\$ 1,030,579.00	\$ (82,446.32)
44	Marion	184,472	170,086		\$ 938,871.96	\$ 1,020,513.00	\$ (81,641.04)
45	Martin	100,613	86,806		\$ 479,166.36	\$ 520,833.00	\$ (41,666.64)
46	Miami-Dade	1,976,954	1,253,169		\$ 6,917,493.80	\$ 7,519,015.00	\$ (601,521.20)
47	Monroe	65,431	53,683		\$ 296,327.40	\$ 322,095.00	\$ (25,767.60)
48	Nassau	47,279	45,072		\$ 248,795.60	\$ 270,430.00	\$ (21,634.40)
49	Okaloosa	134,976	137,107		\$ 756,831.56	\$ 822,643.00	\$ (65,811.44)
50	Okeechobee	16,131	14,371		\$ 79,327.00	\$ 86,225.00	\$ (6,898.00)
51	Orange	858,875	733,031		\$ 4,046,328.36	\$ 4,398,183.00	\$ (351,854.64)
52	Osceola	188,754	147,617		\$ 814,846.76	\$ 885,703.00	\$ (70,856.24)
53	Palm Beach	959,987	768,231		\$ 4,240,636.96	\$ 4,609,388.00	\$ (368,751.04)
54	Pasco	293,571	259,333		\$ 1,431,519.08	\$ 1,555,999.00	\$ (124,479.92)
55	Pinellas	658,775	558,677		\$ 3,083,896.12	\$ 3,352,061.00	\$ (268,164.88)
56	Polk	360,303	288,799		\$ 1,594,171.40	\$ 1,732,795.00	\$ (138,623.60)
57	Putnam	31,741	31,339		\$ 172,988.52	\$ 188,031.00	\$ (15,042.48)
58	Santa Rosa	96,841	98,073		\$ 541,361.12	\$ 588,436.00	\$ (47,074.88)
59	Sarasota	244,904	221,474		\$ 1,222,534.64	\$ 1,328,842.00	\$ (106,307.36)
60	Seminole	324,507	296,979		\$ 1,639,325.00	\$ 1,781,875.00	\$ (142,550.00)
61	St. Johns	128,303	129,501		\$ 714,843.68	\$ 777,004.00	\$ (62,160.32)
62	St. Lucie	172,345	133,153		\$ 735,001.80	\$ 798,915.00	\$ (63,913.20)
63	Sumter	42,177	44,043		\$ 243,114.60	\$ 264,255.00	\$ (21,140.40)
64	Suwannee	18,258	18,155		\$ 100,212.84	\$ 108,927.00	\$ (8,714.16)
65	Taylor	8,888	8,463		\$ 46,714.84	\$ 50,777.00	\$ (4,062.16)
66	Union	4,891	4,828		\$ 26,648.72	\$ 28,966.00	\$ (2,317.28)
67	Volusia	317,915	285,551		\$ 1,576,241.52	\$ 1,713,306.00	\$ (137,064.48)
68	Wakulla	15,255	15,106		\$ 83,384.20	\$ 90,635.00	\$ (7,250.80)
69	Walton	32,560	33,188		\$ 183,199.60	\$ 199,130.00	\$ (15,930.40)
70	Washington	9,396	9,220		\$ 50,895.32	\$ 55,321.00	\$ (4,425.68)
71							
72	Total	13,054,438	10,709,171		\$ 59,114,622	\$ 64,255,024	\$ (5,140,402)

HB 807 E911 Fee changes
Wireless Postpaid

	A	B	C	D	E	F	G
73							
74	Difference in Monthly Subscribers		-2,345,268				
75							
76	Change from difference in Fees (Cell G72)						
77	2011-12		\$ (5,140,402)				
78							
79	Wireless Postpaid Table 1						
80	Growth rate For Post Paid wireless Handsets from Prepaid Analysis						
81	Year	High	Middle	Low			
89	2012-13	0.34%	0.42%	-0.84%			
90	2013-14	0.43%	0.51%	-0.77%			
91	2014-15	0.53%	0.61%	-0.70%			
92	2015-16	0.63%	0.71%	-0.63%			
93	2016-17	0.73%	0.80%	-0.56%			
94	2017-18	0.83%	0.90%	-0.49%			
95							
96	Wireless Postpaid Table 2						
97	Wireless impact grown at Post Paid Wireless Handset growth rates (reduced by the collection allowance of 1%)						
98	Year	High	Middle	Low			
99	2012-13	\$ (5,106,118)	\$ (5,110,286)	\$ (5,046,298)			
100	2013-14	\$ (5,076,987)	\$ (5,085,160)	\$ (4,957,283)			
101	2014-15	\$ (5,052,959)	\$ (5,064,984)	\$ (4,873,186)			
102	2015-16	\$ (5,033,986)	\$ (5,049,720)	\$ (4,793,841)			
103	2016-17	\$ (5,020,028)	\$ (5,039,336)	\$ (4,719,090)			
104	2017-18	\$ (5,011,049)	\$ (5,033,803)	\$ (4,648,782)			
105							
106	Change between December 2011 and January 2012 (Cell C74)						
107	2011-12	2,345,268					
108							
109	Wireless Postpaid Table 3						
110	Apply the Post Paid handset growth rates to the reduction value from cell B105 (This table is carried over to the Prepaid analysis)						
111	Year	High	Middle	Low			
112	2012-13	2,353,157	2,355,078	2,325,589			
113	2013-14	2,363,366	2,367,171	2,307,643			
114	2014-15	2,375,940	2,381,595	2,291,409			
115	2015-16	2,390,928	2,398,401	2,276,870			
116	2016-17	2,408,382	2,417,645	2,264,006			
117	2017-18	2,428,358	2,439,385	2,252,804			

HB 807 E911 Fee changes

Wireless Prepaid

	A	B	C	D	E	F	G
1							
2	Wireless Prepaid Table 1						
3	Handsets per year						
4	Year	High	Middle	Low			
5	2012-13	5,071,499	5,060,687	4,962,484			
6	2013-14	5,746,740	5,725,323	5,514,842			
7	2014-15	6,437,975	6,406,145	6,068,844			
8	2015-16	7,146,102	7,104,035	6,624,877			
9	2016-17	7,872,045	7,819,902	7,183,327			
10	2017-18	8,616,764	8,554,692	7,744,580			
11							
12	The change between December 2011 and January 2012 has been attributed to prepaid wireless service providers who were paying stopping their collection and payment of the fee.						
13	This change is layered on top of the Prepaid Handsets from rows 6-12 above						
14							
15	Wireless Postpaid Table 3 (From Wireless Postpaid Sheet)						
16	Prepaid handsets that were in wireless E911 handsets before 1/2012						
17	Year	High	Middle	Low			
18	2012-13	2,353,157	2,355,078	2,325,589			
19	2013-14	2,363,366	2,367,171	2,307,643			
20	2014-15	2,375,940	2,381,595	2,291,409			
21	2015-16	2,390,928	2,398,401	2,276,870			
22	2016-17	2,408,382	2,417,645	2,264,006			
23	2017-18	2,428,358	2,439,385	2,252,804			
24							
25	Wireless Prepaid Table 2						
26	Combined handsets from Prepaid Table 1 and Postpaid Table 3						
27	Year	High	Middle	Low			
28	2012-13	7,424,656	7,415,765	7,288,073			
29	2013-14	8,110,106	8,092,494	7,822,485			
30	2014-15	8,813,915	8,787,740	8,360,253			
31	2015-16	9,537,030	9,502,436	8,901,747			
32	2016-17	10,280,427	10,237,547	9,447,333			
33	2017-18	11,045,122	10,994,077	9,997,384			
34							
35	Wireless Prepaid Table 3						
36	Apply the new annual fee of \$5.52 to the Handset estimates from Prepaid Table 2						
37	Year	High	Middle	Low			
38	2012-13	\$ 40,984,102	\$ 40,935,022	\$ 40,230,164			
39	2013-14	\$ 44,767,785	\$ 44,670,565	\$ 43,180,118			
40	2014-15	\$ 48,652,811	\$ 48,508,322	\$ 46,148,599			
41	2015-16	\$ 52,644,406	\$ 52,453,448	\$ 49,137,641			
42	2016-17	\$ 56,747,959	\$ 56,511,262	\$ 52,149,279			
43	2017-18	\$ 60,969,074	\$ 60,687,306	\$ 55,185,557			
44							

HB 807 E911 Fee changes

Wireless Prepaid

	A	B	C	D	E	F	G
45	Wireless Prepaid Table 4						
46	Adjust values from Prepaid Table 3 for 5% collection allowance						
47	Year	High	Middle	Low			
48	2012-13	\$ 38,934,897	\$ 38,888,271	\$ 38,218,656			
49	2013-14	\$ 42,529,395	\$ 42,437,036	\$ 41,021,112			
50	2014-15	\$ 46,220,170	\$ 46,082,906	\$ 43,841,169			
51	2015-16	\$ 50,012,186	\$ 49,830,776	\$ 46,680,759			
52	2016-17	\$ 53,910,561	\$ 53,685,699	\$ 49,541,815			
53	2017-18	\$ 57,920,621	\$ 57,652,941	\$ 52,426,279			
54							
55	Wireless Prepaid Table 5						
56	Apply the current annual fee of \$6.00 to the Handset estimates from Prepaid Table 2						
57	Year	High	Middle	Low			
58	2012-13	\$ 44,547,937	\$ 44,494,590	\$ 43,728,440			
59	2013-14	\$ 48,660,635	\$ 48,554,962	\$ 46,934,911			
60	2014-15	\$ 52,883,490	\$ 52,726,437	\$ 50,161,521			
61	2015-16	\$ 57,222,181	\$ 57,014,618	\$ 53,410,479			
62	2016-17	\$ 61,682,564	\$ 61,425,285	\$ 56,683,999			
63	2017-18	\$ 66,270,733	\$ 65,964,463	\$ 59,984,301			
64							
65	Wireless Prepaid Table 6						
66	Adjust values from Prepaid Table 5 for 1% collection allowance						
67	Year	High	Middle	Low			
68	2012-13	\$ 44,102,458	\$ 44,049,644	\$ 43,291,155			
69	2013-14	\$ 48,174,029	\$ 48,069,412	\$ 46,465,562			
70	2014-15	\$ 52,354,655	\$ 52,199,173	\$ 49,659,906			
71	2015-16	\$ 56,649,959	\$ 56,444,471	\$ 52,876,374			
72	2016-17	\$ 61,065,739	\$ 60,811,032	\$ 56,117,159			
73	2017-18	\$ 65,608,026	\$ 65,304,818	\$ 59,384,458			
74							
75	Wireless Prepaid Table 7 (Prepaid Table 4 - Prepaid Table 6)						
76	Impact from new law adjusted to reflect timing differences						
77	For 13-14 half the year will be at the old rate and half the year will be at the new rate with one month lags for each change						
78	(\$Millions)						
79	Year	High	Middle	Low			
80	2013-14	\$ (22.42)	\$ (22.38)	\$ (21.63)			
81	2014-15	\$ (6.13)	\$ (6.12)	\$ (5.82)			
82	2015-16	\$ (6.64)	\$ (6.61)	\$ (6.20)			
83	2016-17	\$ (7.16)	\$ (7.13)	\$ (6.58)			
84	2017-18	\$ (7.69)	\$ (7.65)	\$ (6.96)			
85							
86	2013-14 without timing adjustments for use as 2013-14 recurring						
87	Year	High	Middle	Low			
88	2013-14	\$ (5.64)	\$ (5.63)	\$ (5.44)			

HB 807 E911 Fee changes

Local Exchange Carriers

	A	B	C	D	E	F	G
1	NonWireless - LEC Subscribers						
2	*The rate before and after the effective date of the proposed change does not affect the rates Duval, Lee, or Volusia County. Their rates are as follows: Duval and Lee \$0.44/month; Volusia \$0.41						
3	County	FY 11-12 Monthly Average	FY 11-12 Total		\$0.46* Rate	\$0.50* Rate	Column F minus Column G
4	Alachua	78,823	945,877		\$ 435,103.42	\$ 472,938.50	\$ (37,835.08)
5	Baker	8,251	99,009		\$ 45,544.14	\$ 49,504.50	\$ (3,960.36)
6	Bay	71,964	863,570		\$ 397,242.20	\$ 431,785.00	\$ (34,542.80)
7	Bradford	8,348	100,173		\$ 46,079.58	\$ 50,086.50	\$ (4,006.92)
8	Brevard	113,730	1,364,763		\$ 627,790.98	\$ 682,381.50	\$ (54,590.52)
9	Broward	620,444	7,445,328		\$ 3,424,850.88	\$ 3,722,664.00	\$ (297,813.12)
10	Calhoun	4,967	59,606		\$ 27,418.76	\$ 29,803.00	\$ (2,384.24)
11	Charlotte	71,279	855,351		\$ 393,461.46	\$ 427,675.50	\$ (34,214.04)
12	Citrus	28,349	340,191		\$ 156,487.86	\$ 170,095.50	\$ (13,607.64)
13	Clay	53,681	644,176		\$ 296,320.96	\$ 322,088.00	\$ (25,767.04)
14	Collier	160,349	1,924,186		\$ 885,125.56	\$ 962,093.00	\$ (76,967.44)
15	Columbia	21,976	263,715		\$ 121,308.90	\$ 131,857.50	\$ (10,548.60)
16	Desoto	8,834	106,005		\$ 48,762.30	\$ 53,002.50	\$ (4,240.20)
17	Dixie	5,336	64,029		\$ 29,453.34	\$ 32,014.50	\$ (2,561.16)
18	Duval	318,585	3,823,025		\$ 1,682,131.00	\$ 1,682,131.00	\$ -
19	Escambia	97,535	1,170,419		\$ 538,392.74	\$ 585,209.50	\$ (46,816.76)
20	Flagler	17,337	208,043		\$ 95,699.78	\$ 104,021.50	\$ (8,321.72)
21	Franklin	5,527	66,323		\$ 30,508.58	\$ 33,161.50	\$ (2,652.92)
22	Gadsden	14,769	177,229		\$ 81,525.34	\$ 88,614.50	\$ (7,089.16)
23	Gilchrist	5,417	65,005		\$ 29,902.30	\$ 32,502.50	\$ (2,600.20)
24	Glades	3,135	37,614		\$ 17,302.44	\$ 18,807.00	\$ (1,504.56)
25	Gulf	6,092	73,106		\$ 33,628.76	\$ 36,553.00	\$ (2,924.24)
26	Hamilton	4,637	55,644		\$ 25,596.24	\$ 27,822.00	\$ (2,225.76)
27	Hardee	6,117	73,408		\$ 33,767.68	\$ 36,704.00	\$ (2,936.32)
28	Hendry	8,906	106,867		\$ 49,158.82	\$ 53,433.50	\$ (4,274.68)
29	Hernando	27,932	335,182		\$ 154,183.72	\$ 167,591.00	\$ (13,407.28)
30	Highlands	37,583	450,994		\$ 207,457.24	\$ 225,497.00	\$ (18,039.76)
31	Hillsborough	339,014	4,068,166		\$ 1,871,356.36	\$ 2,034,083.00	\$ (162,726.64)
32	Holmes	6,181	74,168		\$ 34,117.28	\$ 37,084.00	\$ (2,966.72)
33	Indian River	60,774	729,290		\$ 335,473.40	\$ 364,645.00	\$ (29,171.60)
34	Jackson	15,549	186,592		\$ 85,832.32	\$ 93,296.00	\$ (7,463.68)
35	Jefferson	5,309	63,712		\$ 29,307.52	\$ 31,856.00	\$ (2,548.48)
36	Lafayette	2,773	33,271		\$ 15,304.66	\$ 16,635.50	\$ (1,330.84)
37	Lake	95,286	1,143,434		\$ 525,979.64	\$ 571,717.00	\$ (45,737.36)
38	Lee	273,890	3,286,685		\$ 1,446,141.40	\$ 1,446,141.40	\$ -
39	Leon	92,189	1,106,265		\$ 508,881.90	\$ 553,132.50	\$ (44,250.60)
40	Levy	14,337	172,038		\$ 79,137.48	\$ 86,019.00	\$ (6,881.52)
41	Liberty	2,476	29,706		\$ 13,664.76	\$ 14,853.00	\$ (1,188.24)
42	Madison	6,233	74,801		\$ 34,408.46	\$ 37,400.50	\$ (2,992.04)
43	Manatee	86,712	1,040,547		\$ 478,651.62	\$ 520,273.50	\$ (41,621.88)
44	Marion	120,085	1,441,019		\$ 662,868.74	\$ 720,509.50	\$ (57,640.76)
45	Martin	66,130	793,556		\$ 365,035.76	\$ 396,778.00	\$ (31,742.24)
46	Miami-Dade	776,164	9,313,968		\$ 4,284,425.28	\$ 4,656,984.00	\$ (372,558.72)
47	Monroe	38,795	465,537		\$ 214,147.02	\$ 232,768.50	\$ (18,621.48)
48	Nassau	28,726	344,716		\$ 158,569.36	\$ 172,358.00	\$ (13,788.64)
49	Okaloosa	70,485	845,823		\$ 389,078.58	\$ 422,911.50	\$ (33,832.92)
50	Okeechobee	11,388	136,657		\$ 62,862.22	\$ 68,328.50	\$ (5,466.28)
51	Orange	255,688	3,068,255		\$ 1,411,397.30	\$ 1,534,127.50	\$ (122,730.20)
52	Osceola	52,062	624,748		\$ 287,384.08	\$ 312,374.00	\$ (24,989.92)
53	Palm Beach	535,003	6,420,036		\$ 2,953,216.56	\$ 3,210,018.00	\$ (256,801.44)
54	Pasco	104,199	1,250,390		\$ 575,179.40	\$ 625,195.00	\$ (50,015.60)
55	Pinellas	231,008	2,772,099		\$ 1,275,165.54	\$ 1,386,049.50	\$ (110,883.96)
56	Polk	119,191	1,430,294		\$ 657,935.24	\$ 715,147.00	\$ (57,211.76)
57	Putnam	26,245	314,941		\$ 144,872.86	\$ 157,470.50	\$ (12,597.64)
58	Santa Rosa	33,173	398,079		\$ 183,116.34	\$ 199,039.50	\$ (15,923.16)
59	Sarasota	194,122	2,329,461		\$ 1,071,552.06	\$ 1,164,730.50	\$ (93,178.44)
60	Seminole	92,007	1,104,081		\$ 507,877.26	\$ 552,040.50	\$ (44,163.24)
61	St. Johns	74,477	893,719		\$ 411,110.74	\$ 446,859.50	\$ (35,748.76)
62	St. Lucie	81,226	974,708		\$ 448,365.68	\$ 487,354.00	\$ (38,988.32)
63	Sumter	38,135	457,615		\$ 210,502.90	\$ 228,807.50	\$ (18,304.60)
64	Suwannee	16,812	201,739		\$ 92,799.94	\$ 100,869.50	\$ (8,069.56)
65	Taylor	8,009	96,111		\$ 44,211.06	\$ 48,055.50	\$ (3,844.44)
66	Union	3,550	42,597		\$ 19,594.62	\$ 21,298.50	\$ (1,703.88)
67	Volusia	108,228	1,298,741		\$ 532,483.81	\$ 532,483.81	\$ -
68	Wakulla	9,777	117,326		\$ 53,969.96	\$ 58,663.00	\$ (4,693.04)
69	Walton	26,294	315,523		\$ 145,140.58	\$ 157,761.50	\$ (12,620.92)
70	Washington	6,992	83,908		\$ 38,597.68	\$ 41,954.00	\$ (3,356.32)
71							
72	Total	5,938,597	\$ 71,263,160		\$ 32,573,922	\$ 35,088,111	\$ (2,514,188)

	A	B	C	D	E	F	G
73							
74							
75	Change from difference in Fees (Cell G72)						
76	2011-12	\$ (2,514,188)					
77							
78	LEC Table 1				LEC Table 2		
79	Growth Rate for Landline from REC CST conference 2/2012				Fee change difference grown at REC landline growth rates (reduced by collection allowance of 1%)		
80	Year				Year		
88	2012-13	-6.39%			2012-13	\$ (2,329,913)	
89	2013-14	-4.70%			2013-14	\$ (2,198,249)	
90	2014-15	-4.90%			2014-15	\$ (2,069,629)	
91	2015-16	-4.90%			2015-16	\$ (1,948,535)	
92	2016-17	-4.90%			2016-17	\$ (1,834,526)	
93	2017-18	-4.90%			2017-18	\$ (1,727,188)	

	A	B	C	D	E	F	G
1	NonWireless - VoIP Subscribers						
2	County	FY 11-12 Monthly Average	FY 11-12 Total		\$0.46 Rate	\$0.50 Rate	Column F minus Column G
3	Alachua	2,256	27,076		\$ 12,454.96	\$ 13,538.00	\$ (1,083.04)
4	Baker	150	1,804		\$ 829.84	\$ 902.00	\$ (72.16)
5	Bay	2,686	32,229		\$ 14,825.34	\$ 16,114.50	\$ (1,289.16)
6	Bradford	74	887		\$ 408.02	\$ 443.50	\$ (35.48)
7	Brevard	109,326	1,311,910		\$ 603,478.60	\$ 655,955.00	\$ (52,476.40)
8	Broward	116,237	1,394,841		\$ 641,626.86	\$ 697,420.50	\$ (55,793.64)
9	Calhoun	29	345		\$ 158.70	\$ 172.50	\$ (13.80)
10	Charlotte	1,862	22,345		\$ 10,278.70	\$ 11,172.50	\$ (893.80)
11	Citrus	32,856	394,270		\$ 181,364.20	\$ 197,135.00	\$ (15,770.80)
12	Clay	7,778	93,333		\$ 42,933.18	\$ 46,666.50	\$ (3,733.32)
13	Collier	5,760	69,123		\$ 31,796.58	\$ 34,561.50	\$ (2,764.92)
14	Columbia	1,139	13,669		\$ 6,287.74	\$ 6,834.50	\$ (546.76)
15	Desoto	81	974		\$ 448.04	\$ 487.00	\$ (38.96)
16	Dixie	40	479		\$ 220.34	\$ 239.50	\$ (19.16)
17	Duval	36,365	436,381		\$ 200,735.26	\$ 218,190.50	\$ (17,455.24)
18	Escambia	11,686	140,228		\$ 64,504.88	\$ 70,114.00	\$ (5,609.12)
19	Flagler	21,699	260,389		\$ 119,778.94	\$ 130,194.50	\$ (10,415.56)
20	Franklin	809	9,708		\$ 4,465.68	\$ 4,854.00	\$ (388.32)
21	Gadsden	786	9,433		\$ 4,339.18	\$ 4,716.50	\$ (377.32)
22	Gilchrist	36	437		\$ 201.02	\$ 218.50	\$ (17.48)
23	Glades	27	322		\$ 148.12	\$ 161.00	\$ (12.88)
24	Gulf	977	11,729		\$ 5,395.34	\$ 5,864.50	\$ (469.16)
25	Hamilton	34	405		\$ 186.30	\$ 202.50	\$ (16.20)
26	Hardee	27	327		\$ 150.42	\$ 163.50	\$ (13.08)
27	Hendry	162	1,944		\$ 894.24	\$ 972.00	\$ (77.76)
28	Hernando	39,346	472,155		\$ 217,191.30	\$ 236,077.50	\$ (18,886.20)
29	Highlands	617	7,405		\$ 3,406.30	\$ 3,702.50	\$ (296.20)
30	Hillsborough	155,621	1,867,453		\$ 859,028.38	\$ 933,726.50	\$ (74,698.12)
31	Holmes	361	4,331		\$ 1,992.26	\$ 2,165.50	\$ (173.24)
32	Indian River	7,750	92,998		\$ 42,779.08	\$ 46,499.00	\$ (3,719.92)
33	Jackson	350	4,195		\$ 1,929.70	\$ 2,097.50	\$ (167.80)
34	Jefferson	26	306		\$ 140.76	\$ 153.00	\$ (12.24)
35	Lafayette	7	83		\$ 38.18	\$ 41.50	\$ (3.32)
36	Lake	19,905	238,860		\$ 109,875.60	\$ 119,430.00	\$ (9,554.40)
37	Lee	8,920	107,040		\$ 49,238.40	\$ 53,520.00	\$ (4,281.60)
38	Leon	2,451	29,410		\$ 13,528.60	\$ 14,705.00	\$ (1,176.40)
39	Levy	173	2,076		\$ 954.96	\$ 1,038.00	\$ (83.04)
40	Liberty	6	67		\$ 30.82	\$ 33.50	\$ (2.68)
41	Madison	31	374		\$ 172.04	\$ 187.00	\$ (14.96)
42	Manatee	52,022	624,266		\$ 287,162.36	\$ 312,133.00	\$ (24,970.64)
43	Marion	16,658	199,897		\$ 91,952.62	\$ 99,948.50	\$ (7,995.88)
44	Martin	7,018	84,218		\$ 38,740.28	\$ 42,109.00	\$ (3,368.72)
45	Miami-Dade	140,081	1,680,973		\$ 773,247.58	\$ 840,486.50	\$ (67,238.92)
46	Monroe	3,345	40,135		\$ 18,462.10	\$ 20,067.50	\$ (1,605.40)
47	Nassau	2,207	26,478		\$ 12,179.88	\$ 13,239.00	\$ (1,059.12)
48	Okaloosa	2,046	24,557		\$ 11,296.22	\$ 12,278.50	\$ (982.28)
49	Okeechobee	220	2,639		\$ 1,213.94	\$ 1,319.50	\$ (105.56)
50	Orange	157,115	1,885,375		\$ 867,272.50	\$ 942,687.50	\$ (75,415.00)
51	Osceola	34,061	408,729		\$ 188,015.34	\$ 204,364.50	\$ (16,349.16)
52	Palm Beach	85,776	1,029,307		\$ 473,481.22	\$ 514,653.50	\$ (41,172.28)
53	Pasco	73,097	877,169		\$ 403,497.74	\$ 438,584.50	\$ (35,086.76)
54	Pinellas	178,172	2,138,064		\$ 983,509.44	\$ 1,069,032.00	\$ (85,522.56)
55	Polk	89,971	1,079,657		\$ 496,642.22	\$ 539,828.50	\$ (43,186.28)
56	Putnam	1,147	13,768		\$ 6,333.28	\$ 6,884.00	\$ (550.72)
57	Santa Rosa	15,083	180,995		\$ 83,257.70	\$ 90,497.50	\$ (7,239.80)
58	Sarasota	7,410	88,919		\$ 40,902.74	\$ 44,459.50	\$ (3,556.76)
59	Seminole	67,171	806,047		\$ 370,781.62	\$ 403,023.50	\$ (32,241.88)
60	St. Johns	7,826	93,914		\$ 43,200.44	\$ 46,957.00	\$ (3,756.56)
61	St. Lucie	14,506	174,076		\$ 80,074.96	\$ 87,038.00	\$ (6,963.04)
62	Sumter	4,949	59,393		\$ 27,320.78	\$ 29,696.50	\$ (2,375.72)
63	Suwannee	89	1,062		\$ 488.52	\$ 531.00	\$ (42.48)
64	Taylor	33	395		\$ 181.70	\$ 197.50	\$ (15.80)
65	Union	15	177		\$ 81.42	\$ 88.50	\$ (7.08)
66	Volusia	86,104	1,033,252		\$ 475,295.92	\$ 516,626.00	\$ (41,330.08)
67	Wakulla	104	1,252		\$ 575.92	\$ 626.00	\$ (50.08)
68	Walton	5,481	65,772		\$ 30,255.12	\$ 32,886.00	\$ (2,630.88)
69	Washington	547	6,567		\$ 3,020.82	\$ 3,283.50	\$ (262.68)
70							
71	Total	\$ 1,640,700	\$ 19,688,394		\$ 9,056,661	\$ 9,844,197	\$ (787,536)

	A	B	C	D	E	F	G
72							
73							
74	Change from difference in Fees (Cell G72)						
75	2011-12	\$ (787,536)					
76							
77	VOIP Table 1				VOIP Table 2		
78	Growth Rate for Other/Misc. from REC CST conference 2/2012				Fee change difference grown at REC Other/Misc. growth rates (reduced by collection allowance of 1%)		
79	Year				Year		
87	2012-13	5.41%			2012-13	\$ (821,837)	
88	2013-14	5.13%			2013-14	\$ (855,373)	
89	2014-15	4.60%			2014-15	\$ (885,773)	
90	2015-16	4.10%			2015-16	\$ (912,869)	
91	2016-17	3.30%			2016-17	\$ (933,564)	
92	2017-18	2.90%			2017-18	\$ (951,030)	

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Refunds - Private Label Credit

Bill Number(s): HB825/SB1006

Entire Bill

Partial Bill:

Sponsor(s): Representative Raulerson / Senator Lee

Month/Year Impact Begins: July 2013

Date of Analysis: Original: 2/26/2013, Revised: 3/14/2013

Section 1: Narrative

- a. **Current Law:** 212.17(3) A dealer who has paid the tax imposed by this chapter on tangible personal property or services may take a credit or obtain a refund for any tax paid by the dealer on the unpaid balance due on worthless accounts within 12 months following the month in which the bad debt has been charged off for federal income tax purposes.
- b. **Proposed Change:** adds 212.17(4) With respect to the payment of taxes on purchases made through private-label credit card or dealer credit program:
 - (a) If consumer accounts or receivables are found to be worthless or uncollectable, the dealer or lender may claim a credit for, or obtain a refund of, the tax remitted by the dealer on the unpaid balance due if:
 1. The accounts or receivables have been charged off as bad debt on the lender’s books and records on or after January 1, 2013
 2. A credit was not previously claimed and a refund was not previously allowed on any portion of the accounts or receivables, and
 3. The credit or refund is claimed within 12 months after the month in which the bad debt is charged off by the lender for federal income tax purposes

Section 2: Description of Data and Sources

Federal Reserve Statistical Release – Consumer Credit December 2012
 National Economic Estimating Conference – Growth rate, consumption non-durables
 U.S. Census Bureau – QuickFacts Florida
 Nilson Report - June 2012

Section 3: Methodology (Include Assumptions and Attach Details)

Private label debt based on the June 2012 Nilson Report is shared to Florida using FL Household/U.S. Household ratio. From the household share, the figure is reduced by 30 percent for finance charges. It is assumed that the Florida household share of private label debt is 90 percent taxable. This figure is then divided by 1.06 to back out the sales tax amount. The low, middle and high estimates assume a 6.4, 8.3 and 10.3 percent charge off respectively; and additionally, a 25, 17.5 and 10 percent recovery rate. With respect to the cash impact estimate, there is an assumed 1 year lag in recovery.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(\$19.7m)	(\$17.8m)	(\$15.9m)	(\$13.1m)	(\$12.3m)	(\$9.2m)
2014-15	(\$18.2m)	(\$18.1m)	(\$13.5m)	(\$13.4m)	(\$9.5m)	(\$9.4m)
2015-16	(\$18.5m)	(\$18.5m)	(\$13.7m)	(\$13.7m)	(\$9.6m)	(\$9.6m)
2016-17	(\$18.9m)	(\$18.9m)	(\$14.0m)	(\$13.9m)	(\$9.8m)	(\$9.8m)
2017-18	(\$19.4m)	(\$19.3m)	(\$14.3m)	(\$14.3m)	(\$10.1m)	(\$10.0m)

List of affected Trust Funds: General Sales Tax Grouping

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Refunds - Private Label Credit

Bill Number(s): HB825/SB1006

Section 5: Consensus Estimate (Adopted: 03/16/2013) The conference adopted an impact that assumed the low charge off rate, the middle recovery rate and updated growth rates from the March 15th GR Conference.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(11.2)	(8.9)	(Insignificant)	(Insignificant)	(0.4)	(0.3)	(1.1)	(0.8)
2014-15	(9.7)	(9.2)	(Insignificant)	(Insignificant)	(0.3)	(0.3)	(0.9)	(0.9)
2015-16	(10.1)	(9.7)	(Insignificant)	(Insignificant)	(0.3)	(0.3)	(1.0)	(0.9)
2016-17	(10.6)	(10.1)	(Insignificant)	(Insignificant)	(0.4)	(0.3)	(1.0)	(1.0)
2017-18	(11.2)	(10.6)	(Insignificant)	(Insignificant)	(0.4)	(0.4)	(1.1)	(1.0)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(1.1)	(0.9)	(2.5)	(2.0)	(13.7)	(10.9)
2014-15	(0.9)	(0.9)	(2.2)	(2.1)	(11.9)	(11.3)
2015-16	(1.0)	(0.9)	(2.3)	(2.2)	(12.4)	(11.9)
2016-17	(1.0)	(1.0)	(2.4)	(2.3)	(13.0)	(12.4)
2017-18	(1.1)	(1.0)	(2.5)	(2.4)	(13.7)	(13.0)

	A	B	C	D	E	F	G
1							
2	Total Revolving US Credit Debt 2012	\$ 849,800,000,000					
3	June 2012 Nilson Report - Receivables*	\$ 93,591,400,000					
4	Less In House Cards*	\$ (8,529,900,000)					
5		\$ 85,061,500,000					
6							
7	US Households	114,761,359					
8	FL Households	7,140,096	6.22%	FL Household share			
9						<i>Consumer Non-durables</i>	
10	FL Household Share	\$ 5,292,262,842				2013-14	3.8%
11	Adjusted for Finance Charges (70%)	\$ 3,704,583,989				2014-15	4.3%
12	Sales Tax Backed Out (90% taxable base)	\$ 3,145,401,500				2015-16	4.5%
13						2016-17	4.8%
14	6% Tax Rate	\$ 188,724,090	Consumer Credit Outstanding - growth			2017-18	4.7%
15		2012 \$ 188,912,814	0.1%				
16		2013 \$ 189,668,465	0.4%				
17							
18	<i>Assumed Charge Off Rate</i>	6.4%					
19	<i>Recovery Rate</i>	17.5%					
20	<i>Net Charge Off Rate</i>	5.3%					
21							
22	<i>Consumption, Nondurables</i>	3.8%	4.3%	4.5%	4.8%	4.7%	
23		2013-14	2014-15	2015-16	2016-17	2017-18	
24	6.4% Charge Off / 17.5% Recovery	\$ (12.6)	\$ (13.1)	\$ (13.7)	\$ (14.4)	\$ (15.1)	
25	<i>Recovery</i>	\$	\$ 2.2	\$ 2.3	\$ 2.4	\$ 2.5	
26	Cash Impact	\$ (12.6)	\$ (10.9)	\$ (11.4)	\$ (12.0)	\$ (12.6)	
27							
28	Recurring Impact	\$ (10.0)	\$ (10.4)	\$ (10.9)	\$ (11.4)	\$ (12.0)	
29							
30			Cash Impact	Recurring			
31		2013-14	\$ (12.6)	\$ (10.0)			
32		2014-15	\$ (10.9)	\$ (10.4)			
33		2015-16	\$ (11.4)	\$ (10.9)			
34		2016-17	\$ (12.0)	\$ (11.4)			
35		2017-18	\$ (12.6)	\$ (12.0)			
36							
37	Sources:	http://quickfacts.census.gov/qfd/states/12000.html					
38		http://www.federalreserve.gov/releases/g19/current/g19.pdf					
39		http://edr.state.fl.us/Content/conferences/useconomic/LongRunTables.pdf					
40							
41	* 2011 data based on June 2012 Nilson Report. "Excludes Visa and MasterCard of private label issuers GE, HSBC, Citi, Alliance Data, and Wells Fargo, as well as						
42	in-house issuers Target and Nordstrom. For cards that have two separate lines of credit (both store and general purpose), only the volume from the proprietary						
43	store line of credit is included."						

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Remote Sellers

Bill Number(s): HB7097

Entire Bill

Partial Bill:

Sponsor(s):

Month/Year Impact Begins: July 2013

Date of Analysis: 03/16/2013

Section 1: Narrative

a. Current Law:

Section 1. Section 212.0596, F.S., generally imposes tax on a “mail order sale,” which is defined in section 212.0596(1), F.S., as “a sale of tangible personal property, ordered by mail or other means of communication, from a dealer who receives the order in another state of the United States, or in a commonwealth, territory, or other area under the jurisdiction of the United States, and transports the property or causes the property to be transported, whether or not by mail, from any jurisdiction of the United States, including this state, to a person in this state, including the person who ordered the property.” Section 212.0596(2), F.S., requires dealers doing mail order business in Florida to collect and remit Florida sales tax if the dealer has nexus with Florida.

Section 2. Section 212.06(2), F.S., defines the term “dealer.”

Section 3. Section 212.08, F.S., generally exempts from tax the sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this chapter.

b. Proposed Change:

Section 1. Amends section 212.0596, F.S. to include the use of the Internet in the definition of “mail order sale” as means of placing an order. Deletes the phrase “a corporation,” allowing a dealer to be any type of entity, rather than being limited to corporations. Includes representatives of a dealer in this state, in addition to agents, to cause a dealer to have nexus for mail order sales.

Requires tax to be collected if a person, other than a person acting in the capacity of a common carrier, has substantial nexus with Florida, and one of the following activities occurs:

1. Sells a similar line of products as the dealer and does so under the same or similar business name;
2. Maintains an office, distribution facility, warehouse, storage place, or similar place of business in this state to facilitate delivery of property or services sold by the dealer to dealer’s customers;
3. Uses trademarks, service marks, or trade names in this state that are the same or substantially similar to those used by the dealer.
4. Delivers, installs, assembles, or performs maintenance of services for the dealer’s customers within this state;
5. Facilitates the dealer’s delivery of property to customers in this state by allowing the dealer’s customers to pick up property sold by the person at an office, distribution facility, warehouse, storage place, or similar place of business maintained by the person in this state; or
6. Conducts any other activities in this state that are significantly associated with the dealer’s ability to establish and maintain a market in the state for the dealer’s sales.

Establishes a rebuttable presumption that every dealer, as defined in section 212.06, F.S., who makes a mail order sale is also subject to the power of this state to levy and collect the tax imposed by Chapter 212, F.S., if the dealer enters into an agreement with one or more residents of this state under which the resident, for a commission or other consideration, directly or indirectly refers potential customers, whether by link on an Internet website, an in-person oral presentation, telemarketing, or otherwise, to the dealer, if the cumulative gross receipts from sales by the dealer to customers in this state who are referred to the dealer by all residents with this type of an agreement with the dealer is in excess of \$10,000 during the 12-month period immediately before the rebuttable presumption arose.

Establishes that the presumption may be rebutted by the submission of evidence proving the residents with whom the dealer has an agreement did not engage in any activity within this state that has significantly associated with the dealer’s ability to establish or maintain the dealer’s market in Florida during the 12 months immediately before the rebuttable presumption

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Remote Sellers
Bill Number(s): HB7097

arose. The evidence may consist of sworn affidavits, obtained and given in good faith, from each resident whom the dealer has an agreement attesting that he or she did not engage in any solicitation in this state on the dealer’s behalf during the previous year.

Section 2. Amends section 212.06(2), F.S. Paragraph (f) is amended to read: Maintains or has within this state, directly or by a subsidiary, an office, distributing house, salesroom, or house, warehouse, or other place of business, or uses within this state an office, distributing house, salesroom, or house, warehouse, or other place of business operated by any person other than a common carrier acting in the capacity of a common carrier. Other paragraphs are slightly modified to improve readability.

Section 3. Effective July 1, 2014, Creates section 212.0802 Annual sales tax holiday -- exempts sales of “clothing, wallets, or bags, including handbags, backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags” from the Sales and Use Tax for a three-day period beginning on the first Friday in August and continuing for the number of days determined under subsection (3), so long as the sales price of the item does not exceed \$75. Clothing is defined as “an article of wearing apparel intended to be worn on or about the human body,” including footwear except for skis, swim fins, roller blades and skates, and excluding “watches, watchbands, jewelry, umbrellas, or handkerchiefs.” During this same period, sales of school supplies having a sale price of \$15 or less per item are exempt from the Sales and Use Tax. School supplies are defined as “pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, binders, lunch boxes, construction paper, markers, folders, poster board, composition books, poster paper, scissors, cellophane tape, glue or paste, rulers, computer disks, protractors, compasses, and calculators.”

Section 4. Establishes (1) The Department of Revenue shall develop a tracking system, in consultation with the REC, to determine the amount of sales tax remitted by out-of-state dealer who would otherwise not be required to collect and remit sales taxes in the absence of the changes to s. 212.0596 in this bill. Establishes a deadline of February 1 of each year for the Department of Revenue to submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives which sets forth the amount of sales tax collected and remitted by such dealers in the previous calendar year and the methodology used to determine the amount. Establishes (2) a deadline of March 1 of each year for the REC to use the information provided by DOR to determine the amount of sales tax remitted in the previous calendar year by such out-of-state dealers who would otherwise not be required to collect and remit sales taxes and estimate the amount that may be expected in the following fiscal year. (3) The Legislature shall use the information provided by DOR and REC to develop legislation designed to return the amount of those sales taxes, no less than the amount determined by the REC, collected to the taxpayers of this state.

Section 5. Provides for an effective date of July 1, 2013.

Section 2: Description of Data and Sources

Federation of Tax Administrators – ListServ

Section 3: Methodology (Include Assumptions and Attach Details)

State	Law	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
New York	2008 "click through" nexus law	\$57.0	\$82.0	\$99.0	\$120.0		
California	Affiliate Nexus Law 9/15/2012					\$105.0	\$150.0

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Remote Sellers
Bill Number(s): HB7097

2013-14 Sales Tax Estimate: \$21.5B
 0.5% = \$107.5m
 1.0% = \$215.5m
 1.5% = \$322.5m

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14			+/- Indeterminate	+/- Indeterminate		
2014-15			+/- Indeterminate	+/- Indeterminate		
2015-16			+/- Indeterminate	+/- Indeterminate		
2016-17			+/- Indeterminate	+/- Indeterminate		
2017-18			+/- Indeterminate	+/- Indeterminate		

List of affected Trust Funds: Sales and Use Tax

Section 5: Consensus Estimate (Adopted: 03/16/2013) The conference adopted 0/Indeterminate for the first year's cash and +/- indeterminate for the cash out years and for recurring.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	0/Indeter.	+/- Indeter.	0/Indeter.	+/- Indeter.	0/Indeter.	+/- Indeter.	0/Indeter.	+/- Indeter.
2014-15	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.
2015-16	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.
2016-17	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.
2017-18	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.	+/- Indeter.

REVENUE ESTIMATING CONFERENCE

Tax: Communications Services Tax/Sales and Use Tax

Issue: Clarification of Prepaid calling arrangements.

Bill Number(s): HB435-Proposed Amendment

Entire Bill

Partial Bill:

Sponsor(s):

Month/Year Impact Begins: July 1, 2013

Date of Analysis: March 15, 2013

Section 1: Narrative

- a. **Current Law:** Section 202.11(9) F.S. "Prepaid calling arrangement" means the separately stated retail sale by advance payment of communications services that consist exclusively of telephone calls originated by using an access number, authorization code, or other means that may be manually, electronically, or otherwise entered and that are sold in predetermined units or dollars of which the number declines with use in a known amount.
- b. **Proposed Change:** Section 202.11(9) F.S. is broken down into three paragraphs, s. 202.11(9)(a) F.S., s. 202.11(9)(b) F.S., and s. 202.11(9)(c) F.S. The first paragraph modifies the current definition to: "Prepaid calling arrangement" means a right to use communications services other than mobile communications services, for which a separately stated price must be paid in advance, which is sold at retail in predetermined units which decline in number with use on a predetermined bases, and which consist exclusively of telephone calls originated by using an access number, authorization code, or other means that may be manually, electronically, or otherwise entered.

The second paragraph is a new addition, and it expands the definition of prepaid communications service to include prepaid mobile communications services. The mobile communications are largely subject to the same restrictions as other prepaid calling arrangements, but with an additional right for the purchaser to obtain communications services other than mobile communications services as long as the communications services are limited to those provided to or through the same handset or other electronic device that is used by the purchaser to access the mobile communications services. There is also no requirement that the purchase of mobile communications services be a separately stated sale. The sub paragraph (i) specifies that the right to use mobile communications service will terminate upon expiration or exhaustion of all purchased units unless additional units are purchased.

The third paragraph is also a new addition, and it clarifies that the units described in the prepaid calling arrangements and mobile communications services paid for in advance may be quantified as amounts of usage, time, money, or combinations of these or other means of measurement.

Section 212.05 F.S. is modified to conform the definition of prepaid calling arrangement and refers the definition to the proposed language in Section 202.11. A new sub-subparagraph (IV) is added to Section 212.05 F.S. Section 212.05(1)(e)1.a.(IV) F.S. is added and reads: "No additional tax under this chapter or c. 202 is due or payable when a purchaser of a prepaid calling arrangement, who has paid tax under this chapter on the sale or recharge of such prepaid calling arrangement, applies one or more units of such prepaid calling arrangement to obtain communications services as described in s. 202.11(9)(b)(iii), other services that are not communications services, or products."

The proposed language does restrict the avenues available for consumption of services that would not be considered eligible under the current law as a prepaid calling arrangement to those services that can be made available on a prepaid wireless device. However, as it is possible to pay for some of these services on prepaid wireless device and consume the service from another device, which if the service were purchased on that device the Communications Services Tax would have been due. For this reason there is some additional impact from the inclusion of the alternative use for the prepaid calling arrangement units. The most relevant example of this possibility is in the market for video services available through the prepaid handset. It is possible that video services purchased on the prepaid handset and watched elsewhere would be treated differently than the video services purchased over any other communications services device or provider.

Changes made in the proposed language are also remedial, clarifying, and operate retroactively. The analysis addresses the remedial language separately from the changes to the prepaid definition.

Section 2: Description of Data and Sources

REVENUE ESTIMATING CONFERENCE

Tax: Communications Services Tax/Sales and Use Tax

Issue: Clarification of Prepaid calling arrangements.

Bill Number(s): HB435-Proposed Amendment

E911 Board Annual Reports and Underlying data

Tax base numbers from 02/2013 Revenue Estimating Conference Gross Receipts and Communications Services Tax

Wireless prepaid handset numbers from the Estimates for Prepaid base presented at the 02/2013 REC Gross Receipt/CST meeting

Section 3: Methodology (Include Assumptions and Attach Details)

It is assumed that the Internet Tax Freedom Act continues for the duration of the estimate.

It is expected that any prepaid calling arrangements currently for sale are taxed at the 6% state rate. This amount is credited against the communications services tax rate of 6.65%.

The amount of prepaid wireless handsets used for this analysis come from the presentation made to the Revenue Estimating Conference for the February 2013 Gross Receipts/ Communications Services Tax meeting. These number are used as the basis for the estimate for the remedial and clarifying language for the historical prepaid activity. The estimate of the ongoing activity comes from the rate at which postpaid wireless service handsets are expected to convert to prepaid wireless service handsets. There is an additional amount added to the ongoing estimate as correction for a cohort of prepaid providers that was remitting the E911 fee prior to January 2012.

For the remedial and retroactive language the high, middle, and low impacts vary by the assumptions from the underlying handset presentation. The rate of collection begins slowly with a ramp up throughout the estimate period where the full amount is collected by FY 2017-18.

The values for the ongoing estimate in the high, middle, and low vary by the assumptions from the underlying handset presentation.

Section 4: Proposed Fiscal Impact

Total impact from Ongoing activity

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	\$(63.5 M)	\$(204.9 M)	\$(58.5 M)	\$(204.2 M)	\$(53.5 M)	\$(197.6 M)
2014-15	\$(66.4 M)	\$(233.4 M)	\$(61.4 M)	\$(232.4 M)	\$(56.4 M)	\$(221.5 M)
2015-16	\$(67.1 M)	\$(249.2 M)	\$(62.1 M)	\$(247.9 M)	\$(57.1 M)	\$(233.0 M)
2016-17	\$(67.7 M)	\$(251.6 M)	\$(62.7 M)	\$(250.1 M)	\$(57.7 M)	\$(232.0 M)
2017-18	\$(68.4 M)	\$(239.6 M)	\$(63.4 M)	\$(238.0 M)	\$(58.4 M)	\$(218.2 M)

Gross Receipts Tax Transfer from CST: Ongoing activity

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	\$(19.6 M)	\$(63.2 M)	\$(18.1 M)	\$(63.0 M)	\$(16.5 M)	\$(61.0 M)
2014-15	\$(20.5 M)	\$(72.0 M)	\$(18.9 M)	\$(71.7 M)	\$(17.4 M)	\$(68.3 M)
2015-16	\$(20.7 M)	\$(76.9 M)	\$(19.1 M)	\$(76.5 M)	\$(17.6 M)	\$(71.9 M)
2016-17	\$(20.9 M)	\$(77.6 M)	\$(19.4 M)	\$(77.1 M)	\$(17.8 M)	\$(71.6 M)
2017-18	\$(21.1 M)	\$(73.9 M)	\$(19.5 M)	\$(73.4 M)	\$(18.0 M)	\$(67.3 M)

Local Portion CST and Additional State Tax on DHS: Ongoing activity

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	\$(38.9 M)	\$(125.4 M)	\$(35.8 M)	\$(125.0 M)	\$(32.8 M)	\$(120.9 M)
2014-15	\$(40.6 M)	\$(142.8 M)	\$(37.6 M)	\$(142.2 M)	\$(34.5 M)	\$(135.6 M)
2015-16	\$(41.0 M)	\$(152.5 M)	\$(38.0 M)	\$(151.7 M)	\$(34.9 M)	\$(142.6 M)
2016-17	\$(41.5 M)	\$(153.9 M)	\$(38.4 M)	\$(153.0 M)	\$(35.3 M)	\$(142.0 M)
2017-18	\$(41.8 M)	\$(146.6 M)	\$(38.8 M)	\$(145.7 M)	\$(35.7 M)	\$(133.5 M)

REVENUE ESTIMATING CONFERENCE

Tax: Communications Services Tax/Sales and Use Tax

Issue: Clarification of Prepaid calling arrangements.

Bill Number(s): HB435-Proposed Amendment

State Sales Tax Transfer from CST: Impact of changes to Prepaid Definition including Additional Retail Piece

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	\$(5.1 M)	\$(16.3 M)	\$(4.7 M)	\$(16.2 M)	\$(4.3 M)	\$(15.7 M)
2014-15	\$(5.3 M)	\$(18.6 M)	\$(4.9 M)	\$(18.5 M)	\$(4.5 M)	\$(17.6 M)
2015-16	\$(5.3 M)	\$(19.8 M)	\$(4.9 M)	\$(19.7 M)	\$(4.5 M)	\$(18.5 M)
2016-17	\$(5.4 M)	\$(20.0 M)	\$(5.0 M)	\$(19.9 M)	\$(4.6 M)	\$(18.5 M)
2017-18	\$(5.4 M)	\$(19.1 M)	\$(5.0 M)	\$(18.9 M)	\$(4.6 M)	\$(17.4 M)

Total Impact from Remedial and Clarifying Language

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	\$(3.5 M)	\$(348.1 M)	\$(2.5 M)	\$(496.8 M)	\$(1.2 M)	\$(493.9 M)
2014-15	\$(5.3 M)	\$(526.7 M)	\$(2.6 M)	\$(526.3 M)	\$(1.3 M)	\$(523.2 M)
2015-16	\$(5.9 M)	\$(594.4 M)	\$(3.0 M)	\$(594.1 M)	\$(1.5 M)	\$(590.6 M)
2016-17	\$(6.6 M)	\$(655.8 M)	\$(3.3 M)	\$(655.4 M)	\$(1.6 M)	\$(651.6 M)
2017-18	\$(7.3 M)	\$(725.6 M)	\$(3.6 M)	\$(725.1 M)	\$(1.8 M)	\$(720.9 M)

Impact to Gross Receipts tax Transfer from CST: Impact from Remedial and Clarifying Language

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	\$(1.1 M)	\$(107.4 M)	\$(0.8 M)	\$(153.2 M)	\$(0.4 M)	\$(152.3 M)
2014-15	\$(1.6 M)	\$(162.4 M)	\$(0.8 M)	\$(162.3 M)	\$(0.4 M)	\$(161.4 M)
2015-16	\$(1.8 M)	\$(183.4 M)	\$(0.9 M)	\$(183.2 M)	\$(0.5 M)	\$(182.2 M)
2016-17	\$(2.0 M)	\$(202.3 M)	\$(1.0 M)	\$(202.1 M)	\$(0.5 M)	\$(201.0 M)
2017-18	\$(2.2 M)	\$(223.8 M)	\$(1.1 M)	\$(223.7 M)	\$(0.6 M)	\$(222.4 M)

Local Portion CST and Additional State Tax on DHS: Impact from Remedial and Clarifying Language

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	\$(2.1 M)	\$(213.1 M)	\$(1.5 M)	\$(304.0 M)	\$(0.8 M)	\$(302.2 M)
2014-15	\$(3.2 M)	\$(322.3 M)	\$(1.6 M)	\$(322.1 M)	\$(0.8 M)	\$(320.2 M)
2015-16	\$(3.6 M)	\$(363.8 M)	\$(1.8 M)	\$(363.6 M)	\$(0.9 M)	\$(361.5 M)
2016-17	\$(4.0 M)	\$(401.3 M)	\$(2.0 M)	\$(401.1 M)	\$(1.0 M)	\$(398.8 M)
2017-18	\$(4.4 M)	\$(444.1 M)	\$(2.2 M)	\$(443.8 M)	\$(1.1 M)	\$(441.2 M)

State Sales Tax Transfer from CST: Impact from Remedial and Clarifying Language

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	\$(0.3 M)	\$(27.7 M)	\$(0.2 M)	\$(39.5 M)	\$(0.1 M)	\$(39.3 M)
2014-15	\$(0.4 M)	\$(41.9 M)	\$(0.2 M)	\$(41.9 M)	\$(0.1 M)	\$(41.6 M)
2015-16	\$(0.5 M)	\$(47.3 M)	\$(0.2 M)	\$(47.3 M)	\$(0.1 M)	\$(47.0 M)
2016-17	\$(0.5 M)	\$(52.2 M)	\$(0.3 M)	\$(52.1 M)	\$(0.1 M)	\$(51.8 M)
2017-18	\$(0.6 M)	\$(57.7 M)	\$(0.3 M)	\$(57.7 M)	\$(0.1 M)	\$(57.4 M)

List of affected Trust Funds: Emergency Communications Number E911 System Fund

REVENUE ESTIMATING CONFERENCE

Tax: Communications Services Tax/Sales and Use Tax

Issue: Clarification of Prepaid calling arrangements.

Bill Number(s): HB435-Proposed Amendment

Section 5: Consensus Estimate (Adopted: 03/16/2013) Remedial & Clarifying Issue: The conference adopted (\$10m) cash and recurring for every year with a current backlog ranging up to \$500m.

Ongoing Activity Issue: The conference adopted an average of the middle and low with cash equaling the recurring impact with a potential loss ranging up to \$250m.

Remedial & Clarifying

	GR		Trust Gross Receipts		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(0.7)	(0.7)	(3.1)	(3.1)	(Insignificant)	(Insignificant)	(0.1)	(0.1)
2014-15	(0.7)	(0.7)	(3.1)	(3.1)	(Insignificant)	(Insignificant)	(0.1)	(0.1)
2015-16	(0.7)	(0.7)	(3.1)	(3.1)	(Insignificant)	(Insignificant)	(0.1)	(0.1)
2016-17	(0.7)	(0.7)	(3.1)	(3.1)	(Insignificant)	(Insignificant)	(0.1)	(0.1)
2017-18	(0.7)	(0.7)	(3.1)	(3.1)	(Insignificant)	(Insignificant)	(0.1)	(0.1)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14			(6.2)	(6.2)	(10.0)	(10.0)
2014-15			(6.2)	(6.2)	(10.0)	(10.0)
2015-16			(6.2)	(6.2)	(10.0)	(10.0)
2016-17			(6.2)	(6.2)	(10.0)	(10.0)
2017-18			(6.2)	(6.2)	(10.0)	(10.0)

Ongoing Activity

	GR		Trust Gross Receipts		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(4.0)	(4.0)	(17.3)	(17.3)	(0.1)	(0.1)	(0.4)	(0.4)
2014-15	(4.2)	(4.2)	(18.2)	(18.2)	(0.1)	(0.1)	(0.4)	(0.4)
2015-16	(4.2)	(4.2)	(18.4)	(18.4)	(0.1)	(0.1)	(0.4)	(0.4)
2016-17	(4.3)	(4.3)	(18.6)	(18.6)	(0.1)	(0.1)	(0.4)	(0.4)
2017-18	(4.3)	(4.3)	(18.8)	(18.8)	(0.1)	(0.1)	(0.4)	(0.4)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14			(34.8)	(34.8)	(56.1)	(56.1)
2014-15			(36.5)	(36.5)	(58.9)	(58.9)
2015-16			(37.0)	(37.0)	(59.5)	(59.5)
2016-17			(37.4)	(37.4)	(60.2)	(60.2)
2017-18			(37.7)	(37.7)	(60.8)	(60.8)

Prepaid:Proposed Amendment
Remedial And Clarifying summary

	A	B	C	D	E	F	G
1		High	Middle	Low			
2		Difference between CST and Sales Tax	Difference between CST and Sales Tax	Difference between CST and Sales Tax			
3	2005-06	\$2.65	\$2.65	\$2.65			
4	2006-07	\$5.29	\$5.29	\$5.29			
5	2007-08	\$13.59	\$13.59	\$13.59			
6	2008-09	\$27.96	\$27.96	\$27.96			
7	2009-10	\$54.63	\$54.63	\$54.63			
8	2010-11	\$68.80	\$68.80	\$68.80			
9	2011-12	\$109.74	\$109.74	\$109.74			
10	2012-13	\$139.96	\$139.67	\$136.96			
11	Total	\$422.61	\$422.32	\$419.61			
12							
13	The Recurring value assumes full interest value for the amount remaining regardless of recovery amount due to the size of the recovery and uncertainty about which period should be assigned the recovery amount						
14	Totals						
15		High		Middle		Low	
16		Cash	Recurring	Cash	Recurring	Cash	Recurring
17	2013-14	\$ (3.5 M)	\$ (348.1 M)	\$ (2.5 M)	\$ (496.8 M)	\$ (1.2 M)	\$ (493.9 M)
18	2014-15	\$ (5.3 M)	\$ (526.7 M)	\$ (2.6 M)	\$ (526.3 M)	\$ (1.3 M)	\$ (523.2 M)
19	2015-16	\$ (5.9 M)	\$ (594.4 M)	\$ (3.0 M)	\$ (594.1 M)	\$ (1.5 M)	\$ (590.6 M)
20	2016-17	\$ (6.6 M)	\$ (655.8 M)	\$ (3.3 M)	\$ (655.4 M)	\$ (1.6 M)	\$ (651.6 M)
21	2017-18	\$ (7.3 M)	\$ (725.6 M)	\$ (3.6 M)	\$ (725.1 M)	\$ (1.8 M)	\$ (720.9 M)
22							
23							

Prepaid:Proposed Amendment
 Remedial And Clarifying summary

	A	B	C	D	E	F	G
24	Impact to Gross Receipts tax Transfer from CST (\$M)						
25		High		Middle		Low	
26		Cash	Recurring	Cash	Recurring	Cash	Recurring
27	2013-14	\$ (1.1 M)	\$ (107.4 M)	\$ (0.8 M)	\$ (153.2 M)	\$ (0.4 M)	\$ (152.3 M)
28	2014-15	\$ (1.6 M)	\$ (162.4 M)	\$ (0.8 M)	\$ (162.3 M)	\$ (0.4 M)	\$ (161.4 M)
29	2015-16	\$ (1.8 M)	\$ (183.4 M)	\$ (0.9 M)	\$ (183.2 M)	\$ (0.5 M)	\$ (182.2 M)
30	2016-17	\$ (2.0 M)	\$ (202.3 M)	\$ (1.0 M)	\$ (202.1 M)	\$ (0.5 M)	\$ (201.0 M)
31	2017-18	\$ (2.2 M)	\$ (223.8 M)	\$ (1.1 M)	\$ (223.7 M)	\$ (0.6 M)	\$ (222.4 M)
32							
33	Local portion CST (\$M) + Additional State Tax on DHS (\$M)						
34		High		Middle		Low	
35		Cash	Recurring	Cash	Recurring	Cash	Recurring
36	2013-14	\$ (2.1 M)	\$ (213.1 M)	\$ (1.5 M)	\$ (304.0 M)	\$ (0.8 M)	\$ (302.2 M)
37	2014-15	\$ (3.2 M)	\$ (322.3 M)	\$ (1.6 M)	\$ (322.1 M)	\$ (0.8 M)	\$ (320.2 M)
38	2015-16	\$ (3.6 M)	\$ (363.8 M)	\$ (1.8 M)	\$ (363.6 M)	\$ (0.9 M)	\$ (361.5 M)
39	2016-17	\$ (4.0 M)	\$ (401.3 M)	\$ (2.0 M)	\$ (401.1 M)	\$ (1.0 M)	\$ (398.8 M)
40	2017-18	\$ (4.4 M)	\$ (444.1 M)	\$ (2.2 M)	\$ (443.8 M)	\$ (1.1 M)	\$ (441.2 M)
41							
42	State Sales Tax Transfer from CST(\$M)						
43		High		Middle		Low	
44		Cash	Recurring	Cash	Recurring	Cash	Recurring
45	2013-14	\$ (0.3 M)	\$ (27.7 M)	\$ (0.2 M)	\$ (39.5 M)	\$ (0.1 M)	\$ (39.3 M)
46	2014-15	\$ (0.4 M)	\$ (41.9 M)	\$ (0.2 M)	\$ (41.9 M)	\$ (0.1 M)	\$ (41.6 M)
47	2015-16	\$ (0.5 M)	\$ (47.3 M)	\$ (0.2 M)	\$ (47.3 M)	\$ (0.1 M)	\$ (47.0 M)
48	2016-17	\$ (0.5 M)	\$ (52.2 M)	\$ (0.3 M)	\$ (52.1 M)	\$ (0.1 M)	\$ (51.8 M)
49	2017-18	\$ (0.6 M)	\$ (57.7 M)	\$ (0.3 M)	\$ (57.7 M)	\$ (0.1 M)	\$ (57.4 M)

Prepaid:Proposed Language
Remedial And Clarifying Interest Tables

	A	B	C	D	E	F	G	H
1	Interest Calculations Table 1							
2	High Estimate Interest Calculations Section							
3	Total Associated Intetest accrued should liability remain by year of payment for years of interest							
4			Interest rates	7%	7%	9%	10%	11%
5	History			2013-14	2014-15	2015-16	2016-17	2017-18
6	FY05-06	\$ 2.6		\$ 1.48	\$ 1.67	\$ 2.38	\$ 2.91	\$ 3.50
7	FY06-07	\$ 5.3		\$ 2.59	\$ 2.96	\$ 4.28	\$ 5.29	\$ 6.40
8	FY07-08	\$ 13.6		\$ 5.71	\$ 6.66	\$ 9.78	\$ 12.23	\$ 14.95
9	FY08-09	\$ 28.0		\$ 9.78	\$ 11.74	\$ 17.61	\$ 22.36	\$ 27.68
10	FY09-10	\$ 54.6		\$ 15.30	\$ 19.12	\$ 29.50	\$ 38.24	\$ 48.07
11	FY10-11	\$ 68.8		\$ 14.45	\$ 19.26	\$ 30.96	\$ 41.28	\$ 52.97
12	FY11-12	\$ 109.7		\$ 15.36	\$ 23.05	\$ 39.51	\$ 54.87	\$ 72.43
13	FY12-13	\$ 140.0		\$ 9.80	\$ 19.60	\$ 37.79	\$ 55.99	\$ 76.98
14	Total	\$ (422.6)		\$ (74.5)	\$ (104.1)	\$ (171.8)	\$ (233.2)	\$ (303.0)
15								
16	Interest Calculations Table 2							
17	Middle Estimate Interest Calculations Section							
18	Total Associated Intetest accrued should liability remain by year of payment for years of interest							
19			Interest rates	7%	7%	9%	10%	11%
20	History			2013-14	2014-15	2015-16	2016-17	2017-18
21	FY05-06	\$ 2.6		\$ 1.48	\$ 1.67	\$ 2.38	\$ 2.91	\$ 3.50
22	FY06-07	\$ 5.3		\$ 2.59	\$ 2.96	\$ 4.28	\$ 5.29	\$ 6.40
23	FY07-08	\$ 13.6		\$ 5.71	\$ 6.66	\$ 9.78	\$ 12.23	\$ 14.95
24	FY08-09	\$ 28.0		\$ 9.78	\$ 11.74	\$ 17.61	\$ 22.36	\$ 27.68
25	FY09-10	\$ 54.6		\$ 15.30	\$ 19.12	\$ 29.50	\$ 38.24	\$ 48.07
26	FY10-11	\$ 68.8		\$ 14.45	\$ 19.26	\$ 30.96	\$ 41.28	\$ 52.97
27	FY11-12	\$ 109.7		\$ 15.36	\$ 23.05	\$ 39.51	\$ 54.87	\$ 72.43
28	FY12-13	\$ 139.7		\$ 9.78	\$ 19.55	\$ 37.71	\$ 55.87	\$ 76.82
29	Total	\$ (422.3)		\$ (74.5)	\$ (104.0)	\$ (171.7)	\$ (233.1)	\$ (302.8)
30								
31	Interest Calculations Table 3							
32	Low Estimate Interest Calculations Section							
33	Total Associated Intetest accrued should liability remain by year of payment for years of interest							
34			Interest rates	7%	7%	9%	10%	11%
35	History			2013-14	2014-15	2015-16	2016-17	2017-18
36	FY05-06	\$ 2.6		\$ 1.48	\$ 1.67	\$ 2.38	\$ 2.91	\$ 3.50
37	FY06-07	\$ 5.3		\$ 2.59	\$ 2.96	\$ 4.28	\$ 5.29	\$ 6.40
38	FY07-08	\$ 13.6		\$ 5.71	\$ 6.66	\$ 9.78	\$ 12.23	\$ 14.95
39	FY08-09	\$ 28.0		\$ 9.78	\$ 11.74	\$ 17.61	\$ 22.36	\$ 27.68
40	FY09-10	\$ 54.6		\$ 15.30	\$ 19.12	\$ 29.50	\$ 38.24	\$ 48.07
41	FY10-11	\$ 68.8		\$ 14.45	\$ 19.26	\$ 30.96	\$ 41.28	\$ 52.97
42	FY11-12	\$ 109.7		\$ 15.36	\$ 23.05	\$ 39.51	\$ 54.87	\$ 72.43
43	FY12-13	\$ 137.0		\$ 9.59	\$ 19.17	\$ 36.98	\$ 54.78	\$ 75.33
44	Total	\$ (419.6)		\$ (74.3)	\$ (103.6)	\$ (171.0)	\$ (232.0)	\$ (301.3)

Prepaid: Proposed Amendment
 Estimate of Ongoing Activity

	A	B	C	D	E	F	G
1	Table 1						
2	Prepaid Handset Estimate of Impacts for difference between the taxes paid						
3		High	Middle	Low			
4		Difference between CST and Sales Tax	Difference between CST and Sales Tax	Difference between CST and Sales Tax			
5	2013-14	\$179,164,502	\$178,496,799	\$171,934,694			
6	2014-15	\$207,026,748	\$206,003,184	\$195,156,553			
7	2015-16	\$222,091,409	\$220,784,019	\$205,892,430			
8	2016-17	\$223,814,846	\$222,332,340	\$204,233,474			
9	2017-18	\$211,196,889	\$209,675,493	\$189,819,666			
10							
11	Table 2						
12	Prepaid handsets underlying the differences in Table 1						
13		High	Middle	Low			
14	2013-14	5,746,740	5,725,323	5,514,842			
15	2014-15	6,437,975	6,406,145	6,068,844			
16	2015-16	7,146,102	7,104,035	6,624,877			
17	2016-17	7,872,045	7,819,902	7,183,327			
18	2017-18	8,616,764	8,554,692	7,744,580			
19							
20	Table 3						
21	Per handset difference (Table 1 / Table 2)						
22		High	Middle	Low			
23	2013-14	\$ 31.2	\$ 31.2	\$ 31.2			
24	2014-15	\$ 32.2	\$ 32.2	\$ 32.2			
25	2015-16	\$ 31.1	\$ 31.1	\$ 31.1			
26	2016-17	\$ 28.4	\$ 28.4	\$ 28.4			
27	2017-18	\$ 24.5	\$ 24.5	\$ 24.5			
28							
29	Table 4						
30	Prepaid handsets that were in wireless handsets before 1/2012 (per E911)						
31	Year	High	Middle	Low			
32	2013-14	2,363,366	2,367,171	2,307,643			
33	2014-15	2,375,940	2,381,595	2,291,409			
34	2015-16	2,390,928	2,398,401	2,276,870			
35	2016-17	2,408,382	2,417,645	2,264,006			
36	2017-18	2,428,358	2,439,385	2,252,804			
37							
38	Table 5						

Prepaid: Proposed Amendment
 Estimate of Ongoing Activity

	A	B	C	D	E	F	G
39							
40	Impact from Video Service Purchases (CST bases from 02/2013 REC) (\$M)						
41	Year	Cable	Satellite	Other	Total	5% of Impact from Change from CST to Sale tax	
42	2013-14	\$ 3,541.6	\$ 1,358.4	\$ 1,388.9	\$ 6,288.9	\$ 25.7	
43	2014-15	\$ 3,619.5	\$ 1,382.9	\$ 1,452.8	\$ 6,455.2	\$ 26.4	
44	2015-16	\$ 3,699.1	\$ 1,416.0	\$ 1,512.4	\$ 6,627.5	\$ 27.1	
45	2016-17	\$ 3,780.5	\$ 1,447.2	\$ 1,562.3	\$ 6,790.0	\$ 27.7	
46	2017-18	\$ 3,856.1	\$ 1,477.6	\$ 1,607.6	\$ 6,941.3	\$ 28.4	
47							
48	Table 6						
49	Total difference (Table 5 + Table 1) (\$Millions)						
50	Year	High	Middle	Low			
51	2013-14	\$204.9	\$204.2	\$197.6			
52	2014-15	\$233.4	\$232.4	\$221.5			
53	2015-16	\$249.2	\$247.9	\$233.0			
54	2016-17	\$251.6	\$250.1	\$232.0			
55	2017-18	\$239.6	\$238.0	\$218.2			
56							
57	Totals						
58		High		Middle		Low	
59		Cash	Recurring	Cash	Recurring	Cash	Recurring
60	2013-14	\$ (63.5 M)	\$ (204.9 M)	\$ (58.5 M)	\$ (204.2 M)	\$ (53.5 M)	\$ (197.6 M)
61	2014-15	\$ (66.4 M)	\$ (233.4 M)	\$ (61.4 M)	\$ (232.4 M)	\$ (56.4 M)	\$ (221.5 M)
62	2015-16	\$ (67.1 M)	\$ (249.2 M)	\$ (62.1 M)	\$ (247.9 M)	\$ (57.1 M)	\$ (233.0 M)
63	2016-17	\$ (67.7 M)	\$ (251.6 M)	\$ (62.7 M)	\$ (250.1 M)	\$ (57.7 M)	\$ (232.0 M)
64	2017-18	\$ (68.4 M)	\$ (239.6 M)	\$ (63.4 M)	\$ (238.0 M)	\$ (58.4 M)	\$ (218.2 M)
65							
66							

Prepaid: Proposed Amendment
 Estimate of Ongoing Activity

	A	B	C	D	E	F	G
67	Impact to Gross Receipts tax Transfer from CST (\$M)						
68		High		Middle		Low	
69		Cash	Recurring	Cash	Recurring	Cash	Recurring
70	2013-14	\$ (19.6 M)	\$ (63.2 M)	\$ (18.1 M)	\$ (63.0 M)	\$ (16.5 M)	\$ (61.0 M)
71	2014-15	\$ (20.5 M)	\$ (72.0 M)	\$ (18.9 M)	\$ (71.7 M)	\$ (17.4 M)	\$ (68.3 M)
72	2015-16	\$ (20.7 M)	\$ (76.9 M)	\$ (19.1 M)	\$ (76.5 M)	\$ (17.6 M)	\$ (71.9 M)
73	2016-17	\$ (20.9 M)	\$ (77.6 M)	\$ (19.4 M)	\$ (77.1 M)	\$ (17.8 M)	\$ (71.6 M)
74	2017-18	\$ (21.1 M)	\$ (73.9 M)	\$ (19.5 M)	\$ (73.4 M)	\$ (18.0 M)	\$ (67.3 M)
75							
76	Local portion CST (\$M) + Additional State Tax on DHS (\$M)						
77		High		Middle		Low	
78		Cash	Recurring	Cash	Recurring	Cash	Recurring
79	2013-14	\$ (38.9 M)	\$ (125.4 M)	\$ (35.8 M)	\$ (125.0 M)	\$ (32.8 M)	\$ (120.9 M)
80	2014-15	\$ (40.6 M)	\$ (142.8 M)	\$ (37.6 M)	\$ (142.2 M)	\$ (34.5 M)	\$ (135.6 M)
81	2015-16	\$ (41.0 M)	\$ (152.5 M)	\$ (38.0 M)	\$ (151.7 M)	\$ (34.9 M)	\$ (142.6 M)
82	2016-17	\$ (41.5 M)	\$ (153.9 M)	\$ (38.4 M)	\$ (153.0 M)	\$ (35.3 M)	\$ (142.0 M)
83	2017-18	\$ (41.8 M)	\$ (146.6 M)	\$ (38.8 M)	\$ (145.7 M)	\$ (35.7 M)	\$ (133.5 M)
84							
85	State Sales Tax Transfer from CST(\$M)						
86		High		Middle		Low	
87		Cash	Recurring	Cash	Recurring	Cash	Recurring
88	2013-14	\$ (5.1 M)	\$ (16.3 M)	\$ (4.7 M)	\$ (16.2 M)	\$ (4.3 M)	\$ (15.7 M)
89	2014-15	\$ (5.3 M)	\$ (18.6 M)	\$ (4.9 M)	\$ (18.5 M)	\$ (4.5 M)	\$ (17.6 M)
90	2015-16	\$ (5.3 M)	\$ (19.8 M)	\$ (4.9 M)	\$ (19.7 M)	\$ (4.5 M)	\$ (18.5 M)
91	2016-17	\$ (5.4 M)	\$ (20.0 M)	\$ (5.0 M)	\$ (19.9 M)	\$ (4.6 M)	\$ (18.5 M)
92	2017-18	\$ (5.4 M)	\$ (19.1 M)	\$ (5.0 M)	\$ (18.9 M)	\$ (4.6 M)	\$ (17.4 M)

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem Tax

Issue: Renewable Energy

Bill Number(s): HB 277/SB 1064

Entire Bill:

Partial Bill:

Sponsor(s): Rep.Vasilinda, Sen.Latvala

Month/Year Impact Begins: July 1, 2013 (Applying to assessments beginning January 1, 2014)

Date of Analysis: 2/29/2013

Section 1: Narrative

- a. Current Law:** section 4(i), Article VII of the Florida Constitution allows the legislature, by general law, to prohibit the consideration of any change or improvement due to the installation of a renewable energy source device in determining the assessed value of real property used for residential purposes. No current general law authorization exists.
- b. Proposed Change:** by general law, when determining the assessed value of real property used for residential purposes, any increase in the just value of the property attributable to the installation of a renewable energy source device or changes or improvements made for the purpose of improving a property's resistance to wind damage may not be considered. These provisions apply to installations, changes, or improvements for new and existing residential real property that are installed or made on or after January 1, 2013.

Section 2: Description of Data and Sources:

American Community Survey
Florida Public Service Commission (PSC)
Florida Solar Energy Center (FSEC)
Annual Industry Accounts, U.S Bureau of Economic Analysis
Millage Rates, Department of Revenue

Section 3: Methodology (Include Assumptions and Attach Details)

Residential Solar Water Heaters and Solar Pool Heaters

The FSEC provided historical data and advice for the number of new residential systems and the average dollar amount of investment per installed residential system. Using 2012 as the base year, it was assumed that a new cohort would follow in each subsequent year. Due to the decreasing cost of solar power, the estimated cost of each new unit declines in the forecast. The data was broken down to provide the school and non-school dollar values.

Solar Energy/Photovoltaic (PV)

For the high estimate, the number of Florida solar energy/PV customers was obtained using the product shipment value of heating equipment (excluding warm air furnaces) manufacturing (U.S. Census data for NAICS code 333414). Specifically, the U.S. dollar amount for this category was multiplied by Florida's share of the U.S. population (6%) and then divided by an average solar system cost of \$30,000. The forecast values were then grown by 13.0%, which was the average annual growth rate for solar energy consumption in the U.S. from 2007-2012. It was then assumed that a new cohort would follow in each subsequent year.

For the middle estimate, the PSC provided the number of Florida solar energy/PV customers participating in the net metering program from 2008-2011. Following conversations with the agency and industry, the data was reduced by 5% to account for the possibility of commercial and industrial customers and grown by a factor of 1.5 to account for customers not participating in net metering initiatives. Following these calculations, the estimated difference in the number of residential solar energy/PV customers from 2010 to 2011 was found to be 1,161, which was then multiplied by the 1.5 factor to obtain a revised customer count of 1,654. It was then assumed that a new cohort of 1,737 residential solar energy/PV customers, plus a growth rate of 13.0%, would follow in each subsequent year. The average dollar amount of investment per system decreases throughout the forecast period.

For the low estimate, the average number of 2010/2011 Florida solar energy/PV customers that applied and obtained a rebate through the Florida Solar Rebate Program was used. Similar to the middle estimate, the data was grown by a factor of 1.5 to account for the number of customers who were unable or unwilling to obtain the rebate. It was then assumed that the new cohort of 1,487 solar energy customers, plus a growth rate of 13.0%, would follow in each subsequent year. The average dollar amount of investment per system decreases throughout the forecast period.

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem Tax
Issue: Renewable Energy
Bill Number(s): HB 277/SB 1064

After estimating the high, middle, and low amounts of investment for Florida solar energy/PV customers, the data was broken down to provide the school and non-school dollar values.

Geothermal Heat Exchange

Following conversations with the Florida Solar Energy Center, the following assumptions were made regarding the use of geothermal heat exchanges:

- For the low, a new cohort of 500 residential customers for each year throughout the forecast period;
- For the middle, a new cohort of 1,000 residential customers for each year throughout the forecast period;
- For the high, a new cohort of 2,000 residential customers for each year throughout the forecast period;
- An average dollar amount of investment of \$19,000 per system throughout the forecast period.

After estimating the high, middle, and low amounts of investment for Florida geothermal, the data was broken down to provide the school and non-school dollar values.

Section 4: Proposed Fiscal Impact

Impact Value School:

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(\$0m)	(\$8.8m)	(\$0m)	(\$5.4m)	(\$0m)	(\$4.9m)
2014-15	(\$3.6m)	(\$8.8m)	(\$2.2m)	(\$5.4m)	(\$2.0m)	(\$4.9m)
2015-16	(\$5.3m)	(\$8.8m)	(\$3.3m)	(\$5.4m)	(\$3.0m)	(\$4.9m)
2016-17	(\$7.1m)	(\$8.8m)	(\$4.4m)	(\$5.4m)	(\$3.9m)	(\$4.9m)
2017-18	(\$8.8m)	(\$8.8m)	(\$5.4m)	(\$5.4m)	(\$4.9m)	(\$4.9m)

Impact Value Non-School

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	(\$0m)	(\$11.5m)	(\$0m)	(\$7.2m)	(\$0m)	(\$6.4m)
2014-15	(\$4.7m)	(\$11.5m)	(\$3.0m)	(\$7.2m)	(\$2.6m)	(\$6.4m)
2015-16	(\$7.0m)	(\$11.5m)	(\$4.4m)	(\$7.2m)	(\$3.9m)	(\$6.4m)
2016-17	(\$9.3m)	(\$11.5m)	(\$5.8m)	(\$7.2m)	(\$5.2m)	(\$6.4m)
2017-18	(\$11.5m)	(\$11.5m)	(\$7.2m)	(\$7.2m)	(\$6.4m)	(\$6.4m)

List of affected Trust Funds: Ad Valorem Tax Grouping

Section 5: Consensus Estimate (Adopted: 03/16/2013) The conference adopted the middle estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2013-14	0.0	(5.4)	0.0	(7.2)	0.0	(12.6)
2014-15	(2.2)	(5.4)	(3.0)	(7.2)	(5.2)	(12.6)
2015-16	(3.3)	(5.4)	(4.4)	(7.2)	(7.7)	(12.6)
2016-17	(4.4)	(5.4)	(5.8)	(7.2)	(10.2)	(12.6)
2017-18	(5.4)	(5.4)	(7.2)	(7.2)	(12.6)	(12.6)

	A	C	D	E	F	G	H	I	J	K
1	RENEWABLE ENERGY DEVICES CALCULATIONS									
2										
3			<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>		
4	Residential Solar Water Heaters									
5	Number of New Residential Systems (New Cohort)		1,000	1,100	1,200	1,300	1,400	1,500		
6	Average Investment Per Installed Residential System		4,000	4,000	3,780	3,572	3,376	3,190		
7	Total Investment		4,000,000	4,400,000	4,536,000	4,643,730	4,725,888	4,784,962		
8	Cumulative Investment			4,400,000	8,936,000	13,579,730	18,305,618	23,090,580		
9	Investment x Millage		School	\$0.04	\$0.1	\$0.1	\$0.1	\$0.2		
10			Non-School	\$0.05	\$0.1	\$0.1	\$0.2	\$0.2		
11			<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>		
12	Solar Pool Heaters									
13	Number of New Residential Devices (New Cohort)		13,500	13,600	13,700	13,800	13,900	14,000		
14	Average Investment Per Installed Residential System		5,000	5,000	4,725	4,465	4,220	3,987		
15	Total Investment	-	67,500,000	68,000,000	64,732,500	61,618,725	58,651,649	55,824,556		
16	Cumulative Investment			68,000,000	132,732,500	194,351,225	253,002,874	308,827,430		
17	Investment x Millage		School	\$0.6	\$1.1	\$1.6	\$2.1	\$2.5		
18			Non-School	\$0.7	\$1.4	\$2.1	\$2.7	\$3.3		
19						Average Growth:		13.0%		
20	Solar Energy/Photovoltaic	2011	2012	2013	2014	2015	2016	2017	Net Metering	
21	Number of Additional Residential PV (HIGH)	3,817	4,313	4,874	5,508	6,224	7,033	7,947	2008	577
22	Number of Additional Residential PV (MIDDLE)	1,654	1,870	2,113	2,387	2,697	3,048	3,444	2009	1,625
23	Number of Additional Residential PV (LOW)	1,487	1,681	1,899	2,146	2,425	2,740	3,096	2010	2,833
24	Average Investment Per System	32,165	25,000	22,250	19,803	17,624	15,686	13,960	2011	3,994
25						Average Growth:		13.0%	2011 Cohort	1,161
26	Total Investment (HIGH)			108,444,882.43	109,063,018	109,684,677	110,309,880	110,938,646		
27	Total Investment (MIDDLE)			47,003,910	47,271,832	47,541,282	47,812,267	48,084,797		
28	Total Investment (LOW)			42,254,297	42,495,146	42,737,369	42,980,972	43,225,963	Solar Rebate Program	
29						Average Growth:		13.0%	2010	537
30	Cumulative Investment (HIGH)			108,444,882	217,507,901	327,192,578	437,502,458	548,441,105	2011	1446
31	Cumulative Investment (MIDDLE)			47,003,910.04	94,275,742	141,817,024	189,629,291	237,714,088	10-11 Average:	992
32	Cumulative Investment (LOW)			42,254,297	84,749,443	127,486,812	170,467,784	213,693,747		
33										
34										
35										
36										
37										
38	Investment x Millage (HIGH)		School	\$0.9	\$1.8	\$2.7	\$3.6	\$4.5		
39			Non-School	\$1.2	\$2.3	\$3.5	\$4.7	\$5.9		
40	Investment x Millage (MIDDLE)		School	\$0.4	\$0.8	\$1.2	\$1.6	\$1.9		
41			Non-School	\$0.5	\$1.0	\$1.5	\$2.0	\$2.6		
42	Investment x Millage (LOW)		School	\$0.3	\$0.7	\$1.0	\$1.4	\$1.8		
43			Non-School	\$0.5	\$0.9	\$1.4	\$1.8	\$2.3		

	A	C	D	E	F	G	H	I	J	K
46	Geothermal Heat Exchange	2011	2012	2013	2014	2015	2016			
47	Number of Additional Residential (HIGH)	20,000	2,000	2,000	2,000	2,000	2,000	2,000		
48	Number of Additional Residential (MIDDLE)	1,000	1,000	1,000	1,000	1,000	1,000	1,000		
49	Number of Additional Residential (LOW)	500	500	500	500	500	500	500		
50	Average Investment Per System	-	-	19,000	19,000	19,000	19,000	19,000		
51	Total Investment (HIGH)			38,000,000	38,000,000	38,000,000	38,000,000	38,000,000		
52	Total Investment (MIDDLE)			19,000,000	19,000,000	19,000,000	19,000,000	19,000,000		
53	Total Investment (LOW)			9,500,000	9,500,000	9,500,000	9,500,000	9,500,000		
54	Cumulative Investment (HIGH)			38,000,000	76,000,000	114,000,000	152,000,000	190,000,000		
55	Cumulative Investment (MIDDLE)			19,000,000	38,000,000	57,000,000	76,000,000	95,000,000		
56	Cumulative Investment (LOW)			9,500,000	19,000,000	28,500,000	38,000,000	47,500,000		
57										
58	Investment x Millage (HIGH)		School	\$0.3	\$0.6	\$0.9	\$1.2	\$1.6		
59			Non-School	\$0.4	\$0.8	\$1.2	\$1.6	\$2.0		
60	Investment x Millage (MIDDLE)		School	\$0.2	\$0.3	\$0.5	\$0.6	\$0.8		
61			Non-School	\$0.2	\$0.4	\$0.6	\$0.8	\$1.0		
62	Investment x Millage (LOW)		School	\$0.1	\$0.2	\$0.2	\$0.3	\$0.4		
63			Non-School	\$0.1	\$0.2	\$0.3	\$0.4	\$0.5		
64										
65										
66	TOTAL IMPACT OF ENERGY DEVICES									
67			HIGH							
68	Millage Rate:	8.191								
69		10.78	School	\$1.8	\$3.6	\$5.3	\$7.1	\$8.8		
70			Non-School	\$2.4	\$4.7	\$7.0	\$9.3	\$11.5		
71										
72			MIDDLE							
73										
74			School	\$1.1	\$2.2	\$3.3	\$4.4	\$5.4		
75			Non-School	\$1.5	\$3.0	\$4.4	\$5.8	\$7.2		
76										
77			LOW							
78										
79			School	\$1.0	\$2.0	\$3.0	\$3.9	\$4.9		
80			Non-School	\$1.3	\$2.6	\$3.9	\$5.2	\$6.4		