

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Renewable Energy Devices

Bill Number(s): CS/SB 90

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Senator Brandes

Month/Year Impact Begins: January 1, 2018

Date of Analysis: March 3, 2017

Section 1: Narrative

- a. **Current Law:** Article VII, Section 3(e) of the Florida Constitution reads: By general law and subject to conditions specified therein, Twenty-five thousand dollars of the assessed value of property subject to tangible personal property tax shall be exempt from ad valorem taxation.

Article VII, Section 4(i) of the Florida Constitution reads: The legislature, by general law and subject to conditions specified therein, may prohibit the consideration of the following in the determination of the assessed value of real property used for residential purposes:

- (1) Any change or improvement made for the purpose of improving the property's resistance to wind damage.
- (2) The installation of a renewable energy source device.

Section 193.624, Florida Statutes, implements the above constitutional provision. The section provides:
193.624 Assessment of residential property

1) As used in this section, the term "renewable energy source device" means any of the following equipment that collects, transmits, stores, or uses solar energy, wind energy, or energy derived from geothermal deposits:

- (a) Solar energy collectors, photovoltaic modules, and inverters.
 - (b) Storage tanks and other storage systems, excluding swimming pools used as storage tanks.
 - (c) Rockbeds.
 - (d) Thermostats and other control devices.
 - (e) Heat exchange devices.
 - (f) Pumps and fans.
 - (g) Roof ponds.
 - (h) Freestanding thermal containers.
 - (i) Pipes, ducts, refrigerant handling systems, and other equipment used to interconnect such systems; however, such equipment does not include conventional backup systems of any type.
 - (j) Windmills and wind turbines.
 - (k) Wind-driven generators.
 - (l) Power conditioning and storage devices that use wind energy to generate electricity or mechanical forms of energy.
 - (m) Pipes and other equipment used to transmit hot geothermal water to a dwelling or structure from a geothermal deposit.
- (2) In determining the assessed value of real property used for residential purposes, an increase in the just value of the property attributable to the installation of a renewable energy source device may not be considered.
- (3) This section applies to the installation of a renewable energy source device installed on or after January 1, 2013, to new and existing residential real property.

b. **Proposed Change:**

SB 90 amends section 193.624, F.S., to expand the treatment under the section to all real property rather than residential property. It modifies 193.624 (i) F.S.; Pipes, ducts, wiring, structural supports, refrigerant handling systems, and other components ~~equipment~~ used as integral parts of ~~to interconnect~~ such systems; however, such equipment does not include conventional backup systems of any type or any equipment or structures that would be required in the absence of the renewable energy source device. It changes 193.624 (l) Power conditioning and storage devices that store or use solar energy, wind energy, or energy derived from geothermal deposits to generate electricity or mechanical forms of energy.

SB 90 adds to Section 193.624 (1), F.S.: The term does not include any equipment that is on the distribution or transmission side of the point of interconnection where a renewable energy source device is interconnected to an electric utility's distribution grid or transmission lines.

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Section 193.624 (2) F.S., is modified: In determining the assessed value of real property ~~used for residential purposes, an increase in the just value of the property attributable to the installation of a renewable energy source device may not be considered.~~

Section 193.624 (3) F.S., is struck: ~~This section applies to the installation of a renewable energy source device installed on or after January 1, 2013, to new and existing residential real property.~~

The bill creates section 196.182 F.S., Exemption of renewable energy source devices. — A renewable energy source device, as defined in s. 193.624, which is considered tangible personal property is exempt from ad valorem taxation. This section expires December 31, 2037.

The effective date of the proposed changes is January 1, 2018.

Section 2: Description of Data and Sources

Public Service Commission (PSC) data: number of solar systems and kilowatt capacity in Florida (2015 report provided for May 2015 Solar FIEC) and the portion of systems that are commercial versus residential.

Ten Year Site Plans (TYSP) from the Public Service Commission 2013-2016

Customer Owned Renewable Energy 2008-2016

Electricity Markets and Policy Group: Tracking the Sun Report

FPL Press Release

Section 3: Methodology (Include Assumptions and Attach Details)

Currently, only residential Photovoltaic (PV) systems, owned by the homeowner, are exempt from this tax. The proposed language will exempt any such installations, including any component thereof, from ad valorem taxation. This includes all non-residential PV installations as well as any leased residential PV systems. This change will include any utility PV installations, and PV installations of entities that sell electricity to utilities.

The analysis considers the kW capacity of customer owned solar systems, which is a mix of commercial and residential systems, and the kW capacity of Utility and related entities. The breakout between residential and commercial ownership provided by the PSC is used to separate the non-residential customer owned systems from the total customer owned PV. The growth rates used for the number of systems and kilowatt (kW) capacity are consistent with the growth rates underlying the 2015 FIEC. The share of residential PV systems is assumed to be the 2013 value, 76.97%. The percentage is applied to the non-leased customer owned systems. The customer owned and utility related PV systems analyses are performed separately, but use similar assumptions.

The depreciation is calculated as the depreciated replacement cost for the appraisal year. The replacement price by year table shows the total price to replace the installed PV systems in terms of the current year specified. For example, the 2018 replacement price by cohort for the customer owned analysis in 2008 is the price of the systems installed in 2008 if they were replaced at the 2018 price. This adjusted 2008 price is then depreciated into 2018 based on the 20 year life assumption for PV systems.

The proposed changes specifically include renewable energy sources devices installed as residential real property prior to the January 1 2013. The impact of this retrospective change is generated by applying the millage rates to the depreciated total installed price for all systems. The residential real property impact applies the assumed percent of commercial real property to the present value of installed systems by year, and then applies the millage rate. The commercial and residential TPP percent is separately applied to the present value of installed systems by year, and multiplied by the millage rates.

The final adjustment is made for the inclusion of components and other renewable energy devices. The estimate is increased by a variety of percentages for changes in sections (a), (i), and (l). Changes for the use of the electricity generated and for other renewable installations are also added.

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The utility analysis is done in two parts. For both parts it is assumed that the Utility installations fall into the tangible personal property tax category. The high estimate assumes that the extension of the 30% Federal Tax credit accelerates installations that would have fallen outside of the estimate period into the estimate. The installations are priced to present value for each year and the millage rate is applied as in the customer-owned portion of the analysis.

The second utility estimate uses the 10 year site plan as scheduled. The installations are priced to present value for each year and the millage rate is applied as in the customer-owned portion of the analysis.

The analysis assumes, based on the Federal Tax Credit extension, that the solar market is incentivized to accelerate deployments. However, it is also assumed that property tax is not the deciding factor in purchasing a solar system because it is a relatively small cost compared to the initial capital investment required for the system.

The cash impacts do not start until 2018-19 based on the roll approval process.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18				\$(22.8 M)		
2018-19			\$(42.2 M)	\$(42.2 M)		
2019-20			\$(52.6 M)	\$(52.6 M)		
2020-21			\$(52.3 M)	\$(52.3 M)		
2021-22			\$(55.0 M)	\$(55.0 M)		

List of affected Trust Funds: Ad Valorem

Section 5: Consensus Estimate (Adopted: 03/03/2017): The Conference adopted the proposed estimate with adjustments made to Components and Other Renewable Energy Devices and chose the fifth year recurring estimate as the recurring impact for every year in the forecast window.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	0.0	0.0	0.0	0.0	0.0	(54.5)	0.0	(54.5)
2018-19	0.0	0.0	0.0	0.0	(41.8)	(54.5)	(41.8)	(54.5)
2019-20	0.0	0.0	0.0	0.0	(52.1)	(54.5)	(52.1)	(54.5)
2020-21	0.0	0.0	0.0	0.0	(51.8)	(54.5)	(51.8)	(54.5)
2021-22	0.0	0.0	0.0	0.0	(54.5)	(54.5)	(54.5)	(54.5)

	A	B	C	D	E	F	G
1	Impact Summary						
2							
3	School Impact						
4		High		Middle		Low	
5	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
6	2017-18				\$ (8.8 M)		
7	2018-19			\$ (16.4 M)	\$ (16.4 M)		
8	2019-20			\$ (20.4 M)	\$ (20.4 M)		
9	2020-21			\$ (20.3 M)	\$ (20.3 M)		
10	2021-22			\$ (21.3 M)	\$ (21.3 M)		
11							
12	Non-School Impact						
13		High		Middle		Low	
14	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
15	2017-18				\$ (13.7 M)		
16	2018-19			\$ (25.5 M)	\$ (25.5 M)		
17	2019-20			\$ (31.7 M)	\$ (31.7 M)		
18	2020-21			\$ (31.5 M)	\$ (31.5 M)		
19	2021-22			\$ (33.2 M)	\$ (33.2 M)		
20							
21	Total Impact						
22		High		Middle		Low	
23	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
24	2017-18				\$ (22.6 M)		
25	2018-19			\$ (41.8 M)	\$ (41.8 M)		
26	2019-20			\$ (52.1 M)	\$ (52.1 M)		
27	2020-21			\$ (51.8 M)	\$ (51.8 M)		
28	2021-22			\$ (54.5 M)	\$ (54.5 M)		
29							
30							

	A	B	C	D	E	F	G
1	Residential Real Property Look back (PV systems installed before January 1, 2013)						
2		School		Non - School		Additional impact	
3	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
4	2017-18		\$ (0.21 M)		\$ (0.32 M)		\$ (0.01 M)
5	2018-19	\$ (0.18 M)	\$ (0.18 M)	\$ (0.28 M)	\$ (0.28 M)	\$ (0.00 M)	\$ (0.00 M)
6	2019-20	\$ (0.16 M)	\$ (0.16 M)	\$ (0.25 M)	\$ (0.25 M)	\$ (0.00 M)	\$ (0.00 M)
7	2020-21	\$ (0.18 M)	\$ (0.18 M)	\$ (0.27 M)	\$ (0.27 M)	\$ (0.00 M)	\$ (0.00 M)
8	2021-22	\$ (0.13 M)	\$ (0.13 M)	\$ (0.21 M)	\$ (0.21 M)	\$ (0.00 M)	\$ (0.00 M)
9							
10	Residential and Commercial TPP Look back (PV systems installed before January 1, 2018)						
11		School		Non - School		Additional impact	
12	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
13	2017-18		\$ (2.1 M)		\$ (3.2 M)		\$ (0.05 M)
14	2018-19	\$ (2.6 M)	\$ (2.6 M)	\$ (4.1 M)	\$ (4.1 M)	\$ (0.07 M)	\$ (0.07 M)
15	2019-20	\$ (2.3 M)	\$ (2.3 M)	\$ (3.6 M)	\$ (3.6 M)	\$ (0.06 M)	\$ (0.06 M)
16	2020-21	\$ (2.1 M)	\$ (2.1 M)	\$ (3.2 M)	\$ (3.2 M)	\$ (0.05 M)	\$ (0.05 M)
17	2021-22	\$ (1.9 M)	\$ (1.9 M)	\$ (2.9 M)	\$ (2.9 M)	\$ (0.05 M)	\$ (0.05 M)
18							
19	Commercial real property look back (PV systems installed before January 1, 2018)						
20		School		Non - School		Additional impact	
21	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
22	2017-18		\$ (0.2 M)		\$ (0.4 M)		\$ (0.01 M)
23	2018-19	\$ (0.3 M)	\$ (0.3 M)	\$ (0.5 M)	\$ (0.5 M)	\$ (0.01 M)	\$ (0.01 M)
24	2019-20	\$ (0.3 M)	\$ (0.3 M)	\$ (0.4 M)	\$ (0.4 M)	\$ (0.01 M)	\$ (0.01 M)
25	2020-21	\$ (0.2 M)	\$ (0.2 M)	\$ (0.4 M)	\$ (0.4 M)	\$ (0.01 M)	\$ (0.01 M)
26	2021-22	\$ (0.2 M)	\$ (0.2 M)	\$ (0.3 M)	\$ (0.3 M)	\$ (0.01 M)	\$ (0.01 M)
27							
28	Residential and Commercial TPP (PV systems installed on or after January 1, 2018)						
29		School		Non - School		Additional impact	
30	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
31	2017-18		\$ -		\$ -		\$ -
32	2018-19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	2019-20	\$ (0.9 M)	\$ (0.9 M)	\$ (1.4 M)	\$ (1.4 M)	\$ (0.02 M)	\$ (0.02 M)
34	2020-21	\$ (1.9 M)	\$ (1.9 M)	\$ (2.9 M)	\$ (2.9 M)	\$ (0.05 M)	\$ (0.05 M)
35	2021-22	\$ (2.9 M)	\$ (2.9 M)	\$ (4.6 M)	\$ (4.6 M)	\$ (0.08 M)	\$ (0.08 M)
36							

	A	B	C	D	E	F	G
37	Commercial real property (PV systems installed on or after January 1, 2018)						
38		School		Non - School		Additional impact	
39	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
40	2017-18		\$ -		\$ -		\$ -
41	2018-19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	2019-20	\$ (0.1 M)	\$ (0.1 M)	\$ (0.2 M)	\$ (0.2 M)	\$ (0.00 M)	\$ (0.00 M)
43	2020-21	\$ (0.2 M)	\$ (0.2 M)	\$ (0.3 M)	\$ (0.3 M)	\$ (0.01 M)	\$ (0.01 M)
44	2021-22	\$ (0.3 M)	\$ (0.3 M)	\$ (0.5 M)	\$ (0.5 M)	\$ (0.01 M)	\$ (0.01 M)
45							
46							
47	Utility Analysis High Look back (PV systems installed before January 1, 2018)						
48		School		Non - School		Additional impact	
49	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
50	2017-18		\$ (6.2 M)		\$ (9.7 M)		\$ (0.16 M)
51	2018-19	\$ (13.1 M)	\$ (13.1 M)	\$ (20.4 M)	\$ (20.4 M)	\$ (0.33 M)	\$ (0.33 M)
52	2019-20	\$ (11.8 M)	\$ (11.8 M)	\$ (18.3 M)	\$ (18.3 M)	\$ (0.30 M)	\$ (0.30 M)
53	2020-21	\$ (10.6 M)	\$ (10.6 M)	\$ (16.4 M)	\$ (16.4 M)	\$ (0.27 M)	\$ (0.27 M)
54	2021-22	\$ (9.4 M)	\$ (9.4 M)	\$ (14.7 M)	\$ (14.7 M)	\$ (0.24 M)	\$ (0.24 M)
55							
56	Utility Analysis High (PV systems installed on or after January 1, 2018)						
57		School		Non - School		Additional impact	
58	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
59	2017-18		\$ -		\$ -		\$ -
60	2018-19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61	2019-20	\$ (4.6 M)	\$ (4.6 M)	\$ (7.2 M)	\$ (7.2 M)	\$ (0.12 M)	\$ (0.12 M)
62	2020-21	\$ (4.9 M)	\$ (4.9 M)	\$ (7.6 M)	\$ (7.6 M)	\$ (0.12 M)	\$ (0.12 M)
63	2021-22	\$ (6.1 M)	\$ (6.1 M)	\$ (9.6 M)	\$ (9.6 M)	\$ (0.16 M)	\$ (0.16 M)

	A	B	C	D	E	F	G
1	Customer Owned* Analysis						
2	* Customer owned is a term of art from the PSC and refers to a customer of the investor owned utility who owns or leases a solar system.						
6	Depreciable Life (years)				20		
7							
8		Photo Voltaic Systems		kW Capacity			
9		Installations	Growth	kW Rating	Growth	Growth Adjustment	
10	2008	577		2,765			
11	2009	1,625	181.63%	12,986	369.66%		
12	2010	2,812	73.05%	19,208	47.91%		
13	2011	3,930	39.76%	27,706	44.24%		
14	2012	5,269	34.07%	41,521	49.86%		
15	2013	6,680	26.78%	57,492	38.46%		
16	2014	8,546	27.93%	74,043	28.79%		
17	2015	11,600	35.74%	101,835	37.53%		
18	2016	14,500	25%	137,405	34.9%	95.0%	
19	2017	17,690	22%	183,000	33.2%	95.0%	
20	2018	21,228	20%	240,689	31.5%	95.0%	
21	2019	25,049	18%	312,770	29.9%	95.0%	
22	2020	29,057	16%	401,753	28.5%	95.0%	
23	2021	33,706	16%	510,338	27.0%	95.0%	
24	2022	39,099	16%	641,374	25.7%	95.0%	
25							
26	2016 National Averages			\$/ Watt	\$/ kW		
27	Res price			\$ 4.10	\$ 4,100		
28	Non Res <500 kW			\$ 3.50	\$ 3,500		
29	Non Res >500 kW			\$ 2.50	\$ 2,500		
30	Weighted average price Res and Non Res <500 kW			\$ 3.96	\$ 3,962		
31							
32	Price Per kW						
33		Customer Owned	Price Factor (1=no change)				
34	2016 **	\$ 3,962					
35	2017	\$ 3,764	95.0%				
36	2018	\$ 3,576	95.0%				
37	2019	\$ 3,397	95.0%				
38	2020	\$ 3,227	95.0%				
39	2021	\$ 3,066	95.0%				
40	2022	\$ 2,912	95.0%				
41							
42	2013*	\$ 3,290					
43	*Previous Installed price per kW from DOE Photovoltaic Pricing Trends (underlying information from FIEC).						
44	** Updated Installed price per kW from 2016 National averages						

	A	B	C	D	E	F	G
45							
46	Total Replacement price by the year of installation using the Indicated Current price per kW						
47	Commercial and Residential TPP and Commercial Real property						
48							
49	Roll Date Adjusted	2017 roll date replacement price by cohort year	2018 roll date replacement price by cohort year	2019 roll date replacement price by cohort year	2020 roll date replacement price by cohort year	2021 roll date replacement price by cohort year	
50		Customer Owned	Customer Owned	Customer Owned	Customer Owned	Customer Owned	
51	Prices	\$ 3,764	\$ 3,576	\$ 3,397	\$ 3,227	\$ 3,066	
52	2008	\$ 7,683,358	\$ 7,299,190	\$ 6,934,230	\$ 6,587,519	\$ 6,258,143	
53	2009	\$ 28,402,025	\$ 26,981,924	\$ 25,632,828	\$ 24,351,186	\$ 23,133,627	
54	2010	\$ 17,289,639	\$ 16,425,157	\$ 15,603,899	\$ 14,823,704	\$ 14,082,519	
55	2011	\$ 23,614,168	\$ 22,433,459	\$ 21,311,787	\$ 20,246,197	\$ 19,233,887	
56	2012	\$ 38,389,001	\$ 36,469,551	\$ 34,646,073	\$ 32,913,770	\$ 31,268,081	
57	2013	\$ 44,380,075	\$ 42,161,071	\$ 40,053,017	\$ 38,050,367	\$ 36,147,848	
58	2014	\$ 45,991,774	\$ 43,692,185	\$ 41,507,576	\$ 39,432,197	\$ 37,460,587	
59	2015	\$ 77,228,166	\$ 73,366,758	\$ 69,698,420	\$ 66,213,499	\$ 62,902,824	
60	2016	\$ 98,842,563	\$ 93,900,435	\$ 89,205,413	\$ 84,745,142	\$ 80,507,885	
61	2017		\$ 120,364,320	\$ 114,346,104	\$ 108,628,799	\$ 103,197,359	
62	2018			\$ 144,675,008	\$ 137,441,258	\$ 130,569,195	
63	2019				\$ 171,729,534	\$ 163,143,057	
64	2020					\$ 201,400,442	
65	2021						
66							
67	Total Replacement price by the year of installation using the Indicated Current price per kW						
68	Residential Real Property Look Back period						
69							
70	Roll Date Adjusted	2017 roll date replacement price by cohort year	2018 roll date replacement price by cohort year	2019 roll date replacement price by cohort year	2020 roll date replacement price by cohort year	2021 roll date replacement price by cohort year	
71		Customer Owned	Customer Owned	Customer Owned	Customer Owned	Customer Owned	
72	Prices	\$ 3,764	\$ 3,576	\$ 3,397	\$ 3,227	\$ 3,066	
73	2008	\$ 2,723,311	\$ 2,587,146	\$ 2,457,789	\$ 2,334,899	\$ 2,218,154	
74	2009	\$ 10,066,896	\$ 9,563,551	\$ 9,085,373	\$ 8,631,105	\$ 8,199,549	
75	2010	\$ 6,128,190	\$ 5,821,780	\$ 5,530,691	\$ 5,254,157	\$ 4,991,449	
76	2011	\$ 8,369,874	\$ 7,951,380	\$ 7,553,811	\$ 7,176,121	\$ 6,817,315	
77	2012	\$ 13,606,708	\$ 12,926,373	\$ 12,280,054	\$ 11,666,051	\$ 11,082,749	
78	2013						

	A	B	C	D	E	F	G
87							
88	Depreciated Total installed price for all systems Less Residential Real Property after 2013						
89	Roll Date Adjusted	Residential/Commercial TPP + Commercial RP	Residential/Commercial TPP + Commercial RP after 2018	Residential/Commercial TPP + Commercial RP look back	Residential Real Property Look back		
90	2017	\$ 334,920,885	\$ -	\$ 334,920,885	\$ 29,629,974		
91	2018	\$ 420,402,675	\$ -	\$ 420,402,675	\$ 26,205,964		
92	2019	\$ 521,110,582	\$ 144,675,008	\$ 376,435,574	\$ 23,050,279		
93	2020	\$ 638,112,905	\$ 302,298,729	\$ 335,814,176	\$ 25,403,999		
94	2021	\$ 772,212,451	\$ 473,898,622	\$ 298,313,829	\$ 19,137,416		
95							
96	CY to FY						
97	Depreciated Total installed price for all systems Less Residential Real Property after 2013						
98		Residential/Commercial TPP + Commercial RP	Residential/Commercial TPP + Commercial RP after 2018	Residential/Commercial TPP + Commercial RP look back	Residential Real Property Look back		
99	2017-18	\$ 334,920,885	\$ -	\$ 334,920,885	\$ 29,629,974		
100	2018-19	\$ 420,402,675	\$ -	\$ 420,402,675	\$ 26,205,964		
101	2019-20	\$ 521,110,582	\$ 144,675,008	\$ 376,435,574	\$ 23,050,279		
102	2020-21	\$ 638,112,905	\$ 302,298,729	\$ 335,814,176	\$ 25,403,999		
103	2021-22	\$ 772,212,451	\$ 473,898,622	\$ 298,313,829	\$ 19,137,416		
104							
105	Customer owned* percentages		77%	23%			
106			residential	commercial			
107	34%	owned	26.2%	7.8%			
108	66%	leased	50.8%	15.2%			
109	* Customer owned is a term of art from the PSC and refers to a customer of the investor owned utility who owns or leases a solar system.						
110	2016-17 Breakdown						
111	Customer owned* Values		residential	commercial			
112		owned	\$ 95,398,971	\$ 28,548,321			
113		leased	\$ 185,186,239	\$ 55,417,328			
114	* Customer owned is a term of art from the PSC and refers to a customer of the investor owned utility who owns or leases a solar system.						

	A	B	C	D	E	F	G
115							
116	% Residential and Commercial TPP				66%		
117	2016 Millage Rate (School)				6.955		
118	2016 Millage Rate (Non-School)				10.824		
119	* Customer owned is a term of art from the PSC and refers to a customer of the investor owned utility who owns or leases a solar system.						
120							
121	Residential Real Property Look back						
122	Year	School	Non-School	Total			
123	2017-18	\$ 206,076	\$ 320,715	\$ 526,791			
124	2018-19	\$ 182,262	\$ 283,653	\$ 465,916			
125	2019-20	\$ 160,315	\$ 249,496	\$ 409,811			
126	2020-21	\$ 176,685	\$ 274,973	\$ 451,658			
127	2021-22	\$ 133,101	\$ 207,143	\$ 340,244			
128	* Customer owned is a term of art from the PSC and refers to a customer of the investor owned utility who owns or leases a solar system.						
129							
130	Residential/Commercial TPP + Commercial RP after 2018						
131	Year	School	Non-School	Total			
132	2017-18	\$ -	\$ -	\$ -			
133	2018-19	\$ -	\$ -	\$ -			
134	2019-20	\$ 1,006,215	\$ 1,565,962	\$ 2,572,177			
135	2020-21	\$ 2,102,488	\$ 3,272,081	\$ 5,374,569			
136	2021-22	\$ 3,295,965	\$ 5,129,479	\$ 8,425,444			
137	* Customer owned is a term of art from the PSC and refers to a customer of the investor owned utility who owns or leases a solar system.						
138							
139	Residential/Commercial TPP + Commercial RP look back						
140	Year	School	Non-School	Total			
141	2017-18	\$ 2,329,375	\$ 3,625,184	\$ 5,954,558			
142	2018-19	\$ 2,923,901	\$ 4,550,439	\$ 7,474,339			
143	2019-20	\$ 2,618,109	\$ 4,074,539	\$ 6,692,648			
144	2020-21	\$ 2,335,588	\$ 3,634,853	\$ 5,970,440			
145	2021-22	\$ 2,074,773	\$ 3,228,949	\$ 5,303,722			
146	* Customer owned is a term of art from the PSC and refers to a customer of the investor owned utility who owns or leases a solar system.						
147							

	A	B	C	D	E	F	G
148	Residential/Commercial TPP + Commercial RP						
149	Year	School	Non-School	Total			
150	2017-18	\$ 2,329,375	\$ 3,625,184	\$ 5,954,558			
151	2018-19	\$ 2,923,901	\$ 4,550,439	\$ 7,474,339			
152	2019-20	\$ 3,624,324	\$ 5,640,501	\$ 9,264,825			
153	2020-21	\$ 4,438,075	\$ 6,906,934	\$ 11,345,009			
154	2021-22	\$ 5,370,738	\$ 8,358,428	\$ 13,729,165			
155	* Customer owned is a term of art from the PSC and refers to a customer of the investor owned utility who owns or leases a solar system.						
156							
157	Adjustment for inclusion of Components and Other renewable energy devices						
158		(a)-(m) use of energy	Other Renewables	Middle	1(a) Transmit/ Conditioning	1(i) Integral parts	1(l) Conditioning expansion
159	2017-18	0.5%	0.5%	1.0%	5%	1%	1%
160	2018-19	0.5%	0.5%	1.0%	5%	1%	1%
161	2019-20	0.5%	0.5%	1.0%	5%	1%	1%
162	2020-21	0.5%	0.5%	1.0%	5%	1%	1%
163	2021-22	0.5%	0.5%	1.0%	5%	1%	1%
164							

	A	B	C	D	E	F	G
165							
166	School Impact						
167		High		Middle		Low	
168	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
169	2017-18				\$ (2.6 M)		
170	2018-19			\$ (3.1 M)	\$ (3.1 M)		
171	2019-20			\$ (3.8 M)	\$ (3.8 M)		
172	2020-21			\$ (4.7 M)	\$ (4.7 M)		
173	2021-22			\$ (5.6 M)	\$ (5.6 M)		
174							
175	Non-School Impact						
176		High		Middle		Low	
177	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
178	2017-18				\$ (4.0 M)		
179	2018-19			\$ (4.9 M)	\$ (4.9 M)		
180	2019-20			\$ (5.9 M)	\$ (5.9 M)		
181	2020-21			\$ (7.3 M)	\$ (7.3 M)		
182	2021-22			\$ (8.7 M)	\$ (8.7 M)		
183							
184	Total Customer Owned Impact						
185		High		Middle		Low	
186	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
187	2017-18				\$ (6.5 M)		
188	2018-19			\$ (8.0 M)	\$ (8.0 M)		
189	2019-20			\$ (9.8 M)	\$ (9.8 M)		
190	2020-21			\$ (11.9 M)	\$ (11.9 M)		
191	2021-22			\$ (14.2 M)	\$ (14.2 M)		
192							

	A	B	C	D	E	F	G
1	Utility or Related Ownership Analysis						
2							
6	Depreciable Life (years)				20		
7							
8		kW Capacity					
9	Date Complete	Current TYSP kW Rating	Growth	TYSP Additional Capacity kW	Capacity Acceleration or change (FP&L news report)		
15	2013	157,070					
16	2014	153,812					
17	2015	161,165	5%				
18	2016	396,665	146%	235,500			
19	2017	874,665	121%	478,000	300,000		
20	2018	1,184,665	35%	310,000	300,000		
21	2019	1,234,665	4%	50,000			
22	2020	1,364,665	11%	130,000	-300,000		
23	2021	1,399,665	3%	35,000			
24	2022	1,449,665	4%	50,000			
25	2023	1,524,665	5%	75,000			
26	2024	1,649,665	8%	125,000			
27	2025	1,699,665	3%	50,000			
28	TBD*	1,999,665	18%	300,000			
29	*All TBD projects are Purchased rather than Utility Owned in the Current TYSP						
33							
34		Revised kW Ratings	New Growth Rates	Federal Tax Credit %			
35	2017	874,665	442.7%	30%			
36	2018	1,184,665	35.4%	30%			
37	2019	1,234,665	4.2%	30%			
38	2020	1,364,665	10.5%	26%			
39	2021	1,399,665	2.6%	22%			

	A	B	C	D	E	F	G
40	2021	1,399,665	0.0%	22%			
41							

	A	B	C	D	E	F	G
43							
44	Price Per kW*						
45		Utility	Price Factor (1=no change)				
46	2016**	\$ 2,500					
47	2017	\$ 2,375	0.95				
48	2018	\$ 2,256	0.95				
49	2019	\$ 2,143	0.95				
50	2020	\$ 2,036	0.95				
51	2021	\$ 1,934	0.95				
52	2022	\$ 1,838	0.95				
53							
54	2013*	\$ 2,540					
55	*Installed price per kW from DOE Photovoltaic Pricing Trends (underlying information from FIEC).						
56	** Updated Installed price per kW from 2016 National averages						
57							
58	Total Replacement price by the year of installation using the Indicated Current price per kW						
59							
60	Roll Date Adjusted	2017 roll date replacement price by cohort year	2018 roll date replacement price by cohort year	2019 roll date replacement price by cohort year	2020 roll date replacement price by cohort year	2021 roll date replacement price by cohort year	
61		Utility	Utility	Utility	Utility	Utility	
62	Prices	\$ 2,375	\$ 2,256	\$ 2,143	\$ 2,036	\$ 1,934	
63	2013	\$ 373,041,250	\$ 354,389,188	\$ 336,669,728	\$ 319,836,241.72	\$ 303,844,430	
64	2014						
65	2015	\$ 17,462,995	\$ 16,589,845	\$ 15,760,353	\$ 14,972,335	\$ 14,223,719	
66	2016	\$ 559,312,500	\$ 531,346,875	\$ 504,779,531	\$ 479,540,555	\$ 455,563,527	
67	2017		\$ 1,078,487,500	\$ 1,024,563,125	\$ 973,334,969	\$ 924,668,220	
68	2018			\$ 664,465,625	\$ 631,242,344	\$ 599,680,227	
69	2019				\$ 101,813,281	\$ 96,722,617	
70	2020					\$ 251,478,805	

	A	B	C	D	E	F	G
72							
73	Depreciated Total installed price for all systems						
74	Roll Date	Utility	Utility after 2018	Utility Look Back			
75	2017	\$ 892,987,408	\$ -	\$ 892,987,408			
76	2018	\$ 1,881,709,242	\$ -	\$ 1,881,709,242			
77	2019	\$ 2,358,000,768	\$ 664,465,625	\$ 1,693,535,143			
78	2020	\$ 2,220,967,689	\$ 701,493,507.81	\$ 1,519,474,181			
79	2021	\$ 2,241,662,972	\$ 883,077,494.92	\$ 1,358,585,477			
80							
81	Depreciated Total installed price for all systems CY to FY						
82		Utility	Utility after 2018	Utility Look Back			
83	2017-18	\$ 892,987,408	\$ -	\$ 892,987,408			
84	2018-19	\$ 1,881,709,242	\$ -	\$ 1,881,709,242			
85	2019-20	\$ 2,358,000,768	\$ 664,465,625	\$ 1,693,535,143			
86	2020-21	\$ 2,220,967,689	\$ 701,493,508	\$ 1,519,474,181			
87	2021-22	\$ 2,241,662,972	\$ 883,077,495	\$ 1,358,585,477			
88							
89	% Utility TPP				100%		
90	2016 Millage Rate (School)				6.955		
91	2016 Millage Rate (Non-School)				10.824		
92							
93							

	A	B	C	D	E	F	G
94	Utility Impact						
95	Year	School	Non-School	Total			
96	2017-18	\$ 6,210,727	\$ 9,665,696	\$ 15,876,423			
97	2018-19	\$ 13,087,288	\$ 20,367,621	\$ 33,454,909			
98	2019-20	\$ 16,399,895	\$ 25,523,000	\$ 41,922,896			
99	2020-21	\$ 15,446,830	\$ 24,039,754	\$ 39,486,585			
100	2021-22	\$ 15,590,766	\$ 24,263,760	\$ 39,854,526			
101							
102							
103	Adjustment for inclusion of Components and Other renewable energy devices						
104		(a)-(m) use of energy	Other Renewables	Middle Total adjustment	1(l) Conditioning-expansion	1(i) Integral parts	1(a) Transmit/-Conditioning
105	2017-18	0.5%	0.5%	1.0%	1%	1%	10%
106	2018-19	0.5%	0.5%	1.0%	1%	1%	10%
107	2019-20	0.5%	0.5%	1.0%	1%	1%	10%
108	2020-21	0.5%	0.5%	1.0%	1%	1%	10%
109	2021-22	0.5%	0.5%	1.0%	1%	1%	10%
110							

	A	B	C	D	E	F	G
111							
112	School Impact						
113		High		Middle		Low	
114	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
115	2017-18				\$ (6.3 M)		
116	2018-19			\$ (13.2 M)	\$ (13.2 M)		
117	2019-20			\$ (16.6 M)	\$ (16.6 M)		
118	2020-21			\$ (15.6 M)	\$ (15.6 M)		
119	2021-22			\$ (15.7 M)	\$ (15.7 M)		
120							
121	Non-School Impact						
122		High		Middle		Low	
123	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
124	2017-18				\$ (9.8 M)		
125	2018-19			\$ (20.6 M)	\$ (20.6 M)		
126	2019-20			\$ (25.8 M)	\$ (25.8 M)		
127	2020-21			\$ (24.3 M)	\$ (24.3 M)		
128	2021-22			\$ (24.5 M)	\$ (24.5 M)		
129							
130	Total Utility Impact						
131		High		Middle		Low	
132	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
133	2017-18				\$ (16.0 M)		
134	2018-19			\$ (33.8 M)	\$ (33.8 M)		
135	2019-20			\$ (42.3 M)	\$ (42.3 M)		
136	2020-21			\$ (39.9 M)	\$ (39.9 M)		
137	2021-22			\$ (40.3 M)	\$ (40.3 M)		

	A	B	C	D	E	F	G	H	I	J
1										
2		# of Customer-Owned Solar Systems					kW Gross Power Rating			
3		IOU	Municipal	Rural Electric Cooperative	Total		IOU	Municipal	Rural Electric Cooperative	Total
4	2008	383	137	57	577		1,696	797	272	2,765
5	2009	1,045	313	267	1,625		7,653	3,378	1,955	12,986
6	2010	1,855	493	461	2,809		12,442	4,099	2,667	19,208
7	2011	2,803	614	549	3,966		19,441	5,002	3,262	27,705
8	2012	3,799	791	684	5,274		30,401	7,021	4,099	41,521
9	2013	4,818	1,007	853	6,678		43,876	11,787	4,865	60,528
10										
11	% Change									
12		# of Customer-Owned Solar Systems					kW Gross Power Rating			
13		IOU	Municipal	Rural Electric Cooperative	Total		IOU	Municipal	Rural Electric Cooperative	Total
14	2008									
15	2009	173%	128%	368%	182%		351%	324%	619%	370%
16	2010	78%	58%	73%	73%		63%	21%	36%	48%
17	2011	51%	25%	19%	41%		56%	22%	22%	44%
18	2012	36%	29%	25%	33%		56%	40%	26%	50%
19	2013	27%	27%	25%	27%		44%	68%	19%	46%
20										
21										
22	Residential commercial split information for IOU									
23		Residential	Commercial	Total						
24	2012	733	330	1063						
25	2013	802	240	1042						
26	Grand Total	1535	570	2105						
27										
28	Percent of total									
29		Residential	Commercial							
30	2012	69%	31%							
31	2013	77%	23%							
32	Grand Total	73%	27%							

	A	B	C
1	2016 TPP Tax Roll Values for NAICS code 22		
2	NAICS	NAICS Description	Taxable Value
3	221111	Hydroelectric Power Generation	\$ 4,309,621,038
4	221112	Fossil Fuel Electric Power Generation	\$ 5,971,679,856
5	221113	Nuclear Electric Power Generation	\$ 2,476,664,869
6	221114	Solar Electric Power Generation	\$ 236,353,340
7	221117	Biomass Electric Power Generation	\$ 369,789,242
8	221118	Other Electric Power Generation	\$ 5,481,971,215
9	221121	Electric Bulk Power Transmission and Control	\$ 2,304,412,241
10	221122	Electric Power Distribution	\$ 16,383,494,385
11	221210	Natural Gas Distribution	\$ 3,558,897,221
12	221310	Water Supply and Irrigation Systems	\$ 132,250,130
13	221320	Sewage Treatment Facilities	\$ 91,222,369
14	221330	Steam and Air-Conditioning Supply	\$ 96,337
15	Total		\$ 41,316,452,243
16			
18	NAICS potentially Affected by Proposed Changes		
19			
20	221114	Solar Electric Power Generation	\$ 236,353,340
21	221121	Electric Bulk Power Transmission and Control	\$ 2,304,412,241
22	221122	Electric Power Distribution	\$ 16,383,494,385
23			
24	2016 Millage Rate (School)		6.955
25	2016 Millage Rate (Non-School)		10.824
26	Total Millage		17.779
27			
28	2016 Transmission and Distribution Total Taxable Value		\$ 18,687,906,626
29			
30	% of 2016 T & D Taxable Value Exempt	Taxable Value	Impact of newly exempt
31	0.02%	\$ 3,737,581	\$ 66,450
32	0.50%	\$ 93,439,533	\$ 1,661,261
33	1.00%	\$ 186,879,066	\$ 3,322,523
34	2.00%	\$ 373,758,133	\$ 6,645,046
35	3.00%	\$ 560,637,199	\$ 9,967,569
36	4.00%	\$ 747,516,265	\$ 13,290,092
37	10.00%	\$ 1,868,790,663	\$ 33,225,229
38			
39	% of 2016 Solar Taxable Value Exempt	Taxable Value	Impact of newly exempt
40	100.00%	\$ 236,353,340	\$ 4,202,126

REVENUE ESTIMATING CONFERENCE

Tax: Communication Services Tax

Issue: Tax Rate Reduction

Bill Number(s): SB 378

☐ **Entire Bill**

☒ **Partial Bill:** Sections 1-11

Sponsor(s): Senator Flores

Month/Year Impact Begins: July 1, 2017

Date of Analysis: March 3, 2017

Section 1: Narrative

a. Current Law:

Section 202.12, F.S. states that the Total Direct-to-Home (DTH) Satellite Communication Services Tax is set to 9.07%. The non-satellite CST is set to 4.92%.

Section 202.18(1) describes how the taxes imposed on non-satellite CST under 202.12(1)(a) are to be distributed. The portion which constitutes gross receipts taxes shall be deposited as provided by law and in accordance with s. 9, Art. XII of the State Constitution. The remaining portion shall be distributed according to s. 212.20(6).

Section 202.18(2) describes how the taxes imposed on direct-to-home satellite service under 202.12(1)(b) are to be divided. The portion that constitutes gross receipts tax shall be removed and deposited the same as the rest of Gross Receipts Tax on Communications Services. Under s. 202.18(2)(b), the rest of the tax will be divided with 55.9% distributing via Section 212.20(6). The remaining 44.1% is further broken down with 70% allocated via Sections 218.61 and 218.65, and 30% allocated via Section 218.67.

Section 212.20(6)(d), F.S. describes the distribution of proceeds remitted pursuant under chapter 212 and ss. 202.18(1)(b) and (2)(b) and 203.01(1)(a)3. Subparagraph 2 states, after the distribution under subparagraph 1., 8.9744% of the amount remitted by a sales tax dealer within a county participating pursuant to s. 218.61 to be transferred into the Local Government Half-cent Sales Tax Clearing Trust Fund. Subparagraph 3 allocates 0.0966% to be transferred to the Local Government Half-Cent Sales Tax Clearing Trust Fund and distributed pursuant to s. 218.65, after distribution under subparagraph 1 and 2. Subparagraph 4 states, after the distributions under subparagraphs 1., 2., and 3., 2.0810% of the available proceeds shall be transferred monthly to the Revenue Sharing Trust Fund for Counties pursuant to s. 218.215. Subparagraph 5 states, after the distributions under subparagraphs 1., 2., and 3., 1.3653% of the available proceeds shall be transferred monthly to the Revenue Sharing Trust Fund for Municipalities pursuant to s. 218.215.

b. Proposed Change:

Proposed language decreases the rate of Direct-to-Home (DTH) Satellite Communication Services Tax to 7.07%, and non-satellite CST to 2.92%.

The proposed language changes the percent of the tax imposed on direct-to-homes satellite service that is distributed via section 212.20(6) from 55.9% to 43.4%.

Furthermore, the proposed language amends s. 212.20(6)(d). Subparagraph 2 to allocate 9.0691% of the amount remitted by a sales tax dealer within a county participating pursuant to s. 218.61 to be transferred into the Local Government Half-cent Sales Tax Clearing Trust Fund.

Subparagraph 3 is amended to allocate 0.0976% of the available proceeds to the Local Government Half-cent Sales Tax Clearing Trust Fund and distributed pursuant to s. 218.65.

Subparagraph 4 is amended to allocate 2.1022% of the available proceeds monthly to the Revenue Sharing Trust Fund for Counties pursuant to s. 218.215.

Subparagraph 5 is amended to allocate 1.3792% of the available proceeds monthly to the Revenue Sharing Trust Fund for Municipalities pursuant to s. 218.215.

Section 2: Description of Data and Sources

Revenue Estimating Conference Gross Receipts Tax and Communications Services Tax (December 2016)

Section 3: Methodology (Include Assumptions and Attach Details)

The impact of the rate change for the non-satellite CST providers is presented as an impact to State Sales Tax Transfer from CST.

The impact to direct-to-home satellite is presented in two parts because of the way the direct-to-home satellite remittances are divided. First, the total change from the current DTH rate to the proposed one is shown. Second, the impact is shown in its component parts comparing the current provisions of section 202.18, F.S. to the changes made by this bill.

Next, the impact of the impact on the distributions under 212.20(6)(d) is estimated using the estimated Sales Tax Collections from REC December 2016. First the estimated collections from transfers from CST were subtracted from the total sales

REVENUE ESTIMATING CONFERENCE

Tax: Communication Services Tax

Issue: Tax Rate Reduction

Bill Number(s): SB 378

tax collections in order to present the impact from the CST rate reduction and distribution changes separately from the impact of the distribution changes on all other collections. Using the current breakdown the distributions from both CST at the current rate and other collections are calculated separately.

To estimate the distributions from CST, the collections that were estimated from non-satellite CST at 2.92% tax rate and 43.4% of the collections we estimated for DTH satellite at 7.07% were totaled to find the estimated collections from CST that would be distributed under 212.20(6)(d). The proposed breakdown percentages were used to estimate the distribution. The distributions from other collections were calculated separately using the proposed breakdown percentages. The estimates were then summed to find the estimated total distributions under the new breakdown and new rates on CST and the difference was taken from the estimated current distributions to find the impact.

The effective date is upon becoming law and will apply to taxable transactions included on bills for services dated on or after July 1, 2017. The cash values for 2017-2018 are equal to 11 months of the recurring.

Section 4: Proposed Fiscal Impact

State Sales Tax Transfer from CST

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18			\$(201.0 M)	\$(219.3 M)		
2018-19			\$(222.7 M)	\$(222.7 M)		
2019-20			\$(220.9 M)	\$(220.9 M)		
2020-21			\$(219.5 M)	\$(219.5 M)		
2021-22			\$(218.7 M)	\$(218.7 M)		

Direct-to-Home Satellite at 7.07%

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18			\$(29.7 M)	\$(32.4 M)		
2018-19			\$(33.2 M)	\$(33.2 M)		
2019-20			\$(34.0 M)	\$(34.0 M)		
2020-21			\$(34.8 M)	\$(34.8 M)		
2021-22			\$(35.5 M)	\$(35.5 M)		

List of affected Trust Funds: Sales and Use Tax Group, CST Group

Section 5: Consensus Estimate (Adopted: 03/03/2017): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(230.9)	(251.9)	0.0	0.0	0.2	0.2	(230.7)	(251.7)
2018-19	(257.0)	(257.0)	0.0	0.0	1.1	1.1	(255.9)	(255.9)
2019-20	(257.5)	(257.5)	0.0	0.0	2.5	2.5	(255.0)	(255.0)
2020-21	(258.2)	(258.2)	0.0	0.0	3.9	3.9	(254.3)	(254.3)
2021-22	(259.4)	(259.4)	0.0	0.0	5.3	5.3	(254.1)	(254.1)

	A	B	C	D	E
1	Component breakdown				
3	Current Rates				
5	Direct-to-Home (DTH) Satellite		4.00%	5.07%	9.07%
7	year	Distributed Local Tax on DTH Satellite	Implied Base for Additional State Tax on DTH Satellite (B9/4%)	DTH component of State Sales Tax Transfer from CST (C9*5.07%)	Total DTH Satellite Equal to tax at 9.07% rate
9	2017-18	\$ 64.75	\$ 1,618.8	\$ 82.1	\$ 146.8
10	2018-19	\$ 66.46	\$ 1,661.5	\$ 84.2	\$ 150.7
11	2019-20	\$ 68.08	\$ 1,702.0	\$ 86.3	\$ 154.4
12	2020-21	\$ 69.58	\$ 1,739.5	\$ 88.2	\$ 157.8
13	2021-22	\$ 70.92	\$ 1,773.0	\$ 89.9	\$ 160.8
15	State Sales Tax Transfer from CST		4.92%		
17	year	State Sales Tax Transfer from CST Total (\$M) Less DTH component	Non-satellite Component of State Sales Tax Transfer from CST - (Tax Base) (B19/4.92%)		
19	2017-18	\$ 539.52	\$ 10,965.9		
20	2018-19	\$ 547.76	\$ 11,133.3		
21	2019-20	\$ 543.42	\$ 11,045.1		
22	2020-21	\$ 539.92	\$ 10,974.0		
23	2021-22	\$ 537.93	\$ 10,933.5		
26	New rates				
28	DTH Satellite		7.07%		
30	year	Implied Base for Additional State Tax on DTH Satellite (B9/4%)	Tax at new rate (B32*C28)	Change from Current Tax (C32-E9)	
32	2017-18	\$ 1,618.8	\$ 114.4	\$ (32.4)	
33	2018-19	\$ 1,661.5	\$ 117.5	\$ (33.2)	
34	2019-20	\$ 1,702.0	\$ 120.3	\$ (34.0)	
35	2020-21	\$ 1,739.5	\$ 123.0	\$ (34.8)	
36	2021-22	\$ 1,773.0	\$ 125.4	\$ (35.5)	
38	State Sales Tax Transfer from CST		2.92%		
40	year	Non-satellite Component of State Sales Tax Transfer from CST Base (B19/4.92%)	Tax at new rate (B42*C38)	Change from Current Tax (C42-B19)	Total Change (D42+D32)
42	2017-18	\$ 10,965.9	\$ 320.2	\$ (219.3)	\$ (251.7)
43	2018-19	\$ 11,133.3	\$ 325.1	\$ (222.7)	\$ (255.9)
44	2019-20	\$ 11,045.1	\$ 322.5	\$ (220.9)	\$ (254.9)
45	2020-21	\$ 10,974.0	\$ 320.4	\$ (219.5)	\$ (254.3)
46	2021-22	\$ 10,933.5	\$ 319.3	\$ (218.7)	\$ (254.1)

	A	B	C	D	E	F	G
2	Gross receipts conference data 12/2016						
3							
4	Impacts to Distributions due to reduction of DTH Tax Rate						
5							
6	Current breakdown						
7			55.9%	70.0%	30.0%		
8	year	Total Collections at 9.07%	202.18(2) via 212.20(6) (55.9%)	202.18(2)(c) (30.9%)	202.18(2)(c) (13.2% Fiscally Constrained)		
10	2017-18	\$ 146.82	\$ 82.07	\$ 45.32	\$ 19.42		
11	2018-19	\$ 150.70	\$ 84.24	\$ 46.52	\$ 19.94		
12	2019-20	\$ 154.37	\$ 86.29	\$ 47.65	\$ 20.42		
13	2020-21	\$ 157.77	\$ 88.19	\$ 48.70	\$ 20.87		
14	2021-22	\$ 160.81	\$ 89.89	\$ 49.64	\$ 21.28		
15							
16	New Rate Breakdown						
17			43.4%	70.0%	30.0%		
18	year	Total Collections at 7.07%	202.18(2) via 212.20(6) $[(B19 * C16)]$	202.18(2)(c) (39.62%) $[(B19 - C19) * 0.7]$	202.18(2)(c) (16.98% Fiscally Constrained) $[(B19 - C19) * 0.3]$		
20	2017-18	\$ 114.45	\$ 49.67	\$ 45.34	\$ 19.43		
21	2018-19	\$ 117.47	\$ 50.98	\$ 46.54	\$ 19.95		
22	2019-20	\$ 120.33	\$ 52.22	\$ 47.68	\$ 20.43		
23	2020-21	\$ 122.98	\$ 53.37	\$ 48.73	\$ 20.88		
24	2021-22	\$ 125.35	\$ 54.40	\$ 49.66	\$ 21.28		
25							
26	Net Change in Distributions						
27	year	Total collections	202.18(2) via 212.20(6)	202.18(2)(c)	202.18(2)(c) (Fiscally Constrained)		
30	2017-18	\$ (32.4)	\$ (32.40)	\$ 0.02	\$ 0.01		
31	207-18 Cash	\$ (12.1)	\$ (12.15)	\$ 0.01	\$ 0.00		
32	2018-19	\$ (33.2)	\$ (33.26)	\$ 0.02	\$ 0.01		
33	2019-20	\$ (34.0)	\$ (34.07)	\$ 0.02	\$ 0.01		
34	2020-21	\$ (34.8)	\$ (34.82)	\$ 0.02	\$ 0.01		
35	2021-22	\$ (35.5)	\$ (35.49)	\$ 0.02	\$ 0.01		

	A	B	C	D	E	F	G
36							
37	Impacts to Distributions due to reduction of CST Tax Rate and Distribution						
38	Current Rate and Breakdown						
39				8.9744%	0.0966%	2.0810%	1.3653%
40	year	Total State Sales Tax Collections	After 5.2% distributed to General Revenue 212.20(6)(d)1.	Local Gov. half cent 212.20(6)(d)2.	Local Gov. half cent emergency distribution 212.20(6)(d)3.	County Revenue Sharing 212.20(6)(d)3.	Municipal Revenue Sharing 212.20(6)(d)4.
41	2017-18	\$ 27,180.72	\$ 25,767.32	\$ 2,096.4	\$ 22.9	\$ 492.1	\$ 322.9
42	2018-19	\$ 28,418.99	\$ 26,941.20	\$ 2,191.8	\$ 24.0	\$ 514.5	\$ 337.6
43	2019-20	\$ 29,635.18	\$ 28,094.15	\$ 2,285.3	\$ 25.0	\$ 536.6	\$ 352.0
44	2020-21	\$ 30,823.78	\$ 29,220.94	\$ 2,376.8	\$ 26.0	\$ 558.1	\$ 366.1
45	2021-22	\$ 32,037.06	\$ 30,371.13	\$ 2,470.1	\$ 27.0	\$ 580.1	\$ 380.6
46							
47	Current: Transfers from CST Breakdown						
48				8.9744%	0.0966%	2.0810%	1.3653%
49	year	CST State 4.92%	After 5.2% distributed to General Revenue 212.20(6)(d)1.	Local Gov. half cent 212.20(6)(d)2.	Local Gov. half cent emergency distribution 212.20(6)(d)3.	County Revenue Sharing 212.20(6)(d)3.	Municipal Revenue Sharing 212.20(6)(d)4.
50	2017-18	\$ 621.59	\$ 589.27	\$ 52.8	\$ 0.6	\$ 11.2	\$ 7.3
51	2018-19	\$ 632.00	\$ 599.14	\$ 53.7	\$ 0.6	\$ 11.3	\$ 7.4
52	2019-20	\$ 629.72	\$ 596.97	\$ 53.5	\$ 0.6	\$ 11.3	\$ 7.4
53	2020-21	\$ 628.11	\$ 595.45	\$ 53.4	\$ 0.6	\$ 11.3	\$ 7.4
54	2021-22	\$ 627.82	\$ 595.17	\$ 53.4	\$ 0.6	\$ 11.3	\$ 7.4
55							
56	Current: All Other Collections Breakdown						
57				8.9744%	0.0966%	2.0810%	1.3653%
58	year	Total Tax Collections - Transfers from CST	After 5.2% distributed to General Revenue 212.20(6)(d)1.	Local Gov. half cent 212.20(6)(d)2.	Local Gov. half cent emergency distribution 212.20(6)(d)3.	County Revenue Sharing 212.20(6)(d)3.	Municipal Revenue Sharing 212.20(6)(d)4.
59	2017-18	\$ 26,559.13	\$ 25,178.06	\$ 2,043.6	\$ 22.4	\$ 481.0	\$ 315.5
60	2018-19	\$ 27,786.99	\$ 26,342.07	\$ 2,138.1	\$ 23.4	\$ 503.2	\$ 330.1
61	2019-20	\$ 29,005.46	\$ 27,497.18	\$ 2,231.8	\$ 24.5	\$ 525.3	\$ 344.6
62	2020-21	\$ 30,195.67	\$ 28,625.50	\$ 2,323.4	\$ 25.5	\$ 546.8	\$ 358.8
63	2021-22	\$ 31,409.24	\$ 29,775.96	\$ 2,416.8	\$ 26.5	\$ 568.8	\$ 373.2
64							

	A	B	C	D	E	F	G
65	Transfers from CST New Rate and New Breakdown						
66				9.0691%	0.0976%	2.1022%	1.3792%
67	year	CST State 2.92% and 43.4% of DTH Satellite at 7.07%	After 5.2% distributed to General Revenue 212.20(6)(d)1.	Local Gov. half cent 212.20(6)(d)2.	Local Gov. half cent emergency distributionn 212.20(6)(d)3.	County Revenue Sharing 212.20(6)(d)3.	Municipal Revenue Sharing 212.20(6)(d)4.
68	2017-18	\$ 369.87	\$ 350.64	\$ 31.4	\$ 0.4	\$ 6.7	\$ 4.4
69	2018-19	\$ 376.07	\$ 356.52	\$ 32.0	\$ 0.4	\$ 6.8	\$ 4.5
70	2019-20	\$ 374.74	\$ 355.25	\$ 31.9	\$ 0.4	\$ 6.8	\$ 4.5
71	2020-21	\$ 373.81	\$ 354.38	\$ 31.8	\$ 0.4	\$ 6.8	\$ 4.4
72	2021-22	\$ 373.66	\$ 354.23	\$ 31.8	\$ 0.4	\$ 6.8	\$ 4.4
73							
74	New Breakdown of Other Collections						
75				9.0691%	0.0976%	2.1022%	1.3792%
76	year	Other Collections	After 5.2% distributed to General Revenue 212.20(6)(d)1.	Local Gov. half cent 212.20(6)(d)2.	Local Gov. half cent emergency distribution 212.20(6)(d)3.	County Revenue Sharing 212.20(6)(d)3.	Municipal Revenue Sharing 212.20(6)(d)4.
77	2017-18	\$ 26,559.13	\$ 25,178.06	\$ 2,065.2	\$ 22.6	\$ 485.4	\$ 318.5
78	2018-19	\$ 27,786.99	\$ 26,342.07	\$ 2,160.6	\$ 23.7	\$ 507.8	\$ 333.2
79	2019-20	\$ 29,005.46	\$ 27,497.18	\$ 2,255.4	\$ 24.7	\$ 530.1	\$ 347.8
80	2020-21	\$ 30,195.67	\$ 28,625.50	\$ 2,347.9	\$ 25.7	\$ 551.9	\$ 362.1
81	2021-22	\$ 31,409.24	\$ 29,775.96	\$ 2,442.3	\$ 26.7	\$ 574.0	\$ 376.6
82							
83	Net Change in Distributions						
84	year	Total State Sales Tax Collections	GR Impact	Local Gov. half cent 212.20(6)(d)2.	Local Gov. half cent emergency distribution 212.20(6)(d)3.	County Revenue Sharing 212.20(6)(d)3.	Municipal Revenue Sharing 212.20(6)(d)4.
85	2017-18	\$ (251.72)	\$ (251.94)	\$ 0.17	\$ 0.06	\$ (0.01)	\$ (0.01)
86	2018-19	\$ (255.93)	\$ (257.01)	\$ 0.81	\$ 0.07	\$ 0.12	\$ 0.08
87	2019-20	\$ (254.98)	\$ (257.51)	\$ 1.88	\$ 0.08	\$ 0.34	\$ 0.22
88	2020-21	\$ (254.30)	\$ (258.21)	\$ 2.90	\$ 0.09	\$ 0.55	\$ 0.36
89	2021-22	\$ (254.16)	\$ (259.42)	\$ 3.90	\$ 0.10	\$ 0.76	\$ 0.50
90							
91							

	A	B	C	D	E	F	G
92	Total Impact						
93		High		Middle		Low	
94		Cash	Recurring	Cash	Recurring	Cash	Recurring
96	2017-18			\$ (230.7 M)	\$ (251.7 M)		
97	2018-19			\$ (255.9 M)	\$ (255.9 M)		
98	2019-20			\$ (254.9 M)	\$ (254.9 M)		
99	2020-21			\$ (254.3 M)	\$ (254.3 M)		
100	2021-22			\$ (254.1 M)	\$ (254.1 M)		
101							
102	State Sales Tax Transfer from CST						
103		High		Middle		Low	
104		Cash	Recurring	Cash	Recurring	Cash	Recurring
106	2017-18			\$ (201.0 M)	\$ (219.3 M)		
107	2018-19			\$ (222.7 M)	\$ (222.7 M)		
108	2019-20			\$ (220.9 M)	\$ (220.9 M)		
109	2020-21			\$ (219.5 M)	\$ (219.5 M)		
110	2021-22			\$ (218.7 M)	\$ (218.7 M)		
111							
112	Direct-to-Home Satellite at 7.07%						
113		High		Middle		Low	
114		Cash	Recurring	Cash	Recurring	Cash	Recurring
116	2017-18			\$ (29.7 M)	\$ (32.4 M)		
117	2018-19			\$ (33.2 M)	\$ (33.2 M)		
118	2019-20			\$ (34.0 M)	\$ (34.0 M)		
119	2020-21			\$ (34.8 M)	\$ (34.8 M)		
120	2021-22			\$ (35.5 M)	\$ (35.5 M)		
121							

REVENUE ESTIMATING CONFERENCE

Tax: Insurance Premium Tax

Issue: Salary Tax Credit

Bill Number(s): SB378

☐ **Entire Bill**

☒ **Partial Bill:** Sections 9 -12

Sponsor(s): Sen Flores

Month/Year Impact Begins: Upon becoming law

Date of Analysis: 3/1/2017

Section 1: Narrative

- a. Current Law:** Under s. 624.509(5), F.S., a credit is allowed against the net tax imposed under s. 624.509, F.S., equal to 15 percent of the amount paid by an insurer in salaries to employees within the State of Florida.
- b. Proposed Change:** This bill repeals the Salary Tax Credit applied on premiums received after December 31, 2016.

Section 2: Description of Data and Sources:

Insurance Premium Tax Return Data

Insurance Premium Tax Forecast from the December General Revenue Conference

Section 3: Methodology (Include Assumptions and Attach Details)

The impact consists of two parts, the salary credit repeal and the corresponding change in the retaliatory tax. The salary credit impact is determined by reducing the salary credit forecast, produced during the GR conference in projecting total IPT, to zero beginning 2017 calendar year. The calculation on the return for the retaliatory tax compares 80% of the Salary Tax Credit taken in some other "State of Incorporation" less the 80% of the Salary Tax Credit taken in State of Florida. If the value is positive, that amount is applied as a tax. In repealing the Salary Tax Credit, the Florida value would decrease by the 80% of the Salary Credit, making the retaliatory tax larger. However, the net premiums that are no longer credited at 100% of the Salary Credit's value increase the "Florida" value for the tax calculation. The net result is that the retaliatory tax decreases by the missing 20% of the 80% Salary Credit.

The retaliatory tax impact was generated on a firm by firm basis. The value of the credit under current law was subtracted from the existing total Florida component of the retaliatory tax. 100% of the credit was added back to the Florida value to represent the increase in Net premiums due absent the Salary Credit.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18			\$453.3m	\$299.6m		
2018-19			\$308.7m	\$308.7m		
2019-20			\$319.2m	\$319.2m		
2020-21			\$330.0m	\$330.0m		
2021-22			\$340.6m	\$340.6m		

List of affected Trust Funds:

REVENUE ESTIMATING CONFERENCE

Tax: Insurance Premium Tax

Issue: Salary Tax Credit

Bill Number(s): SB378

Section 5: Consensus Estimate (Adopted: 03/03/2017): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	453.3	299.6	0.0	0.0	0.0	0.0	453.3	299.6
2018-19	308.7	308.7	0.0	0.0	0.0	0.0	308.7	308.7
2019-20	319.2	319.2	0.0	0.0	0.0	0.0	319.2	319.2
2020-21	330.0	330.0	0.0	0.0	0.0	0.0	330.0	330.0
2021-22	340.6	340.6	0.0	0.0	0.0	0.0	340.6	340.6

	2017	2018	2019	2020	2021	2022
Assumptions						
Salary & CIT Growth	498.4	515.5	531.9	549.6	568.1	586.6
Premium Tax Grth	4.1%	3.4%	3.2%	3.3%	3.4%	3.3%
Current Forecasts						
Salary Tax Credit	298.7	309.0	318.8	329.3	340.5	351.5
Retaliatory Tax	48.2	49.8	51.4	53.1	54.9	56.7
Proposed Change						
Salary Tax Credit	298.7	0.0	0.0	0.0	0.0	0.0
Retaliatory Tax	48.2	35.2	36.3	37.5	38.8	40.0
C/Y Impact						
Salary Credit Impact	0.0	309.0	318.8	329.3	340.5	351.5
Retaliatory Tax Impact	0.0	-14.6	-15.1	-15.6	-16.1	-16.7
Total Impact	0.0	294.3	303.7	313.7	324.3	334.9
F/Y End Impact						
Salary Credit Impact	0.0	475.8	324.1	335.0	346.5	357.5
Retaliatory Tax Impact	0.0	-22.5	-15.4	-15.9	-16.4	-17.0
Total Impact	0.0	453.3	308.7	319.2	330.0	340.6
F/Y End Recurring Impacts						
Salary Credit Impact	0.0	314.5	324.1	335.0	346.5	357.5
Retaliatory Tax Impact	0.0	-14.9	-15.4	-15.9	-16.4	-17.0
Total Impact	0.0	299.6	308.7	319.2	330.0	340.6

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: State Park Fees for Adoptive and Foster Families

Bill Number(s): HB185 – Strike All Amendment

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Representative Lee

Month/Year Impact Begins: July 1, 2017

Date of Analysis: 02/28/2017

Section 1: Narrative

- a. Current Law:** Currently, statute provides for discounts on state park entrance fees and use of certain facilities at state parks. Sales and Use Tax is collected on the fees. The current discounts for state park fees are as follows:
- Section 258.016, F.S. allows Florida residents aged 65 and older, as well as Florida residents with 100 percent disability to receive half (50 percent) off the base fee for camping at Florida State Parks.
 - Section 258.0145, F.S. allows the following discounts for those who present written documentation satisfactory to the Division of State Parks, Department of Environmental Protection, which evidences their eligibility for the discounts:
 - Active duty members and honorably discharged veterans of the United States Armed Forces, National Guard, or Reserve shall receive a 25% discount on annual entrance passes.
 - Honorably discharged veterans who have service-connected disabilities shall receive lifetime family annual entrance passes at no charge.
 - Surviving spouses and parents of deceased members of the United States Armed Forces, National Guard, or Reserve who have fallen in combat shall receive lifetime family annual entrance passes at no charge.
 - The surviving spouse and parents of a law enforcement officer, as defined in s. 943.10(1), or a firefighter, as defined in s. 633.102, who has died in the line of duty shall receive lifetime family annual entrance passes at no charge.
- b. Proposed Change:** This bill makes the following persons eligible for certain discounts on state park fees upon presenting satisfactory written documentation:
- Foster families operating under s. 409.175, F.S., are eligible to receive family annual entrance passes at no charge and a 50% discount on current base campsite fees at state parks,
 - At the time of adoption, adoptive families who adopt a special needs child within the Florida welfare system as defined in s.409.166(2)(a), F.S., will receive a one-time free family annual entrance pass

Section 2: Description of Data and Sources

DCF data on foster and adoptive families

Florida State Parks fee data

American Community Survey

Outdoorfoundation.org – 2014 American Camper Report

Section 3: Methodology (Include Assumptions and Attach Details)

The Department of Children and Families (DCF) and the Division of State Parks have partnered since May 2013 to provide free entry day passes (F.A.C. 62D-2.014) to foster families. They have provided the discount to adoptive families in the past as well. The analysis assumes that the impact to the State Park TF and Sales Tax would come from these adoptive and foster families who currently have annual family passes or camp at a state park and will no longer have to pay for them. It is possible there is no impact from this bill if DEP could offer these discounts administratively.

At the January 27, 2017 the REC adopted an average of the middle and the low for SB64. This language limits the discount to adoptive families to a one-time pass at the time of adoption and removes reduced camping fees.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(*)	(*)	(*)	(*)	(*)	(*)
2018-19	(*)	(*)	(*)	(*)	(*)	(*)
2019-20	(*)	(*)	(*)	(*)	(*)	(*)
2020-21	(*)	(*)	(*)	(*)	(*)	(*)
2021-22	(*)	(*)	(*)	(*)	(*)	(*)

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: State Park Fees for Adoptive and Foster Families

Bill Number(s): HB185 – Strike All Amendment

List of affected Trust Funds: State Park Trust Fund, Sales and Use Tax, GR Service Charge

Section 5: Consensus Estimate (Adopted: 03/03/17): The Conference adopted the low estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
2018-19	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
2019-20	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
2020-21	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
2021-22	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)

<u>Foster Family Free Annual Pass</u>		<u>FY 15-16</u>
Annual Family State Park Entrances Passes Sold		28,424
Number of Florida Households w/Children <i>(source: 2015 American Community Survey)</i>		2,033,763
Approx. % of families with family annual pass		1.4%
FOSTER FAMILIES		<u>Dec-16</u>
Number of Foster Families under 409.175		5,064
Discounted Fees		<u>Costs</u>
Family Annual Pass to State Parks		\$120
<u>Impact - 12/2016</u>		
High is 2x middle, low is 1/2 middle	<u>High</u>	<u>Middle</u> <u>Low</u>
	2.8%	1.4% 0.7%
Foster Families w/Annual Passes despite getting free day passes	142	71 35
Trust Fund Impact (*\$120)	\$ 16,986	\$ 8,493 \$ 4,246

<u>Foster Family 50% Camping Fees</u>		<u>Costs</u>
Average daily fee for camping at state parks <i>(source: floridastateparks.org FAQ)</i>		\$25
Average number of nights camping <i>(source: 2014 American Camper Report Outdoorfoundation.org)</i>		2.5
% of all Americans over the age of 6 that camp annually (non-RV) <i>(source: 2014 American Camper Report Outdoorfoundation.org)</i>		13%
FOSTER FAMILIES		<u>Dec-16</u>
Number of Foster Families under 409.175		5,064
<u>Impact - 12/2016</u>		
Average % that camp	<u>High</u>	<u>Middle</u> <u>Low</u>
	13.0%	9.8% 7.3%
Foster Families who camp & at state parks <i>(13% average, reduced 25%, 50%)</i>	658	494 370
Trust Fund Impact (*(\$25*50%)*2.5)	\$ 20,573	\$ 15,429 \$ 11,572

<u>Adoptive Families Free Annual Pass</u>		<u>FY11-12</u>	<u>FY 16-17</u>
Number of Families under s.409.166(2)(a), F.S.,		30,728	39,966
Average Number of Adoptions Per Year		1,848	
Discounted Fees		<u>Costs</u>	
Family Annual Pass to State Parks		\$120	
Approx. % of families with family annual pass		1.4%	
<u>Impact - 12/2016</u>		<u>High</u>	<u>Middle</u> <u>Low</u>
High is 2x middle, low is 1/2 middle		2.8%	1.4% 0.7%
New Adoptive Families w/Annual Passes	52	26	13
Trust Fund Impact (*\$120)	\$ 2,079	\$ 1,039	\$ 520
<u>Foregone Day Passes</u>			
Number of Florida Households <i>(source: 2015 American Community Survey)</i>		7,463,184	
15/16 Daily Park Entrance Fee Revenue <i>(source: DEP)</i>		\$ 22,083,213	
Grown for 16/17 <i>(using avg annual growth 13/14 through 15/16)</i>		\$ 24,008,501	
Average revenue per household		\$ 2.96	
Adoption Households (1,848) foregoing daypasses <u>Impact 16/17</u>		\$ 5,467	

		<u>Growth</u>		
		<u>(Households 02/17 FEEC)</u>		
<u>Total Impact</u>	<u>High</u>	<u>Middle</u>	<u>Low</u>	
16/17	\$ 45,104	\$ 30,429	\$ 21,805	
17/18	\$ 45,826	\$ 30,915	\$ 22,154	1.60%
18/19	\$ 46,551	\$ 31,405	\$ 22,504	1.58%
19/20	\$ 47,280	\$ 31,897	\$ 22,857	1.57%
20/21	\$ 48,007	\$ 32,387	\$ 23,209	1.54%
21/22	\$ 48,729	\$ 32,874	\$ 23,558	1.50%

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Animal Health Products

Bill Number(s): Proposed Language

☐ **Entire Bill**

☒ **Partial Bill:** Section 2: Animal Health Products-Livestock and Poultry

Sponsor(s):

Month/Year Impact Begins: July 1, 2017 with one month lag to collections

Date of Analysis: March 3, 2017

Section 1: Narrative

- a. **Current Law:** 212.08 (5) (a) F.S., exempts certain items in agricultural use from sales tax.
- b. **Proposed Change:** HB 765 adds: animal health products which are applied to or consumed by livestock or poultry for alleviation of pain or the cure or prevention of sickness, disease, or suffering, including antiseptics, absorbent cotton, gauze for bandages, lotions, vitamins, and worm remedies;

Section 2: Description of Data and Sources

Florida Agriculture by the numbers 2014

NASS Florida data 2012 & 2016

Industry research price averages

<http://www.ers.usda.gov/data-products/milk-cost-of-production-estimates.aspx>

Section 3: Methodology (Include Assumptions and Attach Details)

A cost per cow estimate (of applicable exemption) is derived using Milk Production cost from the USDA. The percentage of milk cows in 2015 of is used to extrapolate total cattle figures in future years. It is assumed that the cost per cow is the same among all cattle. The cattle population estimate for 2014-15 is multiplied by the two-year average cost per cow to arrive at total estimated costs. The total cattle population is grown at food and beverages CPI 4 year average. The high estimate assumes 20% of the estimated costs are taxable, while the middle assumes 15%.

Livestock are incorporated using a total number of head and average veterinary costs per animal. The total expense numbers are grown using the same CPI average growth from the cattle estimate. The high estimate assumes 30% of the calculated costs are taxable and the low assumes 15% of the calculated costs are taxable. The middle is the average of the low and the high.

There is a one month lag to collections, and the first-year cash is equal to eleven months of the recurring.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	\$(2.9 M)	\$(3.2 M)	\$(2.1 M)	\$(2.3 M)	\$(1.4 M)	\$(1.5 M)
2018-19	\$(3.2 M)	\$(3.2 M)	\$(2.4 M)	\$(2.4 M)	\$(1.5 M)	\$(1.5 M)
2019-20	\$(3.3 M)	\$(3.3 M)	\$(2.4 M)	\$(2.4 M)	\$(1.5 M)	\$(1.5 M)
2020-21	\$(3.4 M)	\$(3.4 M)	\$(2.5 M)	\$(2.5 M)	\$(1.6 M)	\$(1.6 M)
2021-22	\$(3.4 M)	\$(3.4 M)	\$(2.5 M)	\$(2.5 M)	\$(1.6 M)	\$(1.6 M)

List of affected Trust Funds: General Sales Tax Grouping

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Animal Health Products

Bill Number(s): Proposed Language

Section 5: Consensus Estimate (Adopted: 03/03/2017): The Conference adopted the middle estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(1.8)	(2.0)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2018-19	(2.1)	(2.1)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2019-20	(2.1)	(2.1)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2020-21	(2.2)	(2.2)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2021-22	(2.2)	(2.2)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.2)	(0.3)	(0.5)	(0.5)	(2.3)	(2.5)
2018-19	(0.3)	(0.3)	(0.6)	(0.5)	(2.7)	(2.6)
2019-20	(0.3)	(0.3)	(0.6)	(0.5)	(2.7)	(2.6)
2020-21	(0.3)	(0.3)	(0.6)	(0.6)	(2.8)	(2.8)
2021-22	(0.3)	(0.3)	(0.6)	(0.6)	(2.8)	(2.8)

HB 765 - Animal Health Products Summary

	A	B	C	D	E	F	G
1							
2							
3	Cattle expenditures						
4		High		Middle		Low	
5		Cash	Recurring	Cash	Recurring	Cash	Recurring
6	2017-18	\$ (2.7 M)	\$ (2.9 M)	\$ (2.0 M)	\$ (2.2 M)	\$ (1.3 M)	\$ (1.5 M)
7	2018-19	\$ (3.0 M)	\$ (3.0 M)	\$ (2.2 M)	\$ (2.2 M)	\$ (1.5 M)	\$ (1.5 M)
8	2019-20	\$ (3.0 M)	\$ (3.0 M)	\$ (2.3 M)	\$ (2.3 M)	\$ (1.5 M)	\$ (1.5 M)
9	2020-21	\$ (3.1 M)	\$ (3.1 M)	\$ (2.3 M)	\$ (2.3 M)	\$ (1.5 M)	\$ (1.5 M)
10	2021-22	\$ (3.2 M)	\$ (3.2 M)	\$ (2.4 M)	\$ (2.4 M)	\$ (1.6 M)	\$ (1.6 M)
11							
12	Other Livestock and Poultry						
13		High		Middle		Low	
14		Cash	Recurring	Cash	Recurring	Cash	Recurring
15	2017-18	\$ (0.2 M)	\$ (0.3 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.02 M)	\$ (0.02 M)
16	2018-19	\$ (0.3 M)	\$ (0.3 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.02 M)	\$ (0.02 M)
17	2019-20	\$ (0.3 M)	\$ (0.3 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.02 M)	\$ (0.02 M)
18	2020-21	\$ (0.3 M)	\$ (0.3 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.02 M)	\$ (0.02 M)
19	2021-22	\$ (0.3 M)	\$ (0.3 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.02 M)	\$ (0.02 M)
20							
21	Total						
22		High		Middle		Low	
23		Cash	Recurring	Cash	Recurring	Cash	Recurring
24	2017-18	\$ (2.9 M)	\$ (3.2 M)	\$ (2.1 M)	\$ (2.3 M)	\$ (1.4 M)	\$ (1.5 M)
25	2018-19	\$ (3.2 M)	\$ (3.2 M)	\$ (2.4 M)	\$ (2.4 M)	\$ (1.5 M)	\$ (1.5 M)
26	2019-20	\$ (3.3 M)	\$ (3.3 M)	\$ (2.4 M)	\$ (2.4 M)	\$ (1.5 M)	\$ (1.5 M)
27	2020-21	\$ (3.4 M)	\$ (3.4 M)	\$ (2.5 M)	\$ (2.5 M)	\$ (1.6 M)	\$ (1.6 M)
28	2021-22	\$ (3.4 M)	\$ (3.4 M)	\$ (2.5 M)	\$ (2.5 M)	\$ (1.6 M)	\$ (1.6 M)

	A	B	C	D	E	F	G
1	Cattle, Cows, Beef - Inventory (First of Jan. 2016)		905,000				
2	Cattle, Cows, Milk - Inventory (First of Jan. 2016)		125,000				
3	Cattle, Incl Calves - Inventory (First of Jan. 2016)		1,680,000				
4							
5	Milk Production Costs per Hundredweight (\$)						
6	Veterinary and medicine	0.66					
7	Bedding and litter	0.01					
8		0.67					
9							
10		2010	2011	2012	2013	2014	2015
11							
12	Milk Cows (in thousands)	114	119	123	123	123	125
13							
14	Milk per cow (pounds per year)	18,711	19,067	19,024	19,374	20,048	20,524
15							
16	Milk output total (pounds)	2,133,054,000	2,268,973,000	2,339,952,000	2,383,002,000	2,465,934,211	2,565,476,190
17			6.4%	3.1%	1.8%	3.5%	4.0%
18							
19	Estimated costs affected	14,291,462	15,202,119	15,677,678	15,966,113	16,521,759	17,188,690
20							
21	Cost per cow estimate	125.36	127.75	127.46	129.81	134.32	137.51
22							
23		2015		Consumer Price Index - All Urban Consumers			
24	Milk Cows	125,000	7.4%	Food and beverages			
25	Total Cows	1,680,000		2010	219.98		
26				2011	227.87		
27				2012	233.67	2.5%	
28				2013	236.97	1.4%	
29				2014	242.45	2.3%	
30				2015	246.80	1.8%	
31							
32		Cattle Pop. Estimates		Estimated costs	Sales tax @6%		
33	2013-14						
34	2014-15	1,680,000		228,339,526	13,700,372		
35	2015-16	1,713,884	2.0%	232,944,983	13,976,699		
36	2016-17	1,748,452	2.0%	237,643,330	14,258,600		
37	2017-18	1,783,718	2.0%	242,436,438	14,546,186		
38	2018-19	1,819,694	2.0%	247,326,221	14,839,573		
39	2019-20	1,856,396	2.0%	252,314,627	15,138,878		
40	2020-21	1,893,838	2.0%	257,403,646	15,444,219		
41	2021-22	1,932,036	2.0%	262,595,308	15,755,718		
42							
43	Assumed taxable	20%	15%	10%			
44		High	Middle	Low			
45	2016-17	2.9	2.1	1.4			
46	2017-18	2.9	2.2	1.5			
47	2018-19	3.0	2.2	1.5			
48	2019-20	3.0	2.3	1.5			
49	2020-21	3.1	2.3	1.5			
50	2021-22	3.2	2.4	1.6			
51							

	A	B	C	D	E	F	G
52							
53	2016 Live stock data Inventory						
54	Goats, Meat & Other		45,000				
55	Goats, Milk		9,500				
56	Hogs		16,000				
57	Live stock totals		70,500				
58							
59	Per head expense		High	low			
60	Goats, Meat & Other		\$ 10	\$ 4			
61	Goats, Milk		\$ 50	\$ 20			
62	Hogs		\$ 34	\$ 25			
63							
64	Other Livestock Total expense		High	low			
65	Goats, Meat & Other		\$ 450,000	\$ 180,000			
66	Goats, Milk		\$ 475,000	\$ 191,710			
67	Hogs		\$ 544,000	\$ 400,000			
68	Live stock totals		\$ 1,469,000	\$ 771,710			
69							
70							
71	2012 Broilers and other Meat-type Chickens		11,031,656				
72	Quail		339,734				
73	Layers		9,386,611				
74	Pullets		1,644,472				
75	All other poultry		70,548				
76	Total Poultry inventory		22,473,021				
77							
78	Per head expense		High	low			
79	Chickens, Broilers		\$ 0.33	\$ 0.10			
80							
81	Chickens, Broilers total expense		\$ 7,416,097	\$ -			
82							
83	2015 Chickens, Commerical Layers		11,300,000				
84							
85	Per head expense		High	low			
86	Chickens, Broilers		\$ 0.33	\$ 0.10			
87							
88	Chickens, Broilers total expense		\$ 3,729,000	\$ 1,130,000			
89							
90			High	low			
91	Total other live stock and Poultry expenses		\$ 12,614,097	\$ 1,901,710			
92							
93							
94							
95		Other Live Stock Expense estimate					
96		High	low	CPI Growth Rates			
97	2013-14	\$ 12,868,515	\$ 1,940,066	2.0%			
98	2014-15	\$ 13,128,064	\$ 1,979,196	2.0%			
99	2015-16	\$ 13,392,849	\$ 2,019,115	2.0%			
100	2016-17	\$ 13,662,974	\$ 2,059,839	2.0%			
101	2017-18	\$ 13,938,547	\$ 2,101,385	2.0%			
102	2018-19	\$ 14,219,678	\$ 2,143,769	2.0%			
103	2019-20	\$ 14,506,480	\$ 2,187,007	2.0%			
104	2020-21	\$ 14,799,066	\$ 2,231,117	2.0%			
105	2021-22	\$ 15,097,553	\$ 2,276,118	2.0%			
106							
107							
108							
109	Sales tax @6%						
110		High	low				
111	2017-18	836,313	126,083				
112	2018-19	853,181	128,626				
113	2019-20	870,389	131,220				
114	2020-21	887,944	133,867				
115	2021-22	905,853	136,567				
116							

	A	B	C	D	E	F	G
117							
118							
119							
120	Assumed taxable	30%		15%			
121		High	Middle	Low			
122	2017-18	0.25	0.13	0.02			
123	2018-19	0.26	0.14	0.02			
124	2019-20	0.26	0.14	0.02			
125	2020-21	0.27	0.14	0.02			
126	2021-22	0.27	0.15	0.02			

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: 1% rate reduction for Commercial Rent

Bill Number(s): SB 484

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Sen. Hukill

Month/Year Impact Begins: February 2018

Date of Analysis: 3/2/2017

Section 1: Narrative

- a. Current Law:** Section 212.031 Provides for a tax levied in an amount equal to 6% of and on the total rent or license fee charged for the exercise of the taxable privilege of engaging in the business of renting, leasing, letting, or granting a license for the use of any real property unless the property is one of 13 specifically identified types of property.
- b. Proposed Change:** Reduces the tax levied on the taxable privilege of engaging in the business of renting, leasing, letting, or granting a license for the use of any real property from 6% to 5% effective January 1, 2018

Section 2: Description of Data and Sources

DOR Sales Tape for 2013, 2014 and 2015 Calendar Years

DR-15 Line 3.C. (Taxable Commercial Rent) or 4.C. (Tax on Commercial Rent).

DR-15EZ line 3 (Total Taxable Sales) and line 4 (Total Tax Collected)

Instructions for DR-15EZ read in part: "If you only report tax collected for the lease or rental of commercial property, you may file a DR-15EZ return."

Section 3: Methodology (Include Assumptions and Attach Details)

For 2013, 2014 and 2015, those dealers who either were identified as Kind Code 82 – Lease or Rental of Real Property or as having positive amounts inform DR15 line 3.C. (Taxable Commercial Rent) or 4.C. (Tax on Commercial Rent). Those dealers that indicated Kind Code 82 were further broken into 5 groups:

KindCode 82 - Form DR15 With line 4C > 0

KindCode 82 - Form DR15 with line 4C = 0 multiplied by 50% as directed by REC

Kindcode 82 - Form DR15EZ

Kind Code 82 - No form ID with line 4C > 0

Kind Code 82 - No form ID with line 4C = 0

For 2014 and 2015 the data file contained form information for all sales tax dealers. As a result, the data was broken into three groups:

KindCode 82 - Form DR15 With line 4C > 0

KindCode 82 - Form DR15 with line 4C = 0 multiplied by 50% as directed by REC

Kindcode 82 - Form DR15EZ

Additionally, the amount of taxable commercial rent reported on Form DR-15 line 3c for all sales tax dealers not in kind code 82 was identified for 2013, 2014 and 2015.

For those dealers that were Kind Code 82 and filed using form DR-15, taxable sales amounts for commercial rent were used to calculate the state 6% sales tax on commercial rent where the dealer had reported some amount on line 3.C. For those dealers in Kindcode 82 that either filed form DR-15EZ or filed DR-15 but did not report any tax on line 4.C., line 3 (Taxable Sales/Purchases) or line 3.A. (Taxable Sales) multiplied by the state 6% rate to calculate the state 6% sales tax collected on commercial rent.

For those dealers that were not in Kindcode 82 the amount reported on line 3.C. was multiplied by the state 6% rate to calculate the sales tax on commercial rent.

The growth rates for nonresidential property from the December 2016 Ad Valorem Assessments Estimating Conference were used to grow the 2015 calendar year amount into the forecast period. Calendar year amounts were converted to fiscal year amounts. The amount of tax that would have been generated were the tax rate 5% was calculated and converted to a fiscal year basis. The difference between the revenues generated at the 6% rate and those generated at the 5% rate was calculated to determine the impact. As the effective date is January 1, 2018, the 2017-18 impact is assumed to be 5/12 of the annualized 2017-18 amount.

For the high methodology, the data from the DOR 2015 Sales file was not adjusted. For the middle, and low estimates, the amounts from the DOR sales file were adjusted.

The reason for the adjustment is that in the processing of the returns, certain amounts reported on the return are recast in an effort to better characterize the data. For dealers in kind code 82 – Lease or Rental of Commercial Real Property that file the DR-15, if they file amounts only on one line and that line is not the commercial rent line, the department recast that return to show the tax

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: 1% rate reduction for Commercial Rent

Bill Number(s): SB 484

remitted as being on the commercial rent line. This is referred to as “As Computed” data. Data that is in the form that was filed by the taxpayer is referred to as “As Filed” data. In order to evaluate the impact of this processing issue, a file consisting of both “As Filed” data and “As Computed” data was created on a monthly basis for Calendar year 2015. This file was analyzed to identify those entities that had reported taxable sales on a single line other than the commercial rent line “as filed” and that had reported sales on the commercial rent line “As Computed”.

Once those amounts that had been recast were identified, they were further examined. In order to evaluate these recast amounts, the department was directed to conduct an analysis of those entities that have a primary kind code of 82 but that have additional kind codes. A data set of those entities with multiple kind codes where 82 was the primary Kindcode was generated. This dataset was merged with the dataset of monthly remittances that was used to identify the recast data. Of 57,102 entities with primary Kindcode 82 that filed on the DR-15, 3233 entities had multiple kindcodes. The match identified that of the 3233 entities with multiple kindcodes, 823 had their return recast as discussed above. The analysis requested was to identify those entities with multiple kindcodes and then compare them to entities with the same multiple kindcodes but who had not had their data recast. For those that had not been recast, the percent that commercial rent represented on the return was calculated. This percent was then applied to those entities that had multiple kindcodes and had been recast to create an amount that is assumed to be commercial rent.

For the low estimate, the entire recast amount was initially assumed not to be commercial rent. The amounts for those recast entities that did not have multiple Kindcode was added to the impact total absent the recast entities’ amounts. Finally, the amount that resulted from the analysis of those entities with multiple kindcodes and the percentage from like entities that had not been recast was added to the impact total.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(\$126.4 M)	(\$303.2 M)			(\$125.9 M)	(\$302.2M)
2018-19	(\$315.9 M)	(\$315.9 M)			(\$314.8 M)	(\$314.8 M)
2019-20	(\$327.5 M)	(\$327.5 M)			(\$326.4 M)	(\$326.4 M)
2020-21	(\$339.0 M)	(\$339.0 M)			(\$337.8 M)	(\$337.8 M)
2021-22	(\$350.6 M)	(\$350.6 M)			(\$349.4 M)	(\$349.4 M)

List of affected Trust Funds: Sales and Use Tax Group

Section 5: Consensus Estimate (Adopted: 03/03/2017): The Conference adopted the low estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(111.5)	(267.6)	(Insignificant)	(Insignificant)	(3.7)	(8.9)	(10.7)	(25.7)
2018-19	(278.8)	(278.8)	(Insignificant)	(Insignificant)	(9.3)	(9.3)	(26.7)	(26.7)
2019-20	(289.1)	(289.1)	(Insignificant)	(Insignificant)	(9.6)	(9.6)	(27.7)	(27.7)
2020-21	(299.2)	(299.2)	(Insignificant)	(Insignificant)	(9.9)	(9.9)	(28.7)	(28.7)
2021-22	(309.4)	(309.4)	(Insignificant)	(Insignificant)	(10.3)	(10.3)	(29.7)	(29.7)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	0.0	0.0	(14.4)	(34.6)	(125.9)	(302.2)
2018-19	0.0	0.0	(36.0)	(36.0)	(314.8)	(314.8)
2019-20	0.0	0.0	(37.3)	(37.3)	(326.4)	(326.4)
2020-21	0.0	0.0	(38.6)	(38.6)	(337.8)	(337.8)
2021-22	0.0	0.0	(40.0)	(40.0)	(349.4)	(349.4)

	A	B	C	D	E	F	G
1							
2							
3	Calendar Year 2015	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts	
4	KindCode 82 - Form DR15 With line 4C > 0	\$608,264,217	\$14,816,872,568		\$889,012,354	48,689	
5	KindCode 82 - Form DR15 with line 4C = 0	\$276,925,549		\$16,615,533		8,078	
6	Kindcode 82 - Form DR15EZ	\$9,703,296,086		\$582,197,765		87,625	
7	Kind Code 82 - No form ID with line 4C > 0	\$0	\$0	\$0	\$0	0	
8	Kind Code 82 - No form ID with line 4C = 0	\$0	\$0	\$0	\$0	0	
9	Dealers with Commercial rental tax not in kindcode 82	\$25,033,351,388	\$1,424,118,566		\$85,447,114	8,606	
10							
11	Statewide 2015			\$598,813,298	\$974,459,468	152,998	
12							
13							
14							
15	Calendar Year 2014	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts	
16	KindCode 82 - Form DR15 With line 4C > 0	\$537,440,074	\$13,075,756,344		\$784,545,381	42,923	
17	KindCode 82 - Form DR15 with line 4C = 0	\$369,105,345		\$22,146,321		6,158	
18	Kindcode 82 - Form DR15EZ	\$9,969,543,929		\$598,172,636		90,846	
19	Kind Code 82 - No form ID with line 4C > 0	\$0	\$0	0	\$0	0	
20	Kind Code 82 - No form ID with line 4C = 0	\$0		\$0		0	
21	Dealers with Commercial rental tax not in kindcode 82	\$23,876,968,994	\$1,147,816,198		\$68,868,972	7,699	
22							
23	Statewide 2014			\$620,318,956	\$853,414,352	147,626	
24							

	A	B	C	D	E	F	G
25							
26	Calendar Year 2013	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts	
27	KindCode 82 - Form DR15 With line 4C > 0	\$668,576,684	\$9,187,064,349		\$551,223,861	31,248	
28	KindCode 82 - Form DR15 with line 4C = 0	\$411,980,060		\$24,718,804		2,954	
29	Kindcode 82 - Form DR15EZ	\$10,219,270,436		\$613,156,226		90,719	
30	Kind Code 82 - No form ID with line 4C > 0	\$120,898,245	\$2,626,883,968		\$157,613,038	10,001	
31	Kind Code 82 - No form ID with line 4C = 0	\$84,173,669		\$5,050,420		2,435	
32	Dealers with Commercial rental tax not in kindcode 82	\$20,940,595,250	\$1,166,438,863		\$69,986,332	7,699	
33							
34	Statewide 2013			\$642,925,450	\$778,823,231	145,056	
35							
36							
37	Analysis of Recast Commercial Rent (Low Estimate)		Taxable Amounts				
38			Totals	Amounts to add back			
39	Total Recast Commercial Rent (DR-15 filers only)- 2015		\$4,684,175,711				
40	Total Recast that are only kindcode 82			\$4,481,054,382			
41	Total recast that have multiple kindcodes		\$203,121,329				
42	portion of C41 that is assumed commercial rent by like analysis			\$111,631,023			
43	Total amount (taxable Commercial rent) to add back			\$4,592,685,405			
44	tax amount to add back			\$275,561,124			
45							
46							
47							
48							
49			High Estimate	low Estimate			
50			Sales Tax With Cell D32 reduced by half @ Commercial Property Growth Rate	Sales Tax With Cell D32 reduced by half @ Commercial Property Growth Rate - adjusted for low method to adjust for recast commercial rent	Business Investment Growth Rate (GR-REC 12/16)	NonResidential Property Growth Rate - December 23, 2016 Ad Valorem Assessments Estimating Conference	
51	Total Estimated State Sales Tax - Commercial Rent	2013	\$1,408,103,037				
52		2014	\$1,462,660,149				
53		2015	\$1,564,965,000	\$1,559,475,581			
54		2016	\$1,680,615,913	\$1,674,720,827	6.10	7.39	
55		2017	\$1,779,100,006	\$1,772,859,467	5.30	5.86	
56		2018	\$1,859,871,146	\$1,853,347,287	4.80	4.54	
57		2019	\$1,931,476,185	\$1,924,701,158	4.20	3.85	
58		2020	\$1,999,077,852	\$1,992,065,698	3.80	3.50	
59		2021	\$2,068,845,669	\$2,061,588,791	3.60	3.49	
60		2022	\$2,138,151,998	\$2,130,652,015	3.60	3.35	
61							
62							

	A	B	C	D	E	F	G
63			High Estimate	Low Estimate			
64	Estimated Sales tax at new rates - (5%)	2016	\$1,400,513,261	\$1,395,600,689			
65		2017	\$1,482,583,338	\$1,477,382,889			
66		2018	\$1,549,892,622	\$1,544,456,073			
67		2019	\$1,609,563,488	\$1,603,917,631			
68		2020	\$1,665,898,210	\$1,660,054,748			
69		2021	\$1,724,038,057	\$1,717,990,659			
70		2022	\$1,781,793,332	\$1,775,543,346			
71							
72	Calendar Year to Fiscal Year conversion - 6%		Recurring Impact				
73		Sales Tax @ 6%					
74		2016-17	\$1,729,857,959	\$1,723,790,147			
75		2017-18	\$1,819,485,576	\$1,813,103,377			
76		2018-19	\$1,895,673,665	\$1,889,024,222			
77		2019-20	\$1,965,277,018	\$1,958,383,428			
78		2020-21	\$2,033,961,760	\$2,026,827,245			
79		2021-22	\$2,103,498,833	\$2,096,120,403			
80							
81	Calendar Year to Fiscal Year conversion - 5%	Sales Tax @ New rates					
82		2016-17	\$1,441,548,299	\$1,436,491,789			
83		2017-18	\$1,516,237,980	\$1,510,919,481			
84		2018-19	\$1,579,728,055	\$1,574,186,852			
85		2019-20	\$1,637,730,849	\$1,631,986,190			
86		2020-21	\$1,694,968,133	\$1,689,022,704			
87		2021-22	\$1,752,915,695	\$1,746,767,003			
88							
89			High	Low			
90			Sales Tax With Cell D32 reduced by half @ Commercial Property Growth Rate	Sales Tax With Cell D32 reduced by half @ Commercial Property Growth Rate and utilizing the recast analysis			
91		2017-18 Cash	-\$126,353,165	-\$125,909,957			
92		2017-18	-\$303,247,596	-\$302,183,896			
93		2018-19	-\$315,945,611	-\$314,837,370			
94		2019-20	-\$327,546,170	-\$326,397,238			
95		2020-21	-\$338,993,627	-\$337,804,541			
96		2021-22	-\$350,583,139	-\$349,353,401			

	A	B	C	D	E	F	G
97							
98	NAICS code for those dealers within Kind Code 82						
99	North American Industrial Classification Code	Description	Frequency		Percent		
100	531120	Lessors of Nonresidential Buildings (except Miniwarehouses)	139788		96.9		
101	531190	Lessors of Other Real Estate Property	2511		1.7		
102	531210	Offices of Real estate Agents and Brokers	381		.3		
103	531312	Nonresidential Property Managers	687		.5		
104	531320	Offices of Real Estate Appraisers	4		.0		
105	531390	Other Activities Related to Real Estate	536		.4		
106	561431	Private Mail Centers	100		.1		
107	561920	Convention and Trade Show Organizers	69		.0		
108	711310	Promoters of Performing arts, Sports, and Similar Events with Fac	91		.1		
109	812220	Cemeteries and Crematoriums	3		.0		
110	813990	(except Business,	56		.0		
111	Total		144,226		100.0		

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Business rent – Exclude Ad Valorem

Bill Number(s): HB 463

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Rep. Raschein

Month/Year Impact Begins: February 2018

Date of Analysis: 3/2/2017

Section 1: Narrative

- a. **Current Law:** Section 212.031, Florida Statutes, provides that every person is exercising a taxable privilege who engages in the business of renting, leasing, letting, or granting a license for the use of any real property unless certain conditions are met. The most significant of these conditions is if the property is used exclusively as dwelling units.

Paragraph 1(c) provides: For the exercise of such privilege, a tax is levied in an amount equal to 6 percent of and on the total rent or license fee charged for such real property by the person charging or collecting the rental or license fee. The total rent or license fee charged for such real property shall include payments for the granting of a privilege to use or occupy real property for any purpose and shall include base rent, percentage rents, or similar charges. Such charges shall be included in the total rent or license fee subject to tax under this section whether or not they can be attributed to the ability of the lessor's or licensor's property as used or operated to attract customers. Payments for intrinsically valuable personal property such as franchises, trademarks, service marks, logos, or patents are not subject to tax under this section. In the case of a contractual arrangement that provides for both payments taxable as total rent or license fee and payments not subject to tax, the tax shall be based on a reasonable allocation of such payments and shall not apply to that portion which is for the nontaxable payments.

Subsection (8) provides that utility charges subject to sales tax which are paid by a tenant to the lessor and which are a part of a payment for the privilege or right to use or occupy real property are exempt from tax if the lessor has paid sales tax on the purchase of such utilities and the charges billed by the lessor to the tenant are separately stated and at the same or lower price than those paid by the lessor.

Proposed Change:

Creates a new subparagraph 212.031 (1)(c)3. to read:

3. Separately itemized charges for ad valorem taxes that are paid by the tenant or licensee to the lessor, licensor, or other person on behalf of the lessor or licensor are not subject to the tax under this section. For purposes of this subparagraph, the total ad valorem tax charges for one calendar year that apply to a single parcel of real property may not exceed the ad valorem taxes actually paid to the tax collector or the ad valorem taxes that are due on April 1 of the following calendar year, whichever amount is less. If the total ad valorem tax charges exceed the taxes actually paid or that are due, the excess ad valorem tax charges are subject to sales and use tax and must be remitted in the month of December to the department in the manner provided in this chapter. When multiple tenants or licensees occupy a parcel of real property or portions of the real property are not subject to the lease or license, the tenants' or licensees' ad valorem tax charges shall be calculated based on a reasonable allocation related to the real property occupied by each tenant or used by each licensee.

Section 2: Description of Data and Sources

2016 Final Ad Valorem rolls

2016-17 weighted Average County millage rates

2013, 2014 and 2015 Sales Tax Receipts by County – Commercial Rentals

Gross Rent Multipliers from RealtyTrac

Section 3: Methodology (Include Assumptions and Attach Details)

A Gross Rent Multiplier provides the factor that, if applied to the annual rental payment, will result in the value of the rental property. Gross Rent Multipliers were obtained for Jacksonville, Orlando, Miami and Fort Lauderdale, and the Tampa Bay region for the following property types: Industrial properties, office buildings, and retail centers. A statewide gross rent multiplier was also obtained for each type of property. For those counties in the same region as the aforementioned areas, those counties were assigned the same gross rent multiplier as that for the area within the same region. For other counties not in the same region as one of the four areas the statewide multiplier was used.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Business rent – Exclude Ad Valorem

Bill Number(s): HB 463

The reciprocal of the gross rent multiplier was computed in order to express the rent as a percent of the total value of the rental property. A weighted average percent of total value was computed by using the relative shares of the just value for office buildings (Use codes 17, 18, and 19), industrial properties (Use codes 41-49) and retail centers (Use codes 13 – 16, 21-27, and 33)

The weighted average percentage of total value that constitutes rent is then compared to the weighted average millage rate of the county to determine what the relationship is between rent and property taxes and is expressed as a percentage. That percentage is then applied to commercial rent as measured from the 2015 Calendar Year Sales Tax File to reflect the total expected tax revenues from commercial rent. Using this ratio, an impact had the bill been in place in 2017 was calculated at a county level. The impact was summed for all counties and a percentage of the total statewide commercial rent was calculated. This percentage was multiplied by the forecast amount of total statewide commercial rent (discussed below) for the middle estimate. For the high, the percentage was increased by 15% for the low, the percentage was decreased 15%. The Middle and low estimate were also adjusted as discussed below.

Estimate of Statewide Sales Tax on Commercial Rent

The 2015 Calendar year sales tax file was used to determine the county by county amount of sales tax on commercial rent in 2015 for those amounts that were either identified on line 3c of the DR-15 or that was filed on the DR-15EZ by those businesses in kind code 82. For the remainder of the sales tax on commercial rent, it was allocated to the counties on the basis of the county by county sales tax determined above.

In order to bring this 2015 impact forward, the statewide amount of commercial rent for the forecast period was estimated as described below.

For 2013, 2014 and 2015, those dealers who either were identified as Kind Code 82 – Lease or Rental of Real Property or as having positive amounts inform DR15 line 3.C. (Taxable Commercial Rent) or 4.C. (Tax on Commercial Rent). Those dealers that indicated Kind Code 82 were further broken into 5 groups:

KindCode 82 - Form DR15 With line 4C > 0

KindCode 82 - Form DR15 with line 4C = 0 multiplied by 50% as directed by REC

Kindcode 82 - Form DR15EZ

Kind Code 82 - No form ID with line 4C > 0

Kind Code 82 - No form ID with line 4C = 0

For 2014 and 2015 the data file contained form information for all sales tax dealers. As a result, the data was broken into three groups:

KindCode 82 - Form DR15 With line 4C > 0

KindCode 82 - Form DR15 with line 4C = 0 multiplied by 50% as directed by REC

Kindcode 82 - Form DR15EZ

Additionally, the amount of taxable commercial rent reported on Form DR-15 line 3c for all sales tax dealers not in kind code 82 was identified for 2013, 2014 and 2015.

For those dealers that were Kind Code 82 and filed using form DR-15, taxable sales amounts for commercial rent were used to calculate the state 6% sales tax on commercial rent where the dealer had reported some amount on line 3.C. For those dealers in Kindcode 82 that either filed form DR-15EZ or filed DR-15 but did not report any tax on line 4.C., line 3 (Taxable Sales/Purchases) or line 3.A. (Taxable Sales) multiplied by the state 6% rate to calculate the state 6% sales tax collected on commercial rent. For those dealers that were not in Kindcode 82 the amount reported on line 3.C. was multiplied by the state 6% rate to calculate the sales tax on commercial rent.

The 2015 Calendar year sales tax file was used to determine the county by county amount of sales tax on commercial rent in 2015 for those amounts that were either identified on line 3c of the DR-15 or that was filed on the DR-15EZ by those businesses in kind code 82. For the remainder of the sales tax on commercial rent, it was allocated to the counties on the basis of the county by county sales tax determined above.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Business rent – Exclude Ad Valorem

Bill Number(s): HB 463

The growth rates for nonresidential property from the December 2016 Ad Valorem Assessments Estimating Conference were used to grow the 2015 calendar year amount into the forecast period. Calendar year amounts were converted to fiscal year amounts.

Additional Adjustment to Commercial Rent Sales Tax Data

For the high and middle methodology, the data from the DOR 2015 Sales file was not adjusted. For the low estimate, the amounts from the DOR sales file were adjusted.

The reason for the adjustment is that in the processing of the returns, certain amounts reported on the return are recast in an effort to better characterize the data. For dealers in kind code 82 – Lease or Rental of Commercial Real Property that file the DR-15, if they file amounts only on one line and that line is not the commercial rent line, the department recast that return to show the tax remitted as being on the commercial rent line. This is referred to as “As Computed” data. Data that is in the form that was filed by the taxpayer is referred to as “As Filed” data. In order to evaluate the impact of this processing issue, a file consisting of both “As Filed” data and “As Computed” data was created on a monthly basis for Calendar year 2015. This file was analyzed to identify those entities that had reported taxable sales on a single line other than the commercial rent line “as filed” and that had reported sales on the commercial rent line “As Computed”.

Once those amounts that had been recast were identified, they were further examined. In order to evaluate these recast amounts, the department was directed to conduct an analysis of those entities that have a primary kind code of 82 but that have additional kind codes. A data set of those entities with multiple kind codes where 82 was the primary Kindcode was generated. This dataset was merged with the dataset of monthly remittances that was used to identify the recast data. Of 57,102 entities with primary Kindcode 82 that filed on the DR-15, 3233 entities had multiple kindcodes. The match identified that of the 3233 entities with multiple kindcodes, 823 had their return recast as discussed above. The analysis requested was to identify those entities with multiple kindcodes and then compare them to entities with the same multiple kindcodes but who had not had their data recast. For those that had not been recast, the percent that commercial rent represented on the return was calculated. This percent was then applied to those entities that had multiple kindcodes and had been recast to create an amount that is assumed to be commercial rent.

For the low estimate, the entire recast amount was initially assumed not to be commercial rent. The amounts for those recast entities that did not have multiple Kindcode was added to the impact total absent the recast entities’ amounts. Finally, the amount that resulted from the analysis of those entities with multiple kindcodes and the percentage from like entities that had not been recast was added to the impact total.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(\$99.4 M)	(\$238.5 M)	(\$86.6 M)	(\$207.8 M)	(\$73.2 M)	(\$175.7 M)
2018-19	(\$248.5 M)	(\$248.5 M)	(\$216.5 M)	(\$216.5 M)	(\$183.0 M)	(\$183.0 M)
2019-20	(\$257.6 M)	(\$257.6 M)	(\$224.5 M)	(\$224.5 M)	(\$189.8 M)	(\$189.8 M)
2020-21	(\$266.7 M)	(\$266.7 M)	(\$232.3 M)	(\$232.3 M)	(\$196.4 M)	(\$196.4 M)
2021-22	(\$275.8 M)	(\$275.8 M)	(\$240.3 M)	(\$240.3 M)	(\$203.1 M)	(\$203.1 M)

List of affected Trust Funds: Sales and Use Tax

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Business rent – Exclude Ad Valorem

Bill Number(s): HB 463

Section 5: Consensus Estimate (Adopted: 03/03/2017): The Conference adopted the middle estimate with an adjustment of 75% made to the taxable commercial rent baseline.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(57.3)	(137.5)	(Insignificant)	(Insignificant)	(1.9)	(4.6)	(5.5)	(13.2)
2018-19	(143.3)	(143.3)	(Insignificant)	(Insignificant)	(4.8)	(4.8)	(13.7)	(13.7)
2019-20	(148.6)	(148.6)	(Insignificant)	(Insignificant)	(4.9)	(4.9)	(14.3)	(14.3)
2020-21	(153.7)	(153.7)	(Insignificant)	(Insignificant)	(5.1)	(5.1)	(14.8)	(14.8)
2021-22	(159.0)	(159.0)	(Insignificant)	(Insignificant)	(5.3)	(5.3)	(15.3)	(15.3)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(7.3)	(17.5)	(14.7)	(35.3)	(72.0)	(172.8)
2018-19	(18.2)	(18.2)	(36.7)	(36.7)	(180.0)	(180.0)
2019-20	(18.9)	(18.9)	(38.1)	(38.1)	(186.7)	(186.7)
2020-21	(19.5)	(19.5)	(39.4)	(39.4)	(193.1)	(193.1)
2021-22	(20.2)	(20.2)	(40.8)	(40.8)	(199.8)	(199.8)

	A	B	C	D	E	F
1						
2	Calendar Year 2015	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
3	KindCode 82 - Form DR15 With line 4C > 0	\$608,264,217	\$14,816,872,568		\$889,012,354	48,689
4	KindCode 82 - Form DR15 with line 4C = 0	\$276,925,549		\$16,615,533		8,078
5	Kindcode 82 - Form DR15EZ	\$9,703,296,086		\$582,197,765		87,625
6	Kind Code 82 - No form ID with line 4C > 0	\$0	\$0	\$0	\$0	0
7	Kind Code 82 - No form ID with line 4C = 0	\$0	\$0	\$0	\$0	0
8	Dealers with Commercial rental tax not in kindcode 82	\$25,033,351,388	\$1,424,118,566		\$85,447,114	8,606
9						
10	Statewide 2015			\$598,813,298	\$974,459,468	152,998
11						
12	Calendar Year 2014	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
13	KindCode 82 - Form DR15 With line 4C > 0	\$537,440,074	\$13,075,756,344		\$784,545,381	42,923
14	KindCode 82 - Form DR15 with line 4C = 0	\$369,105,345		\$22,146,321		6,158
15	Kindcode 82 - Form DR15EZ	\$9,969,543,929		\$598,172,636		90,846
16	Kind Code 82 - No form ID with line 4C > 0	\$0	\$0	0	\$0	0
17	Kind Code 82 - No form ID with line 4C = 0	\$0		\$0		0
18	Dealers with Commercial rental tax not in kindcode 82	\$23,876,968,994	\$1,147,816,198		\$68,868,972	7,699
19						
20	Statewide 2014			\$620,318,956	\$853,414,352	147,626
21						
22	Calendar Year 2013	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
23	KindCode 82 - Form DR15 With line 4C > 0	\$668,576,684	\$9,187,064,349		\$551,223,861	31,248
24	KindCode 82 - Form DR15 with line 4C = 0	\$411,980,060		\$24,718,804		2,954
25	Kindcode 82 - Form DR15EZ	\$10,219,270,436		\$613,156,226		90,719
26	Kind Code 82 - No form ID with line 4C > 0	\$120,898,245	\$2,626,883,968		\$157,613,038	10,001
27	Kind Code 82 - No form ID with line 4C = 0	\$84,173,669		\$5,050,420		2,435
28	Dealers with Commercial rental tax not in kindcode 82	\$20,940,595,250	\$1,166,438,863		\$69,986,332	7,699
29						
30	Statewide 2013			\$642,925,450	\$778,823,231	145,056
31						
32						
33	Analysis of Recast Commercial Rent (Low Estimate)		Taxable Amounts			
34			Totals	Amounts to add back		
35	Total Recast Commercial Rent (DR-15 filers only)- 2015		\$4,684,175,711			
36	Total Recast that are only kindcode 82			\$4,481,054,382		
37	Total recast that have multiple kindcodes		\$203,121,329			
38	portion of C41 that is assumed commercial rent by like analysis			\$111,631,023		
39	Total amount (taxable Commercial rent) to add back			\$4,592,685,405		
40	tax amount to add back			\$275,561,124		
41						
42	Total Estimated State Sales Tax - Commercial Rent		Sales Tax With Cell D32 reduced by half @ Commercial Property Growth Rate	Sales Tax With Cell D32 reduced by half @ Commercial Property Growth Rate - adjusted for low method to adjust for recast commercial rent	Business Investment Growth Rate (GR-REC 8/15)	NonResidential Property Growth Rate - December 2016 Ad Valorem Assessments Estimating Conference

	A	B	C	D	E	F
43		2013	\$1,408,103,037			
44		2014	\$1,462,660,149			
45		2015	\$1,564,965,000	\$1,559,475,581		
46		2016	\$1,680,615,913	\$1,674,720,827	6.10	7.39
47		2017	\$1,779,100,006	\$1,772,859,467	5.30	5.86
48		2018	\$1,859,871,146	\$1,853,347,287	4.80	4.54
49		2019	\$1,931,476,185	\$1,924,701,158	4.20	3.85
50		2020	\$1,999,077,852	\$1,992,065,698	3.80	3.50
51		2021	\$2,068,845,669	\$2,061,588,791	3.60	3.49
52		2022	\$2,138,151,998	\$2,130,652,015	3.60	3.35
53		Recurring Impact				
54						
55						
56		Calendar Year to Fiscal Year conversion - 6%	Sales Tax @ 6%	Sales Tax With Cell D32 reduced by half @ Commercial Property Growth Rate	Sales Tax With Cell D32 reduced by half @ Commercial Property Growth Rate - adjusted for low method to adjust for recast commercial rent	
57			2016-17	\$1,729,857,959	\$1,723,790,147	
58			2017-18	\$1,819,485,576	\$1,813,103,377	
59			2018-19	\$1,895,673,665	\$1,889,024,222	
60			2019-20	\$1,965,277,018	\$1,958,383,428	
61			2020-21	\$2,033,961,760	\$2,026,827,245	
62			2021-22	\$2,103,498,833	\$2,096,120,403	
63						
64		Sales Tax on	13.11%	11.40%	9.69%	
65		Commercial Rent	High	Middle	Low	
66	2016-17	1,729,857,959	-\$226,784,378	-\$147,682,883	-\$167,035,265	
67	2017-18 Cash		-\$99,389,400	-\$64,722,769	-\$73,204,049	
68	2017-18	1,819,485,576	-\$238,534,559	-\$155,334,647	-\$175,689,717	
69	2018-19	1,895,673,665	-\$248,522,818	-\$161,839,040	-\$183,046,447	
70	2019-20	1,965,277,018	-\$257,647,817	-\$167,781,276	-\$189,767,354	
71	2020-21	2,033,961,760	-\$266,652,387	-\$173,645,087	-\$196,399,560	
72	2018-19	2,103,498,833	-\$275,768,697	-\$179,581,664	-\$203,114,067	
73						

		Dealers with Commercial rental tax not in kindcode 82	Kindcode 82 - Form DR15EZ	KindCode 82 - Form DR15 With line 4C > 0	Sub Total	Remaining Commercial Rent - REC Prorated to Counties	Total Commercial Rent
11	Alachua	\$1,392,194	\$6,911,850	\$5,677,582	\$13,981,626	\$188,965	\$14,170,591
12	Baker	\$56,904	\$190,613	\$85,955	\$333,472	\$4,507	\$337,979
13	Bay	\$889,560	\$4,520,710	\$6,232,354	\$11,642,624	\$157,353	\$11,799,977
14	Bradford	\$73,900	\$206,151	\$186,607	\$466,658	\$6,307	\$472,965
15	Brevard	\$1,370,134	\$14,454,296	\$14,413,166	\$30,237,597	\$408,668	\$30,646,264
16	Broward	\$7,640,704	\$70,008,868	\$125,716,448	\$203,366,020	\$2,748,537	\$206,114,556
17	Calhoun	\$15,033	\$31,639	\$42,599	\$89,271	\$1,207	\$90,477
18	Charlotte	\$784,164	\$3,696,934	\$3,311,898	\$7,792,997	\$105,324	\$7,898,321
19	Citrus	\$266,215	\$2,061,827	\$1,897,483	\$4,225,525	\$57,109	\$4,282,634
20	Clay	\$260,944	\$3,285,490	\$4,420,340	\$7,966,774	\$107,673	\$8,074,447
21	Collier	\$1,488,108	\$12,639,634	\$15,509,464	\$29,637,206	\$400,553	\$30,037,759
22	Columbia	\$212,967	\$1,037,867	\$619,470	\$1,870,304	\$25,278	\$1,895,582
23	Dade	\$16,805,652	\$104,423,545	\$196,477,979	\$317,707,177	\$4,293,882	\$322,001,059
24	DeSoto	\$49,039	\$247,142	\$190,129	\$486,309	\$6,573	\$492,882
25	Dixie	\$12,191	\$41,962	\$35,018	\$89,172	\$1,205	\$90,377
26	Duval	\$3,896,741	\$24,720,729	\$50,746,982	\$79,364,452	\$1,072,628	\$80,437,080
27	Escambia	\$1,869,721	\$6,222,143	\$6,870,490	\$14,962,353	\$202,219	\$15,164,573
28	Flagler	\$321,728	\$1,405,181	\$1,256,067	\$2,982,976	\$40,316	\$3,023,292
29	Franklin	\$45,727	\$185,453	\$155,034	\$386,214	\$5,220	\$391,434
30	Gadsden	\$49,755	\$366,251	\$166,595	\$582,602	\$7,874	\$590,476
31	Gilchrist	\$3,172	\$56,816	\$52,735	\$112,723	\$1,523	\$114,246
32	Glades	\$144,665	\$47,589	\$13,227	\$205,481	\$2,777	\$208,258
33	Gulf	\$79,450	\$156,840	\$159,979	\$396,268	\$5,356	\$401,623
34	Hamilton	\$15,794	\$43,793	\$34,816	\$94,403	\$1,276	\$95,679
35	Hardee	\$30,164	\$198,133	\$112,300	\$340,597	\$4,603	\$345,200
36	Hendry	\$36,415	\$367,873	\$237,275	\$641,563	\$8,671	\$650,234
37	Hernando	\$354,148	\$3,017,828	\$2,718,829	\$6,090,805	\$82,319	\$6,173,123
38	Highlands	\$122,981	\$1,458,445	\$1,239,025	\$2,820,452	\$38,119	\$2,858,571
39	Hillsborough	\$7,389,771	\$35,502,504	\$71,468,145	\$114,360,419	\$1,545,606	\$115,906,025
40	Holmes	\$7,009	\$85,797	\$71,733	\$164,539	\$2,224	\$166,762
41	Indian River	\$961,012	\$4,609,422	\$3,499,377	\$9,069,811	\$122,580	\$9,192,392
42	Jackson	\$66,076	\$467,681	\$419,453	\$953,211	\$12,883	\$966,094
43	Jefferson	\$23,257	\$82,144	\$87,000	\$192,402	\$2,600	\$195,002
44	Lafayette	\$42	\$16,477	\$24,282	\$40,801	\$551	\$41,353
45	Lake	\$490,492	\$6,343,260	\$5,774,022	\$12,607,774	\$170,397	\$12,778,171
46	Lee	\$2,966,978	\$19,351,221	\$25,048,182	\$47,366,382	\$640,167	\$48,006,549
47	Leon	\$896,841	\$8,358,776	\$6,131,697	\$15,387,314	\$207,963	\$15,595,277
48	Levy	\$52,196	\$359,284	\$219,854	\$631,334	\$8,533	\$639,867
49	Liberty	\$234	\$13,876	\$19,509	\$33,619	\$454	\$34,074
50	Madison	\$15,964	\$94,969	\$57,040	\$167,973	\$2,270	\$170,243
51	Manatee	\$1,216,152	\$8,379,041	\$11,989,941	\$21,585,133	\$291,728	\$21,876,861
52	Marion	\$817,954	\$7,161,226	\$6,579,827	\$14,559,007	\$196,768	\$14,755,775
53	Martin	\$495,117	\$5,258,574	\$6,121,865	\$11,875,556	\$160,501	\$12,036,056
54	Monroe	\$1,936,373	\$5,491,739	\$3,350,587	\$10,778,699	\$145,676	\$10,924,375
55	Nassau	\$207,375	\$1,666,142	\$1,121,356	\$2,994,873	\$40,476	\$3,035,349
56	Okaloosa	\$1,150,035	\$5,366,127	\$7,448,968	\$13,965,130	\$188,742	\$14,153,872
57	Okeechobee	\$78,860	\$633,152	\$442,909	\$1,154,921	\$15,609	\$1,170,530
58	Orange	\$6,541,973	\$42,100,512	\$84,015,452	\$132,657,937	\$1,792,901	\$134,450,838
59	Osceola	\$881,024	\$5,507,661	\$8,997,673	\$15,386,358	\$207,950	\$15,594,308
60	Palm Beach	\$5,479,566	\$53,443,659	\$85,938,518	\$144,861,744	\$1,957,838	\$146,819,582
61	Pasco	\$959,143	\$7,748,553	\$9,229,738	\$17,937,433	\$242,428	\$18,179,861
62	Pinellas	\$2,987,251	\$29,417,666	\$31,899,194	\$64,304,111	\$869,084	\$65,173,196
63	Polk	\$1,026,627	\$10,644,832	\$14,369,105	\$26,040,563	\$351,944	\$26,392,507
64	Putnam	\$108,876	\$754,920	\$552,694	\$1,416,490	\$19,144	\$1,435,634
65	Saint Johns	\$722,991	\$5,611,470	\$6,353,888	\$12,688,349	\$171,486	\$12,859,835
66	Saint Lucie	\$561,388	\$5,473,180	\$4,408,542	\$10,443,110	\$141,141	\$10,584,251
67	Santa Rosa	\$339,137	\$1,943,227	\$1,404,438	\$3,686,802	\$49,828	\$3,736,630
68	Sarasota	\$1,726,545	\$15,037,124	\$13,498,809	\$30,262,478	\$409,004	\$30,671,482
69	Seminole	\$1,004,700	\$13,821,802	\$17,934,904	\$32,761,406	\$442,778	\$33,204,184
70	Sumter	\$162,480	\$1,271,093	\$2,757,992	\$4,191,565	\$56,650	\$4,248,215
71	Suwannee	\$35,293	\$352,787	\$213,320	\$601,400	\$8,128	\$609,528
72	Taylor	\$21,884	\$112,076	\$146,282	\$280,242	\$3,788	\$284,030
73	Union	\$31,208	\$33,887	\$30,602	\$95,696	\$1,293	\$96,990
74	Volusia	\$1,290,642	\$12,693,393	\$9,357,798	\$23,341,833	\$315,470	\$23,657,303
75	Wakulla	\$35,373	\$166,923	\$152,181	\$354,477	\$4,791	\$359,268
76	Walton	\$1,427,358	\$1,514,854	\$2,784,027	\$5,726,239	\$77,391	\$5,803,630
77	Washington	\$29,066	\$168,488	\$97,896	\$295,450	\$3,993	\$299,443
		\$82,432,431	\$579,065,122	\$882,598,647	\$1,544,096,200	\$20,868,800	\$1,564,965,000

	2016 Roll Just Value				Percentage		
		Use Codes 41-49 Industrial Properties	Use codes 17-19 Office Buildings	Use codes 11-16, 21-27 & 33 Retail Centers	Industrial Properties	Office Buildings	Retail Centers
11	Alachua	\$364,019,600	\$630,112,700	\$1,147,405,121	17.0%	29.4%	53.6%
12	Baker	\$43,701,943	\$43,152,147	\$65,919,502	28.6%	28.2%	43.1%
13	Bay	\$291,321,196	\$424,552,395	\$1,057,452,845	16.4%	23.9%	59.6%
14	Bradford	\$13,170,973	\$9,065,116	\$73,592,483	13.7%	9.5%	76.8%
15	Brevard	\$943,116,180	\$1,016,548,840	\$2,412,399,840	21.6%	23.3%	55.2%
16	Broward	\$10,119,028,180	\$8,171,193,130	\$15,308,533,590	30.1%	24.3%	45.6%
17	Calhoun	\$5,000,740	\$7,924,577	\$24,900,623	13.2%	21.0%	65.8%
18	Charlotte	\$228,178,200	\$286,842,340	\$736,128,064	18.2%	22.9%	58.8%
19	Citrus	\$97,547,993	\$187,098,872	\$576,955,335	11.3%	21.7%	67.0%
20	Clay	\$191,714,364	\$313,947,075	\$778,398,690	14.9%	24.4%	60.6%
21	Collier	\$776,656,792	\$684,676,280	\$2,322,982,010	20.5%	18.1%	61.4%
22	Columbia	\$145,720,655	\$92,863,169	\$223,813,015	31.5%	20.1%	48.4%
23	Dade	\$15,217,070,876	\$14,435,881,157	\$23,883,594,698	28.4%	27.0%	44.6%
24	DeSoto	\$82,170,017	\$29,194,871	\$77,620,409	43.5%	15.4%	41.1%
25	Dixie	\$9,138,700	\$2,974,300	\$22,171,700	26.7%	8.7%	64.7%
26	Duval	\$3,985,760,376	\$4,278,547,824	\$5,854,455,991	28.2%	30.3%	41.5%
27	Escambia	\$427,712,705	\$772,765,940	\$1,331,981,289	16.9%	30.5%	52.6%
28	Flagler	\$71,114,791	\$133,084,620	\$274,997,615	14.8%	27.8%	57.4%
29	Franklin	\$14,221,892	\$8,864,875	\$48,481,036	19.9%	12.4%	67.7%
30	Gadsden	\$56,081,122	\$18,783,082	\$67,351,221	39.4%	13.2%	47.4%
31	Gilchrist	\$13,129,111	\$6,106,666	\$21,026,010	32.6%	15.2%	52.2%
32	Glades	\$10,027,729	\$1,341,968	\$15,856,219	36.8%	4.9%	58.2%
33	Gulf	\$13,191,511	\$11,593,482	\$47,121,716	18.3%	16.1%	65.5%
34	Hamilton	\$72,358,521	\$1,843,697	\$21,246,949	75.8%	1.9%	22.3%
35	Hardee	\$23,938,524	\$13,594,422	\$57,424,059	25.2%	14.3%	60.5%
36	Hendry	\$78,983,440	\$25,518,110	\$97,185,090	39.2%	12.7%	48.2%
37	Hernando	\$215,328,258	\$208,880,965	\$675,309,696	19.6%	19.0%	61.4%
38	Highlands	\$90,134,898	\$134,325,830	\$367,005,464	15.2%	22.7%	62.1%
39	Hillsborough	\$4,253,902,517	\$5,915,153,287	\$6,805,851,851	25.1%	34.8%	40.1%
40	Holmes	\$6,036,932	\$4,315,830	\$32,243,518	14.2%	10.1%	75.7%
41	Indian River	\$211,101,340	\$271,274,990	\$673,522,900	18.3%	23.5%	58.3%
42	Jackson	\$87,090,506	\$31,368,008	\$135,753,821	34.3%	12.3%	53.4%
43	Jefferson	\$6,761,161	\$3,564,530	\$20,750,574	21.8%	11.5%	66.8%
44	Lafayette	\$2,712,101	\$2,244,584	\$7,791,631	21.3%	17.6%	61.1%
45	Lake	\$352,340,655	\$470,686,259	\$1,259,466,060	16.9%	22.6%	60.5%
46	Lee	\$1,227,213,753	\$1,479,588,419	\$3,860,614,019	18.7%	22.5%	58.8%
47	Leon	\$342,575,774	\$1,027,660,283	\$1,250,149,409	13.1%	39.2%	47.7%
48	Levy	\$19,006,098	\$26,916,570	\$116,596,681	11.7%	16.6%	71.7%
49	Liberty	\$5,138,164	\$2,235,633	\$7,799,994	33.9%	14.7%	51.4%
50	Madison	\$50,684,266	\$8,821,986	\$33,541,148	54.5%	9.5%	36.0%
51	Manatee	\$931,070,109	\$638,432,794	\$1,648,085,327	28.9%	19.8%	51.2%
52	Marion	\$632,727,820	\$625,703,973	\$1,190,780,646	25.8%	25.5%	48.6%
53	Martin	\$445,244,380	\$297,491,768	\$1,215,404,057	22.7%	15.2%	62.1%
54	Monroe	\$161,398,084	\$224,100,762	\$1,303,732,085	9.6%	13.3%	77.2%
55	Nassau	\$121,347,166	\$69,111,620	\$369,926,160	21.7%	12.3%	66.0%
56	Okaloosa	\$216,527,519	\$462,840,303	\$967,440,239	13.1%	28.1%	58.7%
57	Okeechobee	\$34,001,582	\$36,902,332	\$133,647,381	16.6%	18.0%	65.3%
58	Orange	\$4,606,314,469	\$6,938,871,838	\$9,459,720,235	21.9%	33.0%	45.0%
59	Osceola	\$290,500,809	\$405,675,626	\$1,120,505,827	16.0%	22.3%	61.7%
60	Palm Beach	\$4,273,524,153	\$7,086,853,457	\$12,176,504,819	18.2%	30.1%	51.7%
61	Pasco	\$532,929,199	\$557,696,258	\$1,865,748,363	18.0%	18.9%	63.1%
62	Pinellas	\$2,816,825,367	\$2,579,606,268	\$5,231,299,252	26.5%	24.3%	49.2%
63	Polk	\$1,920,465,779	\$826,508,449	\$2,007,643,324	40.4%	17.4%	42.2%
64	Putnam	\$171,848,025	\$57,651,519	\$224,508,585	37.9%	12.7%	49.5%
65	Saint Johns	\$302,822,130	\$328,313,446	\$845,390,474	20.5%	22.2%	57.3%
66	Saint Lucie	\$523,721,500	\$433,563,595	\$1,182,793,300	24.5%	20.3%	55.3%
67	Santa Rosa	\$126,495,268	\$150,809,947	\$419,109,661	18.2%	21.7%	60.2%
68	Sarasota	\$1,013,282,800	\$1,614,687,500	\$3,411,204,100	16.8%	26.7%	56.5%
69	Seminole	\$1,086,880,160	\$1,718,968,399	\$2,538,937,963	20.3%	32.2%	47.5%
70	Sumter	\$128,034,835	\$199,601,361	\$374,352,622	18.2%	28.4%	53.3%
71	Suwannee	\$108,050,411	\$38,458,017	\$90,015,771	45.7%	16.3%	38.1%
72	Taylor	\$26,574,800	\$9,677,390	\$70,474,620	24.9%	9.1%	66.0%
73	Union	\$3,538,671	\$2,419,401	\$9,100,996	23.5%	16.1%	60.4%
74	Volusia	\$728,796,049	\$656,708,841	\$2,165,935,525	20.5%	18.5%	61.0%
75	Wakulla	\$22,411,358	\$16,920,959	\$42,895,343	27.3%	20.6%	52.2%
76	Walton	\$74,870,988	\$82,459,913	\$486,948,643	11.6%	12.8%	75.6%
77	Washington	\$20,142,481	\$11,704,224	\$35,212,074	30.0%	17.5%	52.5%

Use Code	
10	Vacant Commercial
11	Stores, one story
12	Mixed use - store and office or store and residential or residential combination
13	Department Stores
14	Supermarkets
15	Regional Shopping Centers
16	Community Shopping Centers
17	Office buildings, non-professional service buildings, one story
18	Office buildings, non-professional service buildings, multi-story
19	Professional service buildings
20	Airports (private or commercial), bus terminals, marine terminals, piers, marinas.
21	Restaurants, cafeterias
22	Drive-in Restaurants
23	Financial institutions (banks, saving and loan companies, mortgage companies, credit services)
24	Insurance company offices
25	Repair service shops (excluding automotive), radio and T.V. repair, refrigeration service, electric repair, laundries, laundromats
26	Service stations
27	Auto sales, auto repair and storage, auto service shops, body and fender shops, commercial garages, farm and machinery sales and services, auto rental, marine equipment, trailers and related equipment, mobile home sales, motorcycles, construction vehicle sales
28	Parking lots (commercial or patron) mobile home parks
29	Wholesale outlets, produce houses, manufacturing outlets
30	Florist, greenhouses
31	Drive-in theaters, open stadiums
32	Enclosed theaters, enclosed auditoriums
33	Nightclubs, cocktail lounges,bars
34	Bowling alleys, skating rinks, pool halls, enclosed arenas
35	Tourist attractions, permanent exhibits, other entertainment facilities, fairgrounds (privately owned).
36	Camps
37	Race tracks; horse, auto or dog
38	Golf courses, driving ranges
39	Hotels, motels
40	Vacant Industrial
41	Light manufacturing, small equipment manufacturing plants, small machine shops, instrument manufacturing printing plants
42	Heavy industrial, heavy equipment manufacturing, large machine shops, foundries, steel fabricating plants, auto or aircraft plants
43	Lumber yards, sawmills, planing mills
44	Packing plants, fruit and vegetable packing plants, meat packing plants
45	Canneries, fruit and vegetable, bottlers and brewers distilleries, wineries
46	Other food processing, candy factories, bakeries, potato chip factories
47	Mineral processing, phosphate processing, cement plants, refineries, clay plants, rock and gravel plants.
48	Warehousing, distribution terminals, trucking terminals, van and storage warehousing
49	Open storage, new and used building supplies, junk yards, auto wrecking, fuel storage, equipment and material storage

Sales Tax - 2015													
Kind Code 82				Gross Rent Multiplier			Implied Rent as percent of value				Weighted Average Millage	Percent Ad Valorem of rent	Impact
		Commercial rent	Commercial Rent - As Adjusted	Industrial Buildings	Office Buildings	Retail Centers	Industrial Buildings	Office Buildings	Retail Centers	Weighted Percentage			
11	Alachua	14,170,591	14,120,885	8.85	4.66	5.79	11.30%	21.46%	17.27%	17.5%	23.4477	13.4%	\$1,899,937
12	Baker	337,979	336,794	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.7%	16.5164	9.9%	\$33,335
13	Bay	11,799,977	11,758,586	8.85	4.66	5.79	11.30%	21.46%	17.27%	17.3%	13.0439	7.5%	\$890,069
14	Bradford	472,965	471,306	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.8%	17.3703	10.3%	\$48,767
15	Brevard	30,646,264	30,538,767	8.85	4.66	5.79	11.30%	21.46%	17.27%	17.0%	17.9532	10.6%	\$3,244,719
16	Broward	206,114,556	205,391,569	8.73	5.51	6.64	11.45%	18.15%	15.06%	14.7%	20.0781	13.6%	\$28,103,540
17	Calhoun	90,477	90,160	8.85	4.66	5.79	11.30%	21.46%	17.27%	17.4%	16.8641	9.7%	\$8,790
18	Charlotte	7,898,321	7,870,616	8.85	4.66	5.79	11.30%	21.46%	17.27%	17.1%	16.9448	9.9%	\$780,735
19	Citrus	4,282,634	4,267,611	8.85	4.66	5.79	11.30%	21.46%	17.27%	17.5%	16.6722	9.5%	\$407,900
20	Clay	8,074,447	8,046,124	8.35	4.1	5.28	11.98%	24.39%	18.94%	19.2%	15.4037	8.0%	\$646,700
21	Collier	30,037,759	29,932,396	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.8%	11.1324	6.6%	\$1,990,039
22	Columbia	1,895,582	1,888,932	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.2%	17.6544	10.9%	\$206,191
23	Dade	322,001,059	320,871,578	8.73	5.51	6.64	11.45%	18.15%	15.06%	14.9%	19.4267	13.1%	\$42,072,325
24	DeSoto	492,882	491,153	8.85	4.66	5.79	11.30%	21.46%	17.27%	15.3%	18.1057	11.8%	\$58,244
25	Dixie	90,377	90,060	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.0%	20.9404	13.1%	\$11,797
26	Duval	80,437,080	80,154,931	8.35	4.1	5.28	11.98%	24.39%	18.94%	18.6%	18.5931	10.0%	\$8,029,737
27	Escambia	15,164,573	15,111,380	8.85	4.66	5.79	11.30%	21.46%	17.27%	17.5%	15.3201	8.7%	\$1,324,490
28	Flagler	3,023,292	3,012,687	8.85	4.66	5.79	11.30%	21.46%	17.27%	17.5%	19.1953	10.9%	\$330,709
29	Franklin	391,434	390,061	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.6%	13.6361	8.2%	\$32,148
30	Gadsden	590,476	588,405	8.85	4.66	5.79	11.30%	21.46%	17.27%	15.5%	17.1165	11.1%	\$65,335
31	Gilchrist	114,246	113,846	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.0%	18.2035	11.4%	\$13,031
32	Glades	208,258	207,527	8.85	4.66	5.79	11.30%	21.46%	17.27%	15.3%	19.701	12.9%	\$26,855
33	Gulf	401,623	400,215	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.9%	15.9264	9.5%	\$37,959
34	Hamilton	95,679	95,343	8.85	4.66	5.79	11.30%	21.46%	17.27%	12.8%	18.1038	14.1%	\$13,506
35	Hardee	345,200	343,989	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.4%	16.8833	10.3%	\$35,613
36	Hendry	650,234	647,953	8.85	4.66	5.79	11.30%	21.46%	17.27%	15.5%	20.9045	13.5%	\$87,909
37	Hernando	6,173,123	6,151,470	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.9%	16.1442	9.6%	\$589,799
38	Highlands	2,858,571	2,848,544	8.85	4.66	5.79	11.30%	21.46%	17.27%	17.3%	16.5773	9.6%	\$273,722
39	Hillsborough	115,906,025	115,499,462	9.23	4.75	5.4	10.83%	21.05%	18.52%	17.5%	19.6027	11.2%	\$13,001,175
40	Holmes	166,762	166,177	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.8%	16.2158	9.6%	\$16,049
41	Indian River	9,192,392	9,160,148	8.85	4.66	5.79	11.30%	21.46%	17.27%	17.2%	16.0586	9.4%	\$860,067
42	Jackson	966,094	962,705	8.85	4.66	5.79	11.30%	21.46%	17.27%	15.7%	14.6142	9.3%	\$89,688
43	Jefferson	195,002	194,318	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.5%	15.779	9.6%	\$18,702
44	Lafayette	41,353	41,208	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.7%	16.6958	10.0%	\$4,125
45	Lake	12,778,171	12,733,349	9.02	4.75	5.93	11.09%	21.05%	16.86%	16.8%	17.1965	10.2%	\$1,305,423
46	Lee	48,006,549	47,838,156	8.85	4.66	5.79	11.30%	21.46%	17.27%	17.1%	16.7696	9.8%	\$4,708,230
47	Leon	15,595,277	15,540,573	8.85	4.66	5.79	11.30%	21.46%	17.27%	18.1%	18.4639	10.2%	\$1,587,994
48	Levy	639,867	637,622	8.85	4.66	5.79	11.30%	21.46%	17.27%	17.3%	18.0751	10.5%	\$66,984
49	Liberty	34,074	33,954	8.85	4.66	5.79	11.30%	21.46%	17.27%	15.9%	17.2489	10.9%	\$3,704
50	Madison	170,243	169,646	8.85	4.66	5.79	11.30%	21.46%	17.27%	14.4%	18.4834	12.8%	\$21,829
51	Manatee	21,876,861	21,800,124	9.23	4.75	5.4	10.83%	21.05%	18.52%	16.8%	15.8668	9.4%	\$2,066,443
52	Marion	14,755,775	14,704,016	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.8%	17.0874	10.2%	\$1,500,967
53	Martin	12,036,056	11,993,838	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.5%	17.291	10.4%	\$1,257,527
54	Monroe	10,924,375	10,886,056	8.85	4.66	5.79	11.30%	21.46%	17.27%	17.3%	9.423	5.5%	\$596,542
55	Nassau	3,035,349	3,024,702	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.5%	16.6632	10.1%	\$306,639
56	Okaloosa	14,153,872	14,104,225	8.85	4.66	5.79	11.30%	21.46%	17.27%	17.7%	13.3882	7.6%	\$1,072,832
57	Okeechobee	1,170,530	1,166,424	8.85	4.66	5.79	11.30%	21.46%	17.27%	17.0%	16.9374	9.9%	\$116,389
58	Orange	134,450,838	133,979,226	9.02	4.75	5.93	11.09%	21.05%	16.86%	17.0%	17.4882	10.3%	\$13,847,133
59	Osceola	15,594,308	15,539,608	9.02	4.75	5.93	11.09%	21.05%	16.86%	16.9%	16.2937	9.7%	\$1,505,703
60	Palm Beach	146,819,582	146,304,584	8.73	5.51	6.64	11.45%	18.15%	15.06%	15.3%	19.3603	12.6%	\$18,535,163
61	Pasco	18,179,861	18,116,092	9.23	4.75	5.4	10.83%	21.05%	18.52%	17.6%	17.1608	9.7%	\$1,771,476
62	Pinellas	65,173,196	64,944,588	9.23	4.75	5.4	10.83%	21.05%	18.52%	17.1%	20.3865	11.9%	\$7,771,298
63	Polk	26,392,507	26,299,930	8.85	4.66	5.79	11.30%	21.46%	17.27%	15.6%	17.0047	10.9%	\$2,879,281
64	Putnam	1,435,634	1,430,598	8.85	4.66	5.79	11.30%	21.46%	17.27%	15.5%	18.2906	11.8%	\$168,946
65	Saint Johns	12,859,835	12,814,726	8.35	4.1	5.28	11.98%	24.39%	18.94%	18.7%	15.3227	8.2%	\$1,052,418
66	Saint Lucie	10,584,251	10,547,124	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.7%	23.1232	13.9%	\$1,469,195
67	Santa Rosa	3,736,630	3,723,523	8.85	4.66	5.79	11.30%	21.46%	17.27%	17.1%	13.6804	8.0%	\$299,055
68	Sarasota	30,671,482	30,563,896	9.23	4.75	5.4	10.83%	21.05%	18.52%	17.9%	14.1617	7.9%	\$2,425,679
69	Seminole	33,204,184	33,087,714	9.02	4.75	5.93	11.09%	21.05%	16.86%	17.0%	16.6421	9.8%	\$3,243,651
70	Sumter	4,248,215	4,233,313	8.85	4.66	5.79	11.30%	21.46%	17.27%	17.4%	12.0726	6.9%	\$295,214
71	Suwannee	609,528	607,390	8.85	4.66	5.79	11.30%	21.46%	17.27%	15.2%	17.3803	11.4%	\$69,586
72	Taylor	284,030	283,033	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.2%	16.665	10.3%	\$29,283
73	Union	96,990	96,650	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.5%	18.1798	11.0%	\$10,660
74	Volusia	23,657,303	23,574,321	9.02	4.75	5.93	11.09%	21.05%	16.86%	16.5%	21.7081	13.2%	\$3,121,430
75	Wakulla	359,268	358,008	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.5%	15.7878	9.6%	\$34,365
76	Walton	5,803,630	5,783,273	8.85	4.66	5.79	11.30%	21.46%	17.27%	17.1%	10.0471	5.9%	\$340,729
77	Washington	299,443	298,393	8.85	4.66	5.79	11.30%	21.46%	17.27%	16.2%	17.4631	10.8%	\$32,262
	Statewide	1,564,965,000	1,559,475,581										\$178,767,733
	Percent										11.4%		

75% Assumed percent of taxable commercial rent that will benefit from proposed language

Sales Tax on		Sales Tax on			
Commercial Rent		Commercial Rent		13.11%	11.40%
		For Middle and			9.69%
		For High	Low	High	Middle
2016-17	1,729,857,959	1,723,790,147		-\$226,784,378	-\$147,682,883
2017-18	1,819,485,576	1,813,103,377		-\$238,534,559	-\$155,334,647
2018-19	1,895,673,665	1,889,024,222		-\$248,522,818	-\$161,839,040
2019-20	1,965,277,018	1,958,383,428		-\$257,647,817	-\$167,781,276
2020-21	2,033,961,760	2,026,827,245		-\$266,652,387	-\$173,645,087
2021-22	2,103,498,833	2,096,120,403		-\$275,768,697	-\$179,581,664

Middle - cash
(5/12)
-\$64,722,769.43

Adopted		Recurring	
Cash			
2017-18	\$ (64.7)	\$ (155.3)	
2018-19	\$ (161.8)	\$ (161.8)	
2019-20	\$ (167.8)	\$ (167.8)	
2020-21	\$ (173.6)	\$ (173.6)	
2021-22	\$ (179.6)	\$ (179.6)	

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax (*EDR Analysis*)

Issue: Sales Tax Exemption for Diapers and Incontinence Products

Bill Number(s): CS/SB 252

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Sen. Book, Sen. Passidomo

Month/Year Impact Begins: January 1, 2018

Date of Analysis: 3/3/2017

Section 1: Narrative

- a. Current Law:** Currently there is no sales tax exemption for diapers and incontinence products.
- b. Proposed Change:** Creates a sales tax exemption for the sale for human utilization of diapers, incontinence undergarments, incontinence pads, or incontinence liners.

Section 2: Description of Data and Sources

IBISWorld Industry Report OD5652 Diaper Manufacturing (March 2016)

IBISWorld Industry Report OD5695 Online Baby Product Sales in the US (October 2016)

Retail pricing and product information from retailers such as Babies R Us, Target, etc.

Florida Demographic Estimating Conference, November 2016

Section 3: Methodology (Include Assumptions and Attach Details)

This analysis uses the same methodology as a similar analysis adopted at the REC on January 20, 2017. The methodology uses national data on diaper manufacturing from IBISWorld report. Baby diapers are 68.8% of the industry total and adult diapers are 31.2% of the industry total. Baby diapers includes disposable diapers, training pants and cloth diapers. Adult diapers includes incontinence products such as adult diapers and pads for incontinence. The Florida share of baby diapers and adult diapers is calculated given the population of children under 4 and the population of adults ages 65 and over. A 5% retail markup is applied to the estimated manufacturing industry revenue to calculate the total Florida Sales Tax Revenue from diapers and incontinence products. The growth in the population of children ages 0 to 4 and the growth in the adult population 65 and over is used to calculate the future years revenue from diapers and incontinence products. The estimated Florida sales tax revenue on diapers and incontinence products using this methodology is provided on line 15.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18			(\$20.3)	(\$48.7)		
2018-19			(\$49.7)	(\$49.7)		
2019-20			(\$50.7)	(\$50.7)		
2020-21			(\$51.8)	(\$51.8)		
2021-22			(\$53.0)	(\$53.0)		

List of affected Trust Funds: General Sales and Use Tax Grouping

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax (*EDR Analysis*)

Issue: Sales Tax Exemption for Diapers and Incontinence Products

Bill Number(s): CS/SB 252

Section 5: Consensus Estimate (Adopted: 03/03/2017): The Conference adopted the proposed estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(18.0)	(43.1)	(Insignificant)	(Insignificant)	(0.6)	(1.4)	(1.7)	(4.1)
2018-19	(44.0)	(44.0)	(Insignificant)	(Insignificant)	(1.5)	(1.5)	(4.2)	(4.2)
2019-20	(44.9)	(44.9)	(Insignificant)	(Insignificant)	(1.5)	(1.5)	(4.3)	(4.3)
2020-21	(45.8)	(45.8)	(Insignificant)	(Insignificant)	(1.5)	(1.5)	(4.4)	(4.4)
2021-22	(47.0)	(47.0)	(Insignificant)	(Insignificant)	(1.6)	(1.6)	(4.5)	(4.5)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(2.3)	(5.5)	(4.6)	(11.1)	(22.6)	(54.2)
2018-19	(5.6)	(5.6)	(11.3)	(11.3)	(55.3)	(55.3)
2019-20	(5.7)	(5.7)	(11.5)	(11.5)	(56.4)	(56.4)
2020-21	(5.8)	(5.8)	(11.8)	(11.8)	(57.6)	(57.6)
2021-22	(6.0)	(6.0)	(12.0)	(12.0)	(59.0)	(59.0)

	A	B	C	D	E	F	G	H	I
1		Sales Tax Exemption for Diapers and Incontinence Products							
2									
3		IBISWorld - US Manufacturing Diaper Industry Data							
4			FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	
5		Total Industry Revenue in U.S.	12,517,900,000						
6									
7		Baby Diapers* Industry Revenue (68.8% of total)	8,612,315,200						
8		Florida Share of Revenue (5.3%)	479,275,341						
9		Florida Sales Tax Revenue - Baby Diapers**	28,756,520	29,133,324	29,506,870	29,874,641	30,271,362	30,680,053	
10									
11		Adult Diapers* Industry Revenue (31.2% of total)	3,905,584,800						
12		Florida Share of Revenue (7.7%)	315,766,531						
13		Florida Sales Tax Revenue - Adult Diapers & Incontinence Products**	18,945,992	19,579,084	20,210,541	20,838,497	21,546,705	22,300,023	
14									
15		Total Estimated Florida Sales Tax Revenue on Diapers & Incontinence Products	47,702,512	48,712,409	49,717,411	50,713,138	51,818,068	52,980,075	
16		<i>*Baby diapers includes disposable diapers, training pants and cloth diapers. Adult diapers includes incontinence products such as adult diapers and pads for incontinence.</i>							
17									
18		<i>**Estimated Sales Tax Revenue assumes a 5.0% retail markup on diapers and incontinence products. Based on IBISWorld report, the average profit margin in the baby product market is 5.0%. The baby product market includes retailers who sell baby products.</i>							

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Annual Sales Tax Holiday for Veterans, Veteran's Day, Nov 11, Clothing \$100 or Less

Bill Number(s): Proposed Language

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s):

Month/Year Impact Begins: The effective date of the bill is July 1, 2017. The holiday is a recurring annual holiday that would begin in November 2017.

Date of Analysis: March 3, 2017

Section 1: Narrative

a. Current Law: Under current law in Ch. 112, the items listed in the bill are subject to the 6% Sales and Use Tax when purchased.

b. Proposed Change: The bill provides an exemption from sales tax for veterans purchasing clothing with a sales price of \$100 or less on November 11, Veteran's Day, of each year beginning in 2017. Clothing is defined as "any article of wearing apparel intended to be worn on or about the human body, excluding watches, watchbands, jewelry, umbrellas, and handkerchiefs [and] all footwear, excluding skis, swim fins, roller blades, and skates."

The bill allows a retailer to "opt out" of the sales tax holiday if "less than five percent of the retailer's gross sales of tangible personal property in the prior calendar year are comprised of items that would be exempt" under the bill. If the qualifying retailer chooses not to participate in the tax holiday, the retailer must notify the Department of Revenue in writing and post a copy of that notice in a prominent location at the place of business.

A veteran is defined to be any "person who served in the active military, naval, or air service who was honorably discharged or released or who later received an upgraded honorable discharge or release. To be eligible for the sales tax holiday, a veteran must show proof of military status at the time he or she purchases the eligible items." The bill provides examples of types of documents that may be used as proof of military status, including the DD Form 2, DD Form 2765, DD Form 214, veteran identification card issued by Department of Veterans' Affairs, valid driver license or identification card containing the letter "V" or the term "veteran" issued by the Department of Highway Safety and Motor Vehicles (DHSMV), or any other proof of veteran status issued by the DHSMV.

Section 2: Description of Data and Sources

- Veteran Population Data from U.S. Census Bureau, American Community Surveys (2009-2015)
- Military Retiree Data from U.S. Department of Defense, Office of the Actuary, Statistical Reports on the Military Retirement System (2009-2015)
- Florida Median Income for Veterans from U.S. Census Bureau, American Community Survey (2015)
- US Bureau of Labor Statistics, Consumer Expenditure Survey (2015): Shares of average annual expenditures

Section 3: Methodology (Include Assumptions and Attach Details) See attached.

Total Number of Veterans: The 2015 American Community Survey estimates the total number of veterans in Florida. The 2015 population level is maintained for each year of the analysis.

Purchases at Military Stores: An adjustment is made to reflect an assumed percentage of tax-free expenditures at military stores = 15 percent. Approximately 24 percent of veterans reside in a county that has a military exchange store.

Out-of-State Veterans: An adjustment is made to factor in veterans who may be visiting the state or coming from bordering states to shop on the tax-free holiday. Using the adjustment for the November – December sales tax holiday for veterans (= 15,000), a number of veterans per day is derived = 246.

Number of Veterans Purchasing Tax-Exempt Items: Assumptions are made on the percentage of veterans who will make tax-exempt purchases on the tax-free holiday. The assumed percentages are High = 45 percent; Middle = 40 percent; and Low = 35 percent.

Amount Spent per Veteran: Assumptions are made on how much each veteran would spend on tax-exempt items on the tax-free holiday (High = \$70; Middle = \$56; Low = \$42). These amounts were determined by reviewing the 2015 median veteran income (\$35,896) and the 2015 Consumer Expenditures Survey. These data sources were used to calculate an average amount spent

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Annual Sales Tax Holiday for Veterans, Veteran's Day, Nov 11, Clothing \$100 or Less

Bill Number(s): Proposed Language

annually for apparel. Based on the \$100/item maximum, it is assumed that 70% (approximately \$729) of the estimated \$1,041 annual expenditures would be for those items qualifying for the tax exemption. Based on the annual amount, expenditures would be approximately \$14/week if spread evenly throughout 52 weeks of the year. For the low estimate, it is assumed a veteran would spend \$42, or 3 weeks of expenditures on the tax-free holiday. For the middle estimate, it is assumed four weeks of expenditures or \$56, and the high estimate assumes expenditures of \$70, or approximately 5 weeks of expenditures. It is assumed the expenditure level would remain constant in subsequent years.

Behavioral Factor: In the back-to-school sales tax holiday, a behavioral factor of 1.5 is used to account for additional purchases made because of the holiday; the same factor of 1.5 is used for this analysis.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(3.5)	(3.5)	(2.5)	(2.5)	(1.6)	(1.6)
2018-19	(3.5)	(3.5)	(2.5)	(2.5)	(1.6)	(1.6)
2019-20	(3.5)	(3.5)	(2.5)	(2.5)	(1.6)	(1.6)
2020-21	(3.5)	(3.5)	(2.5)	(2.5)	(1.6)	(1.6)
2021-22	(3.5)	(3.5)	(2.5)	(2.5)	(1.6)	(1.6)

List of affected Trust Funds: Sales and Use Tax Grouping

Section 5: Consensus Estimate (Adopted: 03/03/2017): The Conference adopted the middle estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(2.2)	(2.2)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2018-19	(2.2)	(2.2)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2019-20	(2.2)	(2.2)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2020-21	(2.2)	(2.2)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2021-22	(2.2)	(2.2)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18	(0.3)	(0.3)	(0.6)	(0.6)	(2.8)	(2.8)
2018-19	(0.3)	(0.3)	(0.6)	(0.6)	(2.8)	(2.8)
2019-20	(0.3)	(0.3)	(0.6)	(0.6)	(2.8)	(2.8)
2020-21	(0.3)	(0.3)	(0.6)	(0.6)	(2.8)	(2.8)
2021-22	(0.3)	(0.3)	(0.6)	(0.6)	(2.8)	(2.8)

Proposed Language
ANNUAL SALES TAX HOLIDAY - VETERAN'S DAY, CLOTHING \$100 OR LESS

Nov 11

2017-18	<u>High</u>	<u>Middle</u>	<u>Low</u>
1 Total Number of Veterans Residing in Florida (2015 Veteran Pop Level)	1,460,919	1,460,919	1,460,919
2 Adjustment for Purchases at Military Stores (15%)	-219,138	-219,138	-219,138
3 Adjustment for Neighboring States/Visiting Veterans During Holiday Period	246	246	246
4 Total Estimated Number of Veterans in Florida During Holiday Period	1,242,027	1,242,027	1,242,027
5 Estimated Number Purchasing Tax-Exempt Items (45% / 40% / 35%)	558,912	496,811	434,709
6 Estimated Amount Spent on Tax-Exempt Items (5 Weeks / 4 Weeks / 3 Weeks)	70	56	42
7 Total Exempt Sales	39,123,840	27,821,416	18,257,778
8 Sales Tax (6.0%)	2,347,430	1,669,285	1,095,467
9 Behavioral Factor	1.50	1.50	1.50
10 Total Fiscal Impact	(3.5)	(2.5)	(1.6)
2018-19	<u>High</u>	<u>Middle</u>	<u>Low</u>
11 Total Number of Veterans Residing in Florida (2015 Veteran Pop Level)	1,460,919	1,460,919	1,460,919
12 Adjustment for Purchases at Military Stores (15%)	-219,138	-219,138	-219,138
13 Adjustment for Neighboring States/Visiting Veterans During Holiday Period	246	246	246
14 Total Estimated Number of Veterans in Florida During Holiday Period	1,242,027	1,242,027	1,242,027
15 Estimated Number Purchasing Tax-Exempt Items (45% / 40% / 35%)	558,912	496,811	434,709
16 Estimated Amount Spent on Tax-Exempt Items (5 Weeks / 4 Weeks / 3 Weeks)	70	56	42
17 Total Exempt Sales	39,123,840	27,821,416	18,257,778
18 Sales Tax (6.0%)	2,347,430	1,669,285	1,095,467
19 Behavioral Factor	1.50	1.50	1.50
20 Total Fiscal Impact	(3.5)	(2.5)	(1.6)

Proposed Language
ANNUAL SALES TAX HOLIDAY - VETERAN'S DAY, CLOTHING \$100 OR LESS

Nov 11

2019-20	<u>High</u>	<u>Middle</u>	<u>Low</u>
21 Total Number of Veterans Residing in Florida (2015 Veteran Pop Level)	1,460,919	1,460,919	1,460,919
22 Adjustment for Purchases at Military Stores (15%)	-219,138	-219,138	-219,138
23 Adjustment for Neighboring States/Visiting Veterans During Holiday Period	246	246	246
24 Total Estimated Number of Veterans in Florida During Holiday Period	1,242,027	1,242,027	1,242,027
25 Estimated Number Purchasing Tax-Exempt Items (45% / 40% / 35%)	558,912	496,811	434,709
26 Estimated Amount Spent on Tax-Exempt Items (5 Weeks / 4 Weeks / 3 Weeks)	70	56	42
27 Total Exempt Sales	39,123,840	27,821,416	18,257,778
28 Sales Tax (6.0%)	2,347,430	1,669,285	1,095,467
29 Behavioral Factor	1.50	1.50	1.50
30 Total Fiscal Impact	(3.5)	(2.5)	(1.6)
2020-21	<u>High</u>	<u>Middle</u>	<u>Low</u>
31 Total Number of Veterans Residing in Florida (2015 Veteran Pop Level)	1,460,919	1,460,919	1,460,919
32 Adjustment for Purchases at Military Stores (15%)	-219,138	-219,138	-219,138
33 Adjustment for Neighboring States/Visiting Veterans During Holiday Period	246	246	246
34 Total Estimated Number of Veterans in Florida During Holiday Period	1,242,027	1,242,027	1,242,027
35 Estimated Number Purchasing Tax-Exempt Items (45% / 40% / 35%)	558,912	496,811	434,709
36 Estimated Amount Spent on Tax-Exempt Items (5 Weeks / 4 Weeks / 3 Weeks)	70	56	42
37 Total Exempt Sales	39,123,840	27,821,416	18,257,778
38 Sales Tax (6.0%)	2,347,430	1,669,285	1,095,467
39 Behavioral Factor	1.50	1.50	1.50
40 Total Fiscal Impact	(3.5)	(2.5)	(1.6)

Proposed Language

Nov 11

ANNUAL SALES TAX HOLIDAY - VETERAN'S DAY, CLOTHING \$100 OR LESS

2021-22	<u>High</u>	<u>Middle</u>	<u>Low</u>
41 Total Number of Veterans Residing in Florida (2015 Veteran Pop Level)	1,460,919	1,460,919	1,460,919
42 Adjustment for Purchases at Military Stores (15%)	-219,138	-219,138	-219,138
43 Adjustment for Neighboring States/Visiting Veterans During Holiday Period	246	246	246
44 Total Estimated Number of Veterans in Florida During Holiday Period	1,242,027	1,242,027	1,242,027
45 Estimated Number Purchasing Tax-Exempt Items (45% / 40% / 35%)	558,912	496,811	434,709
46 Estimated Amount Spent on Tax-Exempt Items (5 Weeks / 4 Weeks / 3 Weeks)	70	56	42
47 Total Exempt Sales	39,123,840	27,821,416	18,257,778
48 Sales Tax (6.0%)	2,347,430	1,669,285	1,095,467
49 Behavioral Factor	1.50	1.50	1.50
50 Total Fiscal Impact	(3.5)	(2.5)	(1.6)