REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Private Investigative Services Exemption
Bill Number(s): CS/CS/SB 1146 and CS/CS/CSHB763

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Casello; Senator Rodriguez
Month/Year Impact Begins: Upon Becoming Law
Date of Analysis: 02/18/2022

Section 1: Narrative

a. **Current Law:** Under s.212.05 (1) F.S., For the exercise of such privilege, a tax is levied on each taxable transaction or incident, which tax is due and payable as follows:

(i)1: At the rate of 6 percent on charges for all:

a. Detective, burglar protection, and other protection services (NAICS National Numbers 561611, 561612, 561613, and 561621).

s.212.05 (1) (i) F.S., 4. If a transaction involves both the sale or use of a service taxable under this paragraph and the sale or use of a service or any other item not taxable under this chapter, the consideration paid must be separately identified and stated with respect to the taxable and exempt portions of the transaction or the entire transaction shall be presumed taxable. The burden shall be on the seller of the service or the purchaser of the service, whichever applicable, to overcome this presumption by providing documentary evidence as to which portion of the transaction is exempt from tax. The department is authorized to adjust the amount of consideration identified as the taxable and exempt portions of the transaction; however, a determination that the taxable and exempt portions are inaccurately stated and that the adjustment is applicable must be supported by substantial competent evidence.

s. 493.6101 (17) F.S., "Private investigation" means the investigation by a person or persons for the purpose of obtaining information with reference to any of the following matters:

(a) Crime or wrongs done or threatened against the United States or any state or territory of the United States, when operating under express written authority of the governmental official responsible for authorizing such investigation.

(b) The identity, habits, conduct, movements, whereabouts, affiliations, associations, transactions, reputation, or character of any society, person, or group of persons.

(c) The credibility of witnesses or other persons.

(d) The whereabouts of missing persons, owners of unclaimed property or escheated property, or heirs to estates.

(e) The location or recovery of lost or stolen property.

(f) The causes and origin of, or responsibility for, fires, libels, slanders, losses, accidents, damage, or injuries to real or personal property.

(g) The business of securing evidence to be used before investigating committees or boards of award or arbitration or in the trial of civil or criminal cases and the preparation therefor.

From Florida Department of Agriculture website: A private investigator is any individual or agency who, for consideration, advertises as providing or performs the following activities. Individuals or agencies providing or advertising as providing these services for consideration must be licensed.

- Subcontracting with the government to determine crimes or wrongs done or threatened against the United States
- Determining the identity, habits, conduct, movements, whereabouts, affiliations, associations, transactions, reputation or character of any society, person, or group of persons
- The credibility of witnesses or other persons
- The whereabouts of missing persons, owners of abandoned or escheated property, or heirs to estates
- The location or recovery of lost or stolen property
- The causes or origin of fires, libels, slanders, losses, accidents, damage, or injuries to real or personal property
- Securing evidence to be used before investigating committees or boards of award or arbitration or trial of civil or criminal cases

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Private Investigative Services Exemption
Bill Number(s): CS/CS/SB 1146 and CS/CS/CSHB763

Proposed Change : Paragraph (ppp) is added to Subsection 212.08 (7), F.S., (ppp) *Small private investigative agencies.—*
1. As used in this paragraph, the term "small private investigative agency" means a private investigator licensed under s. 493.6201 which:
a. Employs three or fewer full-time or part-time employees, including those performing services pursuant to an employee leasing arrangement as defined in s. 468.520(4), in total; and
b. Reported less than $150,000 in taxable sales during the previous calendar year for providing private investigative services as defined in s. 493.6101(17) for all its businesses related through common ownership.
2. The sale of investigative services by a small private investigative agency to a client is exempt from the tax imposed by this chapter.
(3) This section shall take effect upon this act becoming a law and expires January 1, 2026.

Section 2: Description of Data and Sources
Calendar Year 2020 Sales Tax Data
2022 Private Investigator Impact Analysis Growth Rates
Florida Department of Agriculture
Kind Code – NAICS crosswalk
Florida Department of Agriculture - Active Licensed Private Investigators
DOR Private Investigator Class A BP findings

Section 3: Methodology (Include Assumptions and Attach Details)

This analysis uses a list from the Florida Department of Agriculture and Consumer Services (DACS) of the Active Licensed Private Investigators that has been matched into the Florida Department of Revenue's annual sales tax data files. Businesses with less than 150k in taxable sales were kept. To account for licensed businesses that did not have a partner number, the impact was apportioned up according to the breakdown of those businesses with licenses that were matched. Out of 2627 total Class A licenses, 1469 included partner numbers. 813 of those were matched with SUT data and 701 is the remaining number of licensees under 150k in taxable sales. Following the percentage breakdowns from those we get a potential 553 more class A licenses that could potentially fall into the under 150k group. An average was made for tax with the 701 matched licenses and that number was used to grow the undiscovered group. It was assumed a business generating less than 150k in taxable sales would not be able to hire more than 3 people. Previous conferences on this issue adopted a 1.5% growth rate for Private Investigators which was used for the out years. There were potential administrative issues brought up about the bill, specifically that the term "small private investigative agency" is conditioned by an agency that reported less than $150k in taxable sales the previous calendar year. Conditioning the exemption qualifications by taxable sales, allows the agency to "drop off the map" for all subsequent years once it meets the qualification for a single year since they would no longer have any taxable sales with the exemption. The agency could arguably receive more than $150,000 for providing private investigative services the following years. None of the sales would be reported as taxable. The agency would continue to meet the requirements of the statute even though it is providing private investigative services in excess of the initial taxable threshold amount. Due to this a percentage of the remaining tax from businesses over 150k in taxable sales is added to the impact.
There is a one-month lag to collections, First year cash is equal to 11/12 and the last year is equal to 7/12.
The bill expires January 1, 2026.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23			($1.3)	($1.4)		
2023-24			($2.4)	($2.4)		
2024-25			($2.4)	($2.4)		
2025-26			($1.4)	($2.5)		
2026-27			($2.5)	($2.5)		

List of affected Trust Funds: General Revenue group

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Private Investigative Services Exemption
Bill Number(s): CS/CS/SB 1146 and CS/CS/CSHB763

Section 5: Consensus Estimate (Adopted: 02/18/2022): The Conference adopted the proposed estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(1.2)	(1.2)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(0.1)	(0.1)
2023-24	(2.2)	(2.2)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2024-25	(2.2)	(2.2)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2025-26	(2.2)	(2.2)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2026-27	(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
2022-23	(0.2)	(0.2)	(0.3)	(0.4)	(1.5)	(1.6)
2023-24	(0.4)	(0.4)	(0.6)	(0.6)	(2.8)	(2.8)
2024-25	(0.4)	(0.4)	(0.6)	(0.6)	(2.8)	(2.8)
2025-26	(0.4)	(0.4)	(0.6)	(0.6)	(2.8)	(2.8)
2026-27	(0.4)	(0.4)	(0.7)	(0.7)	(2.9)	(2.9)

	A	B	C	D	E	F	G
1	Total Class A Private Investigator active licenses						
2	2,627						
3							
4	Total Class A PI licenses found with partner #			percentage breakdown		Unknown Class A License	
5	1469			44.1%		1,158	
6							
7	Total licenses matched with SUT data						
8	813			55.3%		641	
9							
10	Total licenses matched into SUT with less than 150k taxable sales						
11	701			86.2%		553	
12							
13	matched licensees with less than 150k taxable						
14	Gross sales	Taxable sales	Tax				
15	**$ 197,250,269**	**$ 10,761,521**	**$ 758,001**				
16							
17	Average for each license under 150k						
18	Gross	281,384.12					
19	Taxable	15,351.67					
20	Tax	1,081.31					
21							
22	Apportioned tax from unkown licensees under 150k						
23	Gross	$ 155,490,682					
24	Taxable	$ 8,483,214					
25	Tax	$ 597,525					
26							
27	Total Tax including apportioned factor						
28	1,355,526						
29							
30	Growth rate for Private Investigators as used in previous conferences						
31	1.5%						
32							
34	2022-23	1,375,858.88					
35	2023-24	1,396,496.76					
36	2024-25	1,417,444.22					
37	2025-26	1,438,705.88					
38	2026-27	1,460,286.47					
39							
40	Matched licenses over 150k taxable sales						
41	Gross sales	Taxable sales	Tax				
42	417,029,044	289,057,873	20,251,196				
43							
44	% of remaining tax to add to impact representing planning opportunity						
45	5%						
46							
47	Sales Tax Impacts						
48		High		Middle		Low	
49	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
50	2022-23	$ -	$ -	($1.3)	($1.4)	$ -	$ -
51	2023-24	$ -	$ -	($2.4)	($2.4)	$ -	$ -
52	2024-25	$ -	$ -	($2.4)	($2.4)	$ -	$ -
53	2025-26	$ -	$ -	($2.5)	($2.5)	$ -	$ -
54	2026-27	$ -	$ -	($2.5)	($2.5)	$ -	$ -

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Admission to Grand Prix Events
Bill Number(s): Proposed Language

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): N/A
Month/Year Impact Begins: 07/2022
Date of Analysis: 02/18/2022

Section 1: Narrative

a. Current Law: F.S. 212.04(2)(a) Admissions to the following sporting events are exempt:

- National Football League championship game or Pro Bowl;
- Major League Baseball, Major League Soccer, National Basketball Association, or National Hockey League all-star game and Major League Baseball Home Run Derby held before the Major League Baseball all-star games;
- National Basketball Association all-star events produced by the National Basketball Association and held at a facility such as an arena, convention center, or municipal facility;
- Any semifinal or championship game of a national collegiate tournament or any postseason collegiate football game sanctioned by the National Collegiate Athletic Association.

b. Proposed Change: The proposed language adds "admissions to any Formula One Grand Prix sanctioned by Fédération Internationale de l'Automobile, including any qualifying or support races held at the circuit up to 72 hours before the grand prix race"

Section 2: Description of Data and Sources

Market Research

Section 3: Methodology (Include Assumptions and Attach Details)

An agreement is in place between the City of Miami and Formula One (F1) racing to host an annual F1 race for the next 10 years. The first race will be held on May 8th 2022. The projected attendance will be 240,000 over 3 days with daily attendance at 80,000. The May 8th 2022 race is already sold out.

High Impact- The high impact assumes a future attendance of 240,000. Attendance is spread evenly across the 7 seating locations. Tickets to the F1 event is for all 3-days. Therefore, the analysis assumed 80,000 tickets were sold. The average price for each seating location was used to estimate total sales. CPI was used to grow ticket sales in the future years.

Middle Impact- The middle impact assumes a future attendance of 240,000. Attendance is spread evenly across the 7 seating locations. Tickets to the F1 event is for all 3-days. Therefore, the analysis assumed 80,000 tickets were sold. The price for each seating location was skewed (80/20) towards the lowest price ticket. CPI was used to grow ticket sales in the future years.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	($5.5m)	($5.5m)	($5.1m)	($5.1m)		
2023-24	($5.6m)	($5.6m)	($5.2m)	($5.2m)		
2024-25	($5.7m)	($5.7m)	($5.3m)	($5.3m)		
2025-26	($5.9m)	($5.9m)	($5.4m)	($5.4m)		
2026-27	($6.0m)	($6.0m)	($5.5m)	($5.5m)		

List of affected Trust Funds: Sales and Use Tax

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Admission to Grand Prix Events
Bill Number(s): Proposed Language

Section 5: Consensus Estimate (Adopted: 02/18/2022: The Conference adopted the middle estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(4.5)	(4.5)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.4)	(0.4)
2023-24	(4.6)	(4.6)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.4)	(0.4)
2024-25	(4.7)	(4.7)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.4)	(0.4)
2025-26	(4.8)	(4.8)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.5)	(0.5)
2026-27	(4.9)	(4.9)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.5)	(0.5)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(0.7)	(0.7)	(1.3)	(1.3)	(5.8)	(5.8)
2023-24	(0.8)	(0.8)	(1.4)	(1.4)	(6.0)	(6.0)
2024-25	(0.8)	(0.8)	(1.4)	(1.4)	(6.1)	(6.1)
2025-26	(0.8)	(0.8)	(1.4)	(1.4)	(6.2)	(6.2)
2026-27	(0.8)	(0.8)	(1.4)	(1.4)	(6.3)	(6.3)

Miami Grand Prix	
Total Attendance	240,000
Daily Attendance/Total Ticket Sales	80,000

Average Prices - Three day Passes			
Stand Location	Low	High	Average
Turn 18	$ 1,190	$ 1,550	$ 1,370
Turn 1	$ 990	$ 1,695	$ 1,343
Marina	$ 800	$ 1,015	$ 908
Fountain View	$ 780	$ 860	$ 820
Family	$ 690	$ 815	$ 753
Start/Finish	$ 1,680	$ 2,070	$ 1,875
Beach	$ 640	$ 880	$ 760

High	# of Seats	Price	Average
Turn 18	11,428	$ 1,370	$ 15,656,360
Turn 1	11,428	$ 1,343	$ 15,342,090
Marina	11,428	$ 908	$ 10,370,910
Fountain View	11,429	$ 820	$ 9,371,780
Family	11,429	$ 753	$ 8,600,323
Start/Finish	11,429	$ 1,875	$ 21,429,375
Beach	11,429	$ 760	$ 8,686,040
		Total:	$ 89,456,878
	Sales and Use Tax (6%)		$ 5,367,413

Middle	# of Seats	Price	Average	Middle Price Weight	
Turn 18	11,428	$ 1,262	$ 14,422,136	80%	20%
Turn 1	11,428	$ 1,131	$ 12,925,068		
Marina	11,428	$ 843	$ 9,633,804		
Fountain View	11,429	$ 796	$ 9,097,484		
Family	11,429	$ 715	$ 8,171,735		
Start/Finish	11,429	$ 1,758	$ 20,092,182		
Beach	11,429	$ 688	$ 7,863,152		
		Total:	$ 82,205,561		
	Sales and Use Tax (6%)		$ 4,932,334		

Consumer Price Index, December 2021	
FY 2022-2023	2.50%
FY 2023-2024	2.20%
FY 2024-2025	2.10%
FY 2025-2026	2.20%
FY 2026-2027	2.30%

High Impact	
FY 2022-2023	$5,501,598
FY 2023-2024	$5,622,633
FY 2024-2025	$5,740,708
FY 2025-2026	$5,867,004
FY 2026-2027	$6,001,945

Medium Impact	
FY 2022-2023	$5,055,642
FY 2023-2024	$5,166,866
FY 2024-2025	$5,275,370
FY 2025-2026	$5,391,428
FY 2026-2027	$5,515,431

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Sales Tax Exemption for Baby/Toddler Clothing and Shoes
Bill Number(s): Proposed Language

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s):
Month/Year Impact Begins: July 1, 2022
Date of Analysis: 2-18-2022

Section 1: Narrative

a. **Current Law**: Currently there is no sales tax exemption for baby and toddler clothing and shoes.

b. **Proposed Change**: The proposed language exempts the retail sale of baby and toddler clothing up to and including size 5T and baby and toddler shoes up to and including size 13T. Baby and toddler clothing includes any article of wearing apparel intended to be worn on or about the human body. The exemption is in effect from July 1, 2022 to June 30, 2023.

Section 2: Description of Data and Sources
Source: Bureau of Labor Statistics, Consumer Expenditure Survey, Table 1800. Region of residence: Annual means, standard errors, coefficients of variation, and quarterly percent reporting, Consumer Expenditure Interview Survey, 2019; Florida: Quintiles of income before taxes, 2018-2019.
FDEC December 2021 & BEBR Population Projections by Singe Age.
FEEC December 2021.

Section 3: Methodology (Include Assumptions and Attach Details)
This analysis uses consumer expenditures data from the Consumer Expenditure Survey (CES). Income before taxes from the CES is increased to the impact year by the growth rate of personal income from the FEEC. Annual expenditures per consumer units are derived by assuming their share of income before taxes remains constant. The number of consumer units from the CES is increased to the impact year by the growth of households from the FDEC. Detailed category data from the national survey is adjusted to Florida by assuming that Florida consumers spend the same share of their expenditures on baby and toddler clothing and shoes.

The CES' expenditure categories are for children under 2 and for children 2 to 15 years of age. A reduction to the latter category is made to exclude children's clothing for ages outside of the bill's impact using FDEC Population projections by single age.

Section 4: Proposed Fiscal Impact The impact begins in July 2022 and ends June 30, 2023 and it affects FY2022-23 and FY 2023-24.

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(73.7)	(80.4)	(65.1)	(71.0)	(56.6)	(61.7)
2023-24	(6.7)		(5.9)		(5.1)	
2024-25						
2025-26						
2026-27						

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

Section 5: Consensus Estimate (Adopted: 02/18/2022): The Conference adopted the middle cash estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(57.7)	0.0	(Insignificant)	0.0	(1.9)	0.0	(5.5)	0.0
2023-24	(5.2)	0.0	(Insignificant)	0.0	(0.2)	0.0	(0.5)	0.0
2024-25	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Sales Tax Exemption for Baby/Toddler Clothing and Shoes
Bill Number(s): Proposed Language

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(9.6)	0.0	(17.0)	0.0	(74.7)	0.0
2023-24	(0.9)	0.0	(1.6)	0.0	(6.8)	0.0
2024-25	0.0	0.0	0.0	0.0	0.0	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0

Proposed Language - House
Baby/Toddler Clothes and Shoes

1 YEAR
FY 2022-23

1. Consumer expenditure data from the Consumer Expenditure Survey

Children's Apparel and Footwear Consumer Expenditures

	BLS Data CY 2019 US	*BLS Data* CYs 2018 & 2019 FL
Number of consumer units (Households)	132,242,000	8,987,884
Income before taxes	$82,852	$70,109
Income after taxes	$71,487	
Average annual expenditures	$60,182	$56,535

2. Grow consumer units & expenditures to impact year

FY Ending in:	**2020**	**2021**	**2022**	**2023**
FDEC Household Growth Rate	1.4%	1.6%	1.7%	1.6%
Number of consumer units (Households)	9,111,245	9,252,916	9,413,620	9,560,527

FY Ending in:	**2020**	**2021**	**2022**	**2023**
FEEC Personal Income Growth Rate	5.6%	5.6%	5.6%	5.6%
Income before taxes	74,063	78,240	82,652	87,313
Average annual expenditures	59,723	63,091	66,649	70,408

3. Apply US expenditure share to FL

FY 2022-23	*BLS Data*	*BLS Data*	*EDR Estimate Using BLS Shares*	*EDR Estimate Using BLS Shares*
	Average Expenditures per Consumer Unit	**% of Annual Expenditures**	**Average Expenditures per Consumer Unit**	**Total Expenditures**
	US	**US**	**FL**	**FL**
Consumer units			**9,560,527**	
Average annual expenditures			**70,408**	**$673,139,430,369**
Apparel and services				
Children under 2	$51.91	0.09%	$60.73	$580,620,067
Boys, 2 to 15	$72.97	0.12%	$85.37	$816,178,892
Girls, 2 to 15	$77.25	0.13%	$90.38	$864,051,245
Footwear				
Boys' footwear	$23.36	0.04%	$27.33	$261,284,623
Girls' footwear	$19.32	0.03%	$22.60	$216,096,700
Total, Apparel and Footwear				**$2,738,231,526**

Source: Bureau of Labor Statistics, Consumer Expenditure Survey, Table 1800. Region of residence: Annual means, standard errors, coefficients of variation, and quarterly percents reporting, Consumer Expenditure Interview Survey, 2019; Florida: Quintiles of income before taxes, 2018-2019.
Note: There was no separate category for baby footwear.

4. Reduce expenditures for included ages

Reduction for baby and toddler items only	**High**	**Middle**	**Low**
Annual expenditures, Children under 2 ($ m)	580.6	580.6	580.6
Annual expenditures, all other ($ m)	2,157.6	2,157.6	2,157.6
Reduction to all other to include only ages 2, 3, 4, & 5 out of the 14 ages included in the category using population by age from the FDEC	35%	28%	21%
Reduced expenditures, all other	759.6	602.7	447.1
Total expenditures, select age groups ($ m)	**1,340.2**	**1,183.3**	**1,027.7**
Sales tax impact ($ m)	**($80.4)**	**($71.0)**	**($61.7)**

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: School Sales Tax Holiday, 14 Days, $100 Clothing/$50 Supplies/$1,500 or less Computers
Bill Number(s): Proposed Language

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s):
Month/Year Impact Begins: The sales tax holiday will affect July and August 2022 activity and, subsequently, August and September collections.
Date of Analysis: February 18, 2022

Section 1: Narrative

a. Current Law:

Under current law in Ch. 212, F.S., clothing, school supplies, learning aides and jigsaw puzzles, and computers and related accessories are subject to the 6% Sales and Use Tax.

b. Proposed Change:

Duration: The sales tax holiday is proposed for a 14-day period beginning on July 25 through August 7, 2022.

Clothing: The bill exempts sales of "clothing, wallets, or bags, including handbags, backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags" from the Sales and Use Tax as long as the sales price of the item does not exceed $100. 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 including all footwear except for "skis, swim fins, roller blades, and skates."

School Supplies: During this same period, sales of school supplies having a sales price of $50 or less per item are exempt from the Sales and Use Tax. School supplies are defined as "pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, binders, lunch boxes, construction paper, markers, folders, poster board, composition books, poster paper, scissors, cellophane tape, glue or paste, rulers, computer disks, staplers and staples used to secure paper products, protractors, compasses, and calculators."

Learning aids and jigsaw puzzles: Also exempt are learning aids and jigsaw puzzles having a sales price of $30 or less. The term "learning aids" means "flashcards or other learning cards, matching or other memory games, puzzle books and search-and-find books, interactive or electronic books and toys intended to teach reading or math skills, and stacking or nesting blocks or sets."

Computers: Also exempt is the first the sales price of personal computers or personal computer-related accessories purchased for noncommercial home or personal use. Exempted items include "electronic book readers, laptops, desktops, handhelds, tablets, and tower computers" and related accessories including "keyboards, mice, personal digital assistants, monitors (not including devices with a television tuner), other peripheral devices, modems, routers, and nonrecreational software, regardless of whether the accessories are used in association with a personal computer base unit." The exemption does not apply to "cellular telephones, video game consoles, digital media receivers, or devices that are not primarily designed to process data." Related accessories do not include "furniture or systems, devices, software, monitors with a television tuner, or peripherals designed or intended primarily for recreational use."

The tax exemptions do not apply to sales within a theme park or entertainment complex, within a public lodging establishment, or within an airport.

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

Section 2: Description of Data and Sources

- Impact for SB 500, School Sales Tax Holiday, 10 Days, $60 Clothing/$15 Supplies/$1,500 or Less Computers, Revenue Estimating Impact Conference, 12/3/2021,
- Clothing and Shoes expenditures forecast, December 2021 National Economic Estimating Conference.
- Consumer Computer expenditures forecast, December 2021 National Economic Estimating Conference.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: School Sales Tax Holiday, 14 Days, $100 Clothing/$50 Supplies/$1,500 or less Computers
Bill Number(s): Proposed Language

- U.S. Population (total and 65+), 3rd Quarter estimates, December 2021 National Economic Estimating Conference.
- Florida Population (total and 65+), 3rd Quarter estimates, December 2021 Demographic Estimating Conference.
- Estimates of Florida public school enrollment, January 2022 K-12 Enrollment Estimating Conference.
- Estimates of Florida private school enrollment, Private School Annual Report 2020-2021 (Florida Department of Education). Available at http://www.fldoe.org/schools/school-choice/private-schools/annual-reports.stml.
- Estimates of Florida public and private college/university fall enrollment, Integrated Postsecondary Education Data System (National Center for Education Statistics). Available at www.nces.ed.gov/ipeds. Estimates include Florida College System institutions, State Universities, career centers, and private institutions eligible to participate in the EASE or ABLE tuition assistance programs. Last accessed 12/1/2021.
- Tax collections by kind code, FY 2019-20, FY 2020-21, Form 10, Florida Department of Revenue.
- Department of Revenue. 2021 Back-to-School Sales Tax Holiday Tax Information Publication (TIP). Available at: https://revenuelaw.floridarevenue.com/LawLibraryDocuments/2020/06/TIP-123084_TIP_20A01-04_FINAL_RLL.pdf .
- National Conference of State Legislatures, Back to School, Back to Sales Tax Holidays, Jackson Brainerd, August 31, 2021, https://www.ncsl.org/research/fiscal-policy/back-to-school-back-to-sales-tax-holidays.aspx .

Section 3: Methodology (Include Assumptions and Attach Details)

NOTE: The methodology below offers some incremental modifications to the one used in prior Back-to-School Sales Tax Holidays. Impacts in this analysis are not directly comparable to prior estimates.

Clothing/Shoes/Backpacks: Florida expenditures for clothing and shoes are derived from total national expenditures for clothing and shoes using Florida population (adjusted for ages 65+). The total Florida annual expenditures are converted to a 1-day amount and assume that 70% of the expenditures would be under the $100 limit. Backpacks are assumed to be included in clothing. Backpacks are included in the clothing total. An advantage buying factor of 1.25 is also applied.

School Supplies: For school supplies (including staplers), an amount of expenditures is assumed per student, by grade level. The per student expenditure is multiplied by the estimated number of students enrolled in public or private elementary and secondary schools, Florida Colleges, State Universities, public technical colleges/career centers, and private colleges/universities. The estimated total expenditure by students is increased for advantage business spending by 20% and an additional 10% is added for the extended list. It is assumed that 90% of expenditures would be under the $50 limit.

Learning Aids & Jigsaw Puzzles: Florida expenditures for games, toys, and hobbies are derived from total national expenditures for games, toys, and hobbies using Florida population . It is assumed that learning aids and jigsaw puzzles as defined represent 10% of the category. The total Florida annual expenditures are converted to a 1-day amount and assume that 40% of the expenditures in the category would be under the $30 limit. An advantage buying factor of 1.25 to account for additional purchasing is used.

Computers: Florida expenditures are derived from total national expenditures for computers and peripherals using Florida population. In addition to hardware expenditures, expenditures for computer software and accessories and for calculators are added. Since only certain modes of software sales are subject to sales tax (if the software is purchased in a Florida store), only a share of expenditures on software are included. The total Florida expenditures are adjusted for the percentage of total expenditures assumed to be exempt (=75%). An advantage buy factor of 30% is added for additional purchases by the general public. Purchases for commercial use are not exempt.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: School Sales Tax Holiday, 14 Days, $100 Clothing/$50 Supplies/$1,500 or less Computers
Bill Number(s): Proposed Language

Section 4: Proposed Fiscal Impact: The impact is nonrecurring for FY 2022-23 only.

	2022-23
Expenditure Type	**PROPOSED**
Clothing & Shoes - $100 or Less	$ (64.4)
School Supplies - $50 or Less	$ (10.2)
Learning Aids and Jigsaw Puzles - $30 or Less	$ (0.7)
Personal Computers and Related Accessories - $1,500 or Less	$ (12.3)
Total Impact	**$ (87.6)**

**Estimates in millions of dollars*

List of affected Trust Funds: Sales and Use Tax Grouping

Section 5: Consensus Estimate (Adopted: 02/18/2022): The Conference adopted the proposed estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(77.6)	0.0	(Insignificant)	0.0	(2.6)	0.0	(7.4)	0.0
2023-24	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2024-25	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(12.9)	0.0	(22.9)	0.0	(100.5)	0.0
2023-24	0.0	0.0	0.0	0.0	0.0	0.0
2024-25	0.0	0.0	0.0	0.0	0.0	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0

Proposed Language

Sales Tax Holiday - Clothing, School Supplies, Computers

14 Days, July 25 - August 7, 2022

(NONRECURRING)

			2022-23	
	Expenditure Type		**PROPOSED**	
1	Clothing & Shoes - $100 or Less		$ (64.4)	
2	School Supplies - $50 or Less		$ (10.2)	
3	Learning Aids and Jigsaw Puzles - $30 or Less		$ (0.7)	
4	Personal Computers and Related Accessories - $1,500 or Less		$ (12.3)	
5	**Total Impact**		**$ (87.6)**	

**Estimates in millions of dollars*

	A	B	E	F	G
2		**Proposed Language**			**14 Days, July 25 - August 7, 2022**
3		**SALES TAX HOLIDAY - CLOTHING**			**$100 Limit**
4					
5					
6		**2022-23**			**Adopted**
7	1	National Personal Expenditure on Clothing and Shoes (Mln. $)			496,148.7
8					
9	2	Florida Share based on Population Forecast (Mln. $)			33,296.1
10					
11	3	Florida Expenditures on Apparel & Shoes (adjusted for 65+)			31,855.8
12					
13					
14					
15	4	Sales Tax at 6%			1,911.3
16					
17	5	Exempted Amount			1,337.9
18		Assumption	70%		70.0%
19					
20	6	Preliminary Per Day Fiscal Impact in Florida	1		(3.7)
21					
22	7	Number of Days in the Holiday	14		(51.3)
23					
24	8a	Advantage Buying			1.25
25	8b	Base Adjustment for Tourists			0.005
26		Total Adjustment			1.255
27					
28	9	Adjusted Fiscal Impact in Florida			(64.4)
29					
30					
31	10	**Total Impact**			**($64.4)**
32					
33					

	A	B	C	D	E	F
1						
2		**Proposed Language**				**14 Days, July 25 - August 7, 2022**
3		**SALES TAX HOLIDAY - SCHOOL SUPPLIES (Incl Staplers, Flash Drives)**				**$15 Limit**
19						
20		**2022-23**				
22	Row	**Grade Level**	**Expenditures per Student**	**Number of Students**		**Total Expenditures**
23	1	PreK	22.00	56,761		1.2
24	2	KG	22.00	255,841		5.6
25	3	1	22.00	231,220		5.1
26	4	2	22.00	237,986		5.2
27	5	3	27.00	246,191		6.6
28	6	4	29.00	231,051		6.7
29	7	5	29.00	250,598		7.3
30	8	6	34.00	243,697		8.3
31	9	7	34.00	253,392		8.6
32	10	8	34.00	261,406		8.9
33	11	9	37.00	261,825		9.7
34	12	10	37.00	254,211		9.4
35	13	11	37.00	235,244		8.7
36	14	12	37.00	223,210		8.3
37	15	Total PK-12		3,242,632		99.7
38	16	Total HigherEd	38.00	1,095,264		41.6
39	17	Total All Students		4,337,896		**141.3**
40						
41	18	**Advantage Buying by Business, General Public**				
42	19	**20% Factor to Move to 14 Days + 10% for Expanded List**				**42.4**
43						20% + 10%
44	20	**School Supplies**				**Adopted**
45	21	**Total Sales Tax**				**(10.2)**
46		Assumption: share of items under price limit	90%			90.0%
47						
48	22	**Total Impact**				**($10.2)**

	A	B	E	F	G
2		**Proposed Language**			**14 Days, July 25 - August 7, 2022**
3		**SALES TAX HOLIDAY - LEARNING TOYS & JIGSAW PUZZLES**			**$30 Limit**
4					
5					
6		**2022-23**			**Adopted**
7	1	National Personal Expenditure on Games, Toys, and Hobbies (Mln. $)			94,478.2
8		Assumed Share for Learning Toys & Jigsaw Puzzles	10%		9,447.8
9	2	Florida Share based on Population Forecast (Mln. $)			634.0
10					
11	3				
12					
13					
14					
15	4	Sales Tax at 6%			38.0
16					
17	5	Exempted Amount			15.2
18		Assumption	40%		40.0%
19					
20	6	Preliminary Per Day Fiscal Impact in Florida	1		(0.04)
21					
22	7	Number of Days in the Holiday	14		(0.6)
23					
24	8	Advantage Buying			1.25
25					
26	9	Adjusted Fiscal Impact in Florida			(0.7)
27					
28					
29	10	**Total Impact**			**($0.7)**
30					
31					

	A	B	C	D	E
2		**Proposed Language**			**14 Days, July 25 - August 7, 2022**
3		**SALES TAX HOLIDAY - COMPUTERS**			**$1,500 or Less**
4					
5					
6		**2022-23**			**Adopted**
7		National Information Processing Equipment - Annual Expenditures			
8	1	*Computers & Peripheral Equipment*			74,974.5
9	2	*Computer Software & Accessories*	5%		6,892.8
11	3	**Total**			81,867.3
12		*IBIS World Industry Report 44312, Computer Stores in the US, estimates that 61.5% of computer store revenues come from sales of cor from sales of software.*			
14					
15	4	Florida Share based on Population Forecast			5,494.0
16					
17					
18					
19					
20					
21	5	Annual Sales Tax at 6%			329.6
22					
28	6	Exempted Amount based on Purchase Price			247.2
29		$1500 or Less			75.0%
30					
31					
32	7	Preliminary Per Day Fiscal Impact in Florida			0.68
33					
35	8	14-Day Holiday	14		9.5
37					
38	9	Advantage Buying by the General Public			30.0%
39					12.3
40					
41	10	**Total Impact**			**($12.3)**
42					
43		***Computers Exemption Key***			
44		**First $1500**			
45		**First $1000**			
46		**First $750**			
47		**$1500 or Less**	**75%**		
48		**$1000 or Less**	**55%**		
49		**$750 or Less**	**45%**		
50					
51					
52					

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Sales Tax Holiday – Freedom Week – Add Pools
Bill Number(s): Proposed Language
☒ **Entire Bill** N/A
☐ **Partial Bill**:
Sponsor(s): N/A
Month/Year Impact Begins: 07/2022
Date of Analysis: 02/18/2022

Section 1: Narrative

a. **Current Law**: Chapter 212, F.S. authorizes the collection of sales and use tax on admissions to ticketed events, gym memberships, museum tickets and memberships, and outdoor equipment.

b. **Proposed Change**: During the period of July 1, 2022 to July 7, 2022, the following items are exempt from sales and use tax: sales of tickets to live music events, state parks, live sporting events, festivals (including ballets, plays and musical performances), movie tickets, and museum tickets that are scheduled to be held between July 1, 2022 and December 31, 2022; use of or access to clubs providing physical fitness facilities between July 1, 2022 and December 31, 2022; the retail sale of specified boating and water activity supplies, camping supplies, fishing supplies, general outdoor supplies, and sports equipment.

The retail sales exemption is valid only for the listed items and subject to the following price conditions. The retail exemption is not valid for commercial fishing supplies.

Expenditure Type	Description
Boating and water activity supplies	• Recreational pool tubes, pool floats, inflatable chairs, and pool toys ($35 - first) • Snorkels, goggles, and swimming masks ($25 - first) • Life jackets, coolers, paddles, and oars ($75 - first) • Safety flares ($50 - first) • Water skis, wakeboards, and kneeboards and recreational inflatable water tubes or floats capable of being towed ($150 - first) • Canoes & kayaks ($500 - first) • Paddleboards and surfboards ($300 - first)
Camping supplies	• Camping lanterns and flashlights ($30 - first) • Sleeping bags, portable hammocks, and camping stoves and collapsible camping chairs ($50 - first) • Tents ($200 - first)
Fishing supplies	• Rods and reels ($75 - first if sold individually or $150 - first if sold as a set) • Tackle boxes or bags ($30 - first) • Bait or fishing tackle ($5 - first if sold individually or $10 - first if sold as a set)
General outdoor supplies	• Sunscreen or insect repellant ($15 - first) • Water bottles (first $30 - first) • Hydration packs ($50 - first) • Bicycle Helmets ($50 - first) • Sunglasses ($100 - first) • Binoculars ($200 - first) • Bicycles ($250 - first) • Outdoor Gas or Charcoal Grills ($250 - first)
Sports equipment	• Any item used in individual or team sports, not including clothing or footware ($40 - first)
Residential pool supplies	• Individual residential pool and spa replacement parts, nets, filters, lights, and cover ($100 - first) • The combined sales price of all residential pool and spa chemicals ($150 - first)

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Sales Tax Holiday – Freedom Week – Add Pools
Bill Number(s): Proposed Language

Section 2: Description of Data and Sources

- REC Impact, Proposed Language – Freedom Week, 1/28/2022.
- Sales Tax Holiday – HB7061- Section 46, Revenue Estimating Conference, http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2021/_pdf/page555-567.pdf
- Florida Economic Estimating Conference, December 2021.
- Florida Demographic Estimating Conference, December 2021.
- IBISWorld reports
- US Bureau of Labor Statistics, Consumer Expenditures Survey, Average annual expenditures and characteristics, Table 1800, 2020.
- US Bureau of Labor Statistics, Consumer Expenditures Survey, Annual expenditure means and characteristics, Florida: Quintiles of income before taxes, 2018-2019.
- US Census Bureau, Annual Estimates of the Resident Population for the United States, Regions, States, and the District of Columbia: April 1, 2020 to July 1, 2021.
- BassProShop, www.bassproshop.com
- Academy Sports, www.academysports.com
- Walmart, www.walmart.com
- IBIS World INDUSTRY REPORT OD4853, Swimming Pool Equipment Stores, August 2021.

Section 3: Methodology (Include Assumptions and Attach Details)

The analysis was split into multiple components, each using a separate methodology. The first methodology was used to estimate the sales and use tax impact on ticket sales and memberships. This methodology relied on IBISWorld Industry Reports to estimate the amount of ticket and membership revenue generated by the qualified industries in Florida. Next, the analysis led to an estimate of the portion of annual ticket and membership revenue that will be purchased during the sales tax holiday. Underlying the analysis is an expectation that the tax holiday will shift ticket and membership sales from later periods into the qualified week. The analysis also assumed that a large majority of museum ticket sales (83%) are already tax exempt because these museums are operated by a 501(c)(3) (Florida Statute 212.042(a), F.S.. Finally, the numbers were checked against sales tax collection data for Kind Code 59 for reasonableness.

Second, the estimate for sales tax on State Park entrance fees was based on FY 2020-21 annual pass and day pass fees and assumptions made on the number of months' worth of annual passes and number of weeks' worth of single-day passes that would be sold during the tax exemption period.

Third, the estimates for retail sales for boating and water activities, camping supplies, fishing supplies, sports equipment, and partially for outdoor supplies used average annual expenditures by consumer unit by category from the Consumer Expenditures Survey for the United States and applied their respective shares of total expenditures to Florida average annual expenditures for calendar years 2018-2019. The expenditures were grown by Florida personal income growth to 2022. The estimate for outdoor supplies used IBISWorld reports for US market size for sunscreen, insect repellent, and sunglasses and assumed Florida's market for these items was proportional to Florida's share of the US population. Other sports equipment expenditures from the Consumer Expenditures Survey were used as an estimate for spending on water bottles, hydration packs, and binoculars.

Fourth, expenditures for recreational recreational pool tubes, pool floats, inflatable chairs, and pool toys, Individual residential pool and spa replacement parts, nets, filters, lights, and covers, and pool and spa chemicals were developed using an IBIS World report on Swimming Pool Equipment Stores. Since these items are also sold by general merchandise stores, online retailers, and other specialty stores, this approach might underestimate the expenditures in this category.

Fifth, to convert the "less" than estimate to a "first of" estimate, a count of prices below and above the price cap for each item were done on various websites. Even though this is only a count of items in the inventory, it was used as a proxy for a count of items sold to determine what share of the market is for items above the price caps.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Sales Tax Holiday – Freedom Week – Add Pools
Bill Number(s): Proposed Language
The table below shows the estimated impacts.

Estimated Sales Tax Exemptions (Millions of Dollars)

EXEMPTION TYPE	HIGH	MIDDLE	LOW
Admissions	-44.1	-44.1	-44.1
Retail sales	-17.8	-15.5	-14.8
Total	**-61.9**	**-59.6**	**-58.9**

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(61.9)		(59.6)		(58.9)	
2023-24						
2024-25						
2025-26						
2026-27						

List of affected Trust Funds: Sales and Use Tax

Section 5: Consensus Estimate (Adopted: 02/18/2022): The Conference adopted an adjusted pools and price limit estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(54.5)	0.0	(Insignificant)	0.0	(1.8)	0.0	(5.2)	0.0
2023-24	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2024-25	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(9.0)	0.0	(16.1)	0.0	(70.6)	0.0
2023-24	0.0	0.0	0.0	0.0	0.0	0.0
2024-25	0.0	0.0	0.0	0.0	0.0	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0

Proposed Language, Freedom Week Sales Tax Holiday (first $xxx of sales price)

1 week, July 1 - 7, 2022
Summary

Estimated Sales Tax Exemptions (Millions of Dollars)

EXEMPTION TYPE	HIGH	MIDDLE	LOW	ADOPTED
Admissions	-44.1	-44.1	-44.1	-44.1
Retail sales	-21.9	-17.2	-15.8	-17.5
Total	**-66.0**	**-61.3**	**-59.9**	**-61.6**

0

Proposed Language, Freedom Week Sales Tax Holiday (first $xxx of sales price)
1 week, July 1 - 7, 2022
ADMISSIONS

Industry	Total Industry Revenue (2021)	US Ticket Revenue (Est.)	Florida Ticket Revenue (Est.)		Number of Weeks Worth of Movie Tickets Sold During the Tax-Exempt Period
Movie Theaters in the US	$9,446,000,000	$5,979,318,000	$292,986,582		4
				Exempt Ticket Revenue:	22,537,429
				Expected Sales Tax Impact (6%):	1,352,246

	Total Industry Revenue (2021)	US Membership Revenue (Est.)	Florida Membership Revenue (Est.)		Number of Months Worth of Gym Memberships Sold During the Tax-Exempt Period
Gym, Health & Fitness Clubs in the US	$35,303,000,000	$24,006,040,000	$1,488,374,480		3
				Exempt Membership Revenue:	372,093,620
				Expected Sales Tax Impact (6%):	22,325,617

	Total Industry Revenue (2021)	US Ticket Sales - Live Music (Est.)	Florida Ticket Revenue (Est.)		Number of Months Worth of Concert Tickets Sold During the Tax-Exempt Period
Concert & Event Promotion	$20,443,000,000	$6,092,014,000	$450,809,036		2
				Exempt Ticket Revenue:	75,134,839
				Expected Sales Tax Impact (6%):	4,508,090

	Total Industry Revenue (2021)	US Ticket Sales - Admission (Est.)	Florida Ticket Revenue (Est.)		Number of Months Worth of Sporting Event Tickets Sold During the Tax-Exempt Period
Live Sports Industry	$45,939,000,000	$13,807,837,000	$1,509,746,784		2
				Exempt Ticket Revenue:	251,624,464
				Expected Sales Tax Impact (6%):	15,097,468

Government	Total Individual and Family Annual Pass Revenue (FY20-21)	Total Daily Entrance Pass Revenue (FY20-21)		Number of Months Worth of Annual Passes Sold During the Tax-Exempt Period	Number of Weeks Worth of Single-Day Passes Sold During the Tax-Exempt Period
Florida Parks	5,471,520	23,410,692	#VALUE!	1	2
			Exempt Pass Revenue:	455,960	900,411
Source: State Park Trust Fund			Expected Sales Tax Impact (6%):	27,358	54,025

Museums	Total Industry Revenue (2021)	For-Profit Museum Industry Revenue (US)	For-Profit Florida Membership Revenue (Est.)	For-Profit Florida Ticket Revenue (Est.)	Number of Months Worth of Membership Passes Sold During the Tax-Exempt Period			Number of Weeks Worth of Single-Day Passes Sold During the Tax-Exempt Period		
					LOW	MIDDLE	HIGH	LOW	MIDDLE	HIGH
Museum Industry	$15,408,000,000	2,619,360,000	13,066,447	57,987,696		2			2	
				Exempt Pass Revenue:		2,177,741			2,230,296	
				Expected Sales Tax Impact (6%):		130,664			133,818	

Plays, Ballets, Musical Theatre, State Fairs, Cultural Events	Total Industry Revenue (2021)	For-Profit Ticket Revenue (US)	Florida Ticket Revenue (Est.)	Number of Months Worth of Tickets Sold During the Tax-Exempt Period		
				LOW	MIDDLE	HIGH
Festival Industry	$3,700,183,000	629,031,110	$46,548,302		2	
			Exempt Pass Revenue:		7,758,050	
			Expected Sales Tax Impact (6%):		465,483	

ANNUAL REVENUE (7 sectors)	$3,888,401,539		
Implied Annual Sales Tax (7 Sectors)	$233,304,092	Newly Exempt Share of KC 59	
CY 2021 Kind Code 59 Collections	$1,011,902,374		23.1%

Total Sales Tax Impact	LOW	MIDDLE	HIGH
FY2022-23		$44,094,769	
FY2023-24	$0	$0	$0
FY2025-26	$0	$0	$0
FY2026-27	$0	$0	$0
FY2027-28	$0	$0	$0
Implied Share of Annual Sales Tax	0.0%	18.9%	0.0%
Implied Share of CY 2021 KC 59	0.0%	4.4%	0.0%

	A	B	C	D	E	F	G
1	**Proposed Language, Freedom Week Sales Tax Holiday (first $xxx of sales price)**						
2	**1 week, July 1 - 7, 2022**						
3	**RETAIL SALES EXEMPTIONS**						
4	**SUMMARY**						
5							
6	**1. Impact under price caps proposed language version.**						
7	**Annual expenditures (millions of $)**						
8	**Category**	**Annual Expenditures ($) (Total Market)**					
9	Boating and water activity supplies	$ 105.8					
10	Camping supplies	$ 344.7					
11	Fishing supplies	$ 403.3					
12	General outdoor supplies (all else)	$ 308.6					
13	**General outdoor supplies (bicycles, bicycle helmets, outdoor grills)**	**$ 672.0**					
14	**Water sports (Canoes & kayaks, paddles & oars, water skis, wake-, knee-, paddle-, & surfboards)**	**$ 113.7**					
15	**Sports Equipment, selling for $40 or LESS, NOT including clothing or footwear**	**$ 498.1**					
16	**Swimming pool equipment & supplies**	**$ 1,008.2**					
17	**Florida Expenditures**	**$ 2,446.3**					
18							
19	**2. Percent of Category that falls below price cap.**		**% of Category that falls below price cap**				
20	**% of Category that falls below price cap**	**Annual Expenditures ($)**	**Low**	**Middle**	**High**	**Adopted**	
21	Boating and water activity supplies	$ 105.8	25%	40%	50%	50%	
22	Camping supplies	$ 344.7	30%	40%	50%	50%	
23	Fishing supplies	$ 403.3	25%	30%	60%	50%	
24	General outdoor supplies (all else)	$ 308.6	30%	60%	70%	50%	
25	General outdoor supplies (bicycles, bicycle helmets, outdoor grills)	$ 672.0	30%	40%	100%	50%	
26	Water sports (Canoes & kayaks, paddles & oars, water skis, wake-, knee-, paddle-, & surfboards)	$ 113.7	30%	40%	100%	50%	
27	Sports Equipment, selling for $40 or LESS, NOT including clothing or footwear	$ 498.1	30%	40%	75%	50%	
28	Swimming pool equipment & supplies	$ 1,008.2	40%	50%	75%	75%	
29	**Florida Expenditures**	**$ 3,454.5**					

	A	B	C	D	E	F	G
30							
31	**3. Annual expenditures below the cap.**						0
32	**Annual expenditures (millions of $)**	**Annual Expenditures ($)**	**Low**	**Middle**	**High**	**Adopted**	
33	Boating and water activity supplies	$ 105.8	26.44	42.30	52.88	52.88	
34	Camping supplies	$ 344.7	103.41	137.88	172.35	172.35	
35	Fishing supplies	$ 403.3	100.83	121.00	242.00	201.66	
36	General outdoor supplies	$ 308.6	92.59	185.18	216.04	154.31	
37	General outdoor supplies (bicycles, bicycle helmets, outdoor grills)	$ 672.0	201.60	268.80	671.99	**336.00**	
38	Water sports (Canoes & kayaks, paddles & oars, water skis, wake-, knee-, paddle-, & surfboards)	$ 113.7	34.11	45.48	113.71	**56.86**	
39	Sports Equipment, selling for $40 or LESS, NOT including clothing or footwear	$ 498.1	149.44	199.26	373.60	**249.07**	
40	Swimming pool equipment & supplies	$ 1,008.2	403.28	504.10	756.15	**756.15**	
41	**Florida Expenditures**	**$ 3,454.5**	**$ 1,111.7**	**$ 1,504.0**	**$ 2,598.7**	**$ 1,979.3**	
42							
43	**4. Weekly expenditures below the cap.**						
44	**Weekly expenditures (millions of $)**						
45		**Weekly Expenditures ($) Total Market**	**Low**	**Middle**	**High**	**Adopted**	
46	Boating and water activity supplies	$ 2.0	$ 0.51	$ 0.81	$ 1.02	$ 1.02	
47	Camping supplies	$ 6.6	$ 1.99	$ 2.65	$ 3.31	$ 3.31	
48	Fishing supplies	$ 7.8	$ 1.94	$ 2.33	$ 4.65	$ 3.88	
49	General outdoor supplies	$ 5.9	$ 1.78	$ 3.56	$ 4.15	$ 2.97	
50	General outdoor supplies (bicycles, bicycle helmets, outdoor grills)	$ 12.9	$ 3.88	$ 5.17	$ 12.92	$ 6.46	
51	Water sports (Canoes & kayaks, paddles & oars, water skis, wake-, knee-, paddle-, & surfboards)	$ 2.2	$ 0.66	$ 0.87	$ 2.19	$ 1.09	
52	Sports Equipment, selling for $40 or LESS, NOT including clothing or footwear	$ 9.6	$ 2.87	$ 3.83	$ 7.18	$ 4.79	
53	Swimming pool equipment & supplies	$ 19.4	$ 7.76	$ 9.69	$ 14.54	$ 14.54	
54	**Florida Expenditures**	**$ 47.0**	**$ 13.6**	**$ 19.2**	**$ 35.4**	**$ 23.5**	

	A	B	C	D	E	F	G
55							
56	**5. Spending behavior (number of extra weeks of shopping induced)**						
57	**Spending Behavior**	**Low**	**Middle**	**High**	**Adopted Expenditures**	**Adopted Weeks**	**Adopted Sales Tax**
58	**# weeks**	**2**	**4**	**8**	**3**		**3**
59	Boating and water activity supplies	$ 1.0	$ 3.3	$ 8.1	$ 3.1	3	$ 0.2
60	Camping supplies	$ 4.0	$ 10.6	$ 26.5	$ 9.9	3	$ 0.6
61	Fishing supplies	$ 3.9	$ 9.3	$ 37.2	$ 11.6	3	$ 0.7
62	General outdoor supplies	$ 3.6	$ 14.2	$ 33.2	$ 8.9	3	$ 0.5
63	General outdoor supplies (bicycles, bicycle helmets, outdoor grills)	$ 7.8	$ 20.7	$ 103.4	**$ 19.4**	**3**	**$ 1.2**
64	Water sports (Canoes & kayaks, paddles & oars, water skis, wake-, knee-, paddle-, & surfboards)	$ 1.3	$ 3.5	$ 17.5	**$ 3.3**	**3**	**$ 0.2**
65	Sports Equipment, selling for $40 or LESS, NOT including clothing or footwear	$ 5.7	$ 15.3	$ 57.5	**$ 47.9**	**10**	**$ 2.9**
66	**Swimming pool equipment & supplies**	**$ 15.5**	**$ 38.8**	**$ 116.3**	**$ 43.6**	**3**	**$ 2.6**
67	**Florida Expenditures**	**$ 42.8**	**$ 115.7**	**$ 399.8**	**$ 147.7**		**$ 8.9**
68							
69							
70	**6. Sales tax collections.**						

	A	B	C	D	E
71	**Sales Tax**	**Low**	**Middle**	**High**	**Adopted Sales Tax**
72	**# weeks**	**2**	**4**	**8**	**4**
73	Boating and water activity supplies	$ 0.2	$ 0.2	$ 0.2	$ 0.2
74	Camping supplies	$ 0.6	$ 0.6	$ 0.6	$ 0.6
75	Fishing supplies	$ 0.7	$ 0.7	$ 0.7	$ 0.7
76	General outdoor supplies	$ 0.5	$ 0.5	$ 0.5	$ 0.5
77	General outdoor supplies (bicycles, bicycle helmets, outdoor grills)	$ 0.5	$ 1.2	$ 6.2	**$ 1.2**
78	Water sports (Canoes & kayaks, paddles & oars, water skis, wake-, knee-, paddle-, & surfboards)	$ 0.1	$ 0.2	$ 1.0	**$ 0.2**
79	Sports Equipment, selling for $40 or LESS, NOT including clothing or footwear	$ 0.3	$ 0.9	$ 3.4	**$ 2.9**
80	Swimming pool equipment & supplies	$ 0.9	$ 2.3	$ 7.0	**$ 2.6**
81	**Florida Expenditures**	**$ 3.8**	**$ 6.7**	**$ 19.7**	**$ 8.9**

	A	B	C	D	E	F	G
82							
83		**Low**	**Middle**	**High**	**Adopted Sales Tax**		
84	**Impact adopted 1/28/2022**	$ (6.2)	$ 6.2	$ (6.2)	$ 6.2		
85	**Imact from new items - Sales Tax**	$ (0.9)	$ (2.3)	$ (7.0)	$ (2.6)		
86							
87	**7. Incremental impact with "first $xxx of sales price"**						
88	**"FIRST of" PRICE Incremental Impact**	**"First" Factor (# Items above cap/# items below cap)**	**Incremental Sales Tax Based on Observed Price Distribution of Items**	**Total Sales Tax**	**Total Adopted**		
89	Boating and water activity supplies	0.99	$ 0.4	$ 0.75			
90	Camping supplies	1.51	$ 0.9	$ 1.50			
91	Fishing supplies	2.26	$ 1.6	$ 2.27			
92	General outdoor supplies	1.00	$ 1.7	$ 3.39			
93	Sports equipment	1.00	$ 2.9	$ 5.75			
94	Swimming pool equipment & supplies	0.50	$ 1.3	$ 3.94			
95	**Incremental Sales Tax**		**$ 8.7**	**$ 17.6**			
96							
97	**8. Total impact.**						
98		**Low**	**Middle**	**High**	**Adopted Sales Tax**	-1	
99	**Impact adopted 1/28/2022**	$ (6.2)	$ (6.2)	$ (6.2)	$ (6.2)		
100	**Imact from new items - Sales Tax**	$ (0.9)	$ (2.3)	$ (7.0)	$ (2.6)		
101	**Incremental from "first"**	$ (8.7)	$ (8.7)	$ (8.7)	$ (8.7)		
102	**Total sales tax impact**	$ (15.8)	$ (17.2)	$ (21.9)	$ (17.5)		
103							

Proposed Language, Freedom Week Sales Tax Holiday (first $xxx of sales price)
1 week, July 1 - 7, 2022
RETAIL SALES EXEMPTIONS

ITEMS, EXEMPT FROM SALES TAX, BY CATEGORY

Type

Expenditure Type	Description
Boating and water activity supplies	• Recreational pool tubes, pool floats, inflatable chairs, and pool toys ($35 or less) • Snorkels, goggles, and swimming masks ($25 or less) • Life jackets, coolers, paddles, and oars ($75 or less) • Safety flares ($50 or less) • Water skis, wakeboards, and kneeboards and recreational inflatable water tubes or floats capable of being towed ($150 or less) • Canoes & kayaks ($500 or less) • Paddleboards and surfboards ($300 or less)
Camping supplies	• Camping lanterns and flashlights ($30 or less) • Sleeping bags, portable hammocks, and camping stoves and collapsible camping chairs ($50 or less) • Tents ($200 or less)
Fishing supplies	• Rods and reels ($75 or less if sold individually or $150 or less if sold as a set) • Tackle boxes or bags ($30 or less) • Bait or fishing tackle ($5 or less if sold individually or $10 or less if sold as a set)
General outdoor supplies	• Sunscreen or insect repellant ($15 or less) • Water bottles (first $30 or less) • Hydration packs ($50 or less) • Bicycle Helmets ($50 or less) • Sunglasses ($100 or less) • Binoculars ($200 or less) • Bicycles ($250 or less) • Outdoor Gas or Charcoal Grills ($250 or less)
Sports equipment	• Any item used in individual or team sports, not including clothing or footware ($40 or less)
Residential pool supplies	• Individual residential pool and spa replacement parts, nets, filters, lights, and cover ($100 or less) • The combined sales price of all residential pool and spa chemicals ($150 or less)

Proposed Language, Freedom Week Sales Tax Holiday (first $xxx of sales price)
1 week, July 1 - 7, 2022
RETAIL SALES EXEMPTIONS

ITEMS, EXEMPT FROM SALES TAX, BY CATEGORY

Type

Expenditure Type	Description
Boating and water activity supplies	• Recreational pool tubes, pool floats, inflatable chairs, and pool toys ($35 - first) • Snorkels, goggles, and swimming masks ($25 - first) • Life jackets, coolers, paddles, and oars ($75 - first) • Safety flares ($50 - first) • Water skis, wakeboards, and kneeboards and recreational inflatable water tubes or floats capable of being towed ($150 - first) • Canoes & kayaks ($500 - first) • Paddleboards and surfboards ($300 - first)
Camping supplies	• Camping lanterns and flashlights ($30 - first) • Sleeping bags, portable hammocks, and camping stoves and collapsible camping chairs ($50 - first) • Tents ($200 - first)
Fishing supplies	• Rods and reels ($75 - first if sold individually or $150 - first if sold as a set) • Tackle boxes or bags ($30 - first) • Bait or fishing tackle ($5 - first if sold individually or $10 - first if sold as a set)
General outdoor supplies	• Sunscreen or insect repellant ($15 - first) • Water bottles (first $30 - first) • Hydration packs ($50 - first) • Bicycle Helmets ($50 - first) • Sunglasses ($100 - first) • Binoculars ($200 - first) • Bicycles ($250 - first) • Outdoor Gas or Charcoal Grills ($250 - first)
Sports equipment	• Any item used in individual or team sports, not including clothing or footware ($40 - first)
Residential pool supplies	• Individual residential pool and spa replacement parts, nets, filters, lights, and cover ($100 - first) • The combined sales price of all residential pool and spa chemicals ($150 - first)

Proposed Language, Freedom Week Sales Tax Holiday (first $xxx of sales price)
1 week, July 1 - 7, 2022
RETAIL SALES EXEMPTIONS
Swimming pool equipment & supplies

Florida share of US population

	July 1, 2021 Population
United States	331,893,745
Florida	21,781,128
Florida's share of US total	6.6%
Plus adjustment for FTE visitors	7.3%

Source: US Census Bureau, Annual Estimates of the Resident Population for the United States, Regions, States, and the District of Columbia.

FL population growth, FY ending, FDEC

2019	2020	2021	2022
1.6	1.6	1.7	1.6

Swimming pool retail stores - U.S.

FY ending:	% of Total	2020	2021	2022	2023
Total revenue ($ m)		5,120	5,375	5,480	5,436
Pool chemicals	45%	2,304	2,419	2,466	2,446
Pool equipment & recreational items	31%	1,587	1,666	1,699	1,685
All other products	24%	1,229	1,290	1,315	1,305

Source: IBISWorld Reports, INDUSTRY REPORT OD4853 Swimming Pool Equipment Stores, August 2021.

Florida share based on housing starts				FY2021-22	FY2022-23
US Housing starts				1,525,597	1,372,013
FL Housing starts				215,128	167,423
FL % of US				14%	12%
FL swimming pool retail stores revenue (annual) ($ m)				587.3	504.1

	A	B	C	D	E	F	G
36		**Swimming pool retail stores - U.S.** **Categories & Items Included**					
37		**Pool equipment & recreational items**					
38		pool covers, reels and liners, slides, ladders, diving boards and other miscellaneous equipment					
39		swimming pool floats, games, lounges, masks, fins and fitness items, among more. This segment also includes a variety of backyard and patio furniture, pool and deck paint and other swimming pool related items					
40		**Pool chemicals**					
41		chlorine, algae control, water clarifiers, stain removers and tile cleaners					
42		**All other products**					
43		above ground pools, spas and hot tubs					
44							

Proposed Language, Freedom Week Sales Tax Holiday (first $xxx of sales price)
1 week, July 1 - 7, 2022
RETAIL SALES EXEMPTIONS
Outdoor items

Florida share of US population

	July 1, 2021 Population
United States	331,893,745
Florida	21,781,128
Florida's share of US total	6.6%
Plus adjustment for FTE visitors	7.3%

Source: US Census Bureau, Annual Estimates of the Resident Population for the United States, Regions, States, and the District of Columbia: April 1, 2020 to July 1, 2021

FL population growth, FY ending, FDEC

2019	2020	2021	2022
1.6	1.6	1.7	1.6

Insect repellent

	IBIS Data	EDR Estimate	EDR Estimate
United States	2020	2021	2022
Domestic demand ($)	326,000,000	331,443,656	336,808,886

Source: IBISWorld Reports, US INDUSTRY (SPECIALIZED) REPORT OD4948, Insect Repellent Manufacturing, Constant buzz: Eco-conscious, natural products will be the industry's saving grace going forward, August 2020.

	2022
Florida insect repellent demand	24,522,023.68

Sunscreen

		EDR Estimate
United States	2021	2022
Domestic demand ($)	513,600,000	521,913,879

Source: IBISWorld, US INDUSTRY (SPECIALIZED) REPORT OD4244, Sunscreen Manufacturing Sunny outlook: A return to outdoor gatherings and activities will drive demand for sunscreen, March 2021.

	2022
Florida sunscreen demand	37,998,951

0

Sunglasses stores

		EDR Estimate
United States	2021	2022
Domestic demand ($)	1,897,000,000	1,927,707,610

Source: IBISWorld, US INDUSTRY (SPECIALIZED) REPORT OD4229, Sunglasses Stores, Bright lights: Industry revenue is expected to grow as the economy rebounds from the pandemic, February 2021.

	2022
Florida sunglass store revenues	140,350,488

	2022
Florida - Other sports equipment	105,754,631

Source: US Bureau of Labor Statistics, Table 1800. Region of residence: Average annual expenditures and characteristics, Consumer Expenditure Survey, 2019.

	2022
Florida total outdoor sales	**308,626,095**

	A	B	C	D	E	F	G	H	I	J
1	**Proposed Language, Freedom Week Sales Tax Holiday (first $xxx of sales price)**									
2	**1 week, July 1 - 7, 2022**									
3	**RETAIL SALES EXEMPTIONS**									
4	**Camping, boating, fishing, water sports, and other sports equipment**									
5										
6	**Consumer Expenditures by Category**						Estimates			
7		2020	2020		CYs 2018-19					
8								FL population growth, FY ending		
9		United States	South		Florida	FTE Visitors (converted to CUs)		2020	2021	2022
10	Number of Consumer Units	131,234,000	50,574,000		8,987,884	992,933		1.6	1.7	1.6
11	Average number in consumer unit:	2.5	2.5		2.3		FL Pers. Income growth	5.6	7.5	4.0
12	Income after taxes per Consumer Unit ($)	74,949	69,556		70,109					
13	Average annual expenditures per Consumer Unit ($)	61,334	55,797		56,535					
14										
15	Average annual expenditures per Consumer Unit (Household)									
16										
17	**Camping equipment**	27.05	28.87		29.25		291,919,406	308,382,431	331,522,385	344,701,494
18	% of average annual expenditures	0.04%	0.05%		0.05%					
19										
20	**Hunting and fishing equipment**	56.04042274	69.35497424		70.27		701,373,595	740,928,113	796,524,803	828,189,292
21	% of average annual expenditures	0.09%	0.12%		0.12%					
22	Fishing only (share from FW survey)						338,186,269.70	357,258,552	384,066,001	399,333,892
23										
24										
25	**Water sports equipment**	12.79	8.86		8.97		89,561,054	94,611,921	101,711,273	105,754,631
26	% of average annual expenditures	0.02%	0.02%		0.02%					
27										
28										
29	**Other sports equipment**	10.21	8.86		8.97		89,561,054	94,611,921	101,711,273	105,754,631
30	% of average annual expenditures	0.02%	0.02%		0.02%					
31							0			
32	Source: US Bureau of Labor Statistics, Table 1800. Region of residence: Average annual expenditures and characteristics, Consumer Expenditure Survey, 2020.									
33										

	A	B	C	D	E	F	G	H	I	J
1	**Proposed Language, Freedom Week Sales Tax Holiday (first $xxx of sales price)**									
2	**1 week, July 1 - 7, 2022**									
3	**RETAIL SALES EXEMPTIONS**									
4	**Camping, boating, fishing, water sports, and other sports equipment**									
5										
6	**Consumer Expenditures by Category**						Estimates			
7		2020	2020		CYs 2018-19					
8								FL population growth, FY ending		
9		United States	South		Florida	FTE Visitors (converted to CUs)		2020	2021	2022
10	Number of Consumer Units	131,234,000	50,574,000		8,987,884	992,933		1.6	1.7	1.6
11	Average number in consumer unit:	2.5	2.5		2.3		FL Pers. Income grc	5.6	7.5	4.0
12	Income after taxes per Consumer Unit ($)	74,949	69,556		70,109					
13	Average annual expenditures per Consumer Unit ($)	61,334	55,797		56,535					
14										
15	Average annual expenditures per Consumer Unit (Household)									
16										
17	**Bicycles**	35.51	41.47		42.02		377,658,656	398,957,014	428,893,372	445,943,299
18	% of average annual expenditures	0.06%	0.07%		0.07%					
19										
20	**Bicycle helmets**				2.10		18,882,933	19,947,851	21,444,669	22,297,165
21	% of bicycle expenditures (assumed 5%)				5.0%					
22										
23	**Hunting and fishing equipment - INCREMENTAL for tackle boxes**	56.04	69.35		0.70		7,013,736	7,409,281	7,965,248	8,281,893
24	% of average annual expenditures	0.09%	0.12%		0.12%					
25	Fishing only (share from FW survey)						3,381,862.70	3,572,586	3,840,660	3,993,339
26										
27			West Region - INCREMENTAL							
28	**Water sports equipment - INCREMENTAL for:** **• Canoes & kayaks** **• Water skis, wakeboards, and kneeboards** **• Paddleboards and Surfboards** **• Paddles and Oars**	12.79	9.52		9.65		96,298,688	101,729,529	109,362,962	113,710,500
29	% of average annual expenditures	0.02%	0.02%		0.02%					
30										
31							0			
32	**Miscellaneous household equipment - Other household appliances (o**	21.63	17.06		17.29		172,554,695	182,286,054	195,964,170	203,754,393
33	% of average annual expenditures	0.04%	0.03%		0.03%					
34										
35	**Athletic gear, game tables, and exercise equipment***	61.49	41.72		42.27		421,861,892	445,653,127	479,093,400	498,138,944
36	% of average annual expenditures	0.10%	0.07%		0.07%					
37										
38										
39										
40	Source: US Bureau of Labor Statistics, Table 1800. Region of residence: Average annual expenditures and characteristics, Consumer Expenditure Survey, 2020.									

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Sales Tax Exemption for Children's Books
Bill Number(s): Proposed Language - House

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s):
Month/Year Impact Begins: May 14, 2022
Date of Analysis: 2-18-2022

Section 1: Narrative

a. **Current Law**: Currently there is no sales tax exemption for children's books.
b. **Proposed Change**: The proposed language exempts the retail sale of children's books. The term "children's books" is defined as "any fiction or nonfiction book primarily intended for children twelve or younger, including any board book, picture book, beginning reader book, juvenile chapter book, or middle grade book. It does not include books intended for, or primarily marketed to, adults. The exemption is in effect from May 14, 2022 to August 14, 2022 (three months).

Section 2: Description of Data and Sources
IBIS World Industry Report OD4394, Children's Book Publishing, October 2021.
American Community Survey 2019, Population by age – United States and Florida.

Section 3: Methodology (Include Assumptions and Attach Details)
This analysis uses book publishing industry revenues from IBIS World's report "Children's Book Publishing." The analysis uses the report's projections for industry revenues. A margin of 5% is added as a proxy for a retail markup. The Florida share of total U.S. children 0 to 14 is used to estimate children's books revenues in Florida. An advantage buying factor is also included to account for additional days of book-buying that may be enticed by the sales tax holiday.

Section 4: Proposed Fiscal Impact The impact begins on May 14 2022 and ends on August 14, 2022 and it affects FY2021-22 & FY2022-23.

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(2.9)		(2.6)		(2.5)	
2023-24						
2024-25						
2025-26						
2026-27						

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

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Sales Tax Exemption for Children's Books
Bill Number(s): Proposed Language - House

Section 5: Consensus Estimate (Adopted: 02/18/2022): The Conference adopted the high estimate assuming 100 percent of the collection impact occurs in FY 22-23.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(2.5)	0.0	(Insignificant)	0.0	(0.1)	0.0	(0.2)	0.0
2023-24	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2024-25	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(0.5)	0.0	(0.8)	0.0	(3.3)	0.0
2023-24	0.0	0.0	0.0	0.0	0.0	0.0
2024-25	0.0	0.0	0.0	0.0	0.0	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0

	A	B	C	D	E	F
1		**Proposed Language - House (2022 Session) - Sales Tax Exemption for Children's Books**				
2		**May 14 - August 14, 2022**				
3						
4		***IBIS WORLD - Children's Book Publishing Industry Data***				
5			**FY20-21**	**FY21-22**	**FY22-23**	**FY23-24**
6		U.S. Children's Book Publishing Industry Revenues ($ m)	2,500	2553.85	2602.3	2641.05
7						
8		Retail markup	5%			
9		U.S. Children's Book Publishing Industry Revenues - retail prices (5% markup)	2,625	2,682	2,732	2,773
10						
11		FL Share of US Population 0-14 Years Old (%)	5.8			
12		Florida Share of U.S. Revenue, (5.8%)	152	156	158	161
13		Florida Sales Tax Collections (annual)	9.1	9.3	9.5	9.7
14		Monthly Collections ($ m)	0.761	0.778	0.792	0.804
15		Source: IBIS World Industry Report OD4394, Children's Book Publishing, October 2021.				
16						
17			**High**	**Middle**	**Low**	
18			**FY 2022-23 monthly**	**Average of FYs 2021-22& 2022-23 monthly**	**FY 2021-22 monthly**	
19		Sales tax collections - 3 months ($ m)	2.4	2.4	2.4	
20		Advantage buying	20.0%	10.0%	5.0%	
21		**Sales tax impact - total ($ m)**	**-2.9**	**-2.6**	**-2.5**	
22						
23						
24						

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Sales Tax Exemption for Children's Diapers
Bill Number(s): Proposed Language

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s):
Month/Year Impact Begins: July 1, 2022
Date of Analysis: 2-18-2022
Section 1: Narrative
a. Current Law: Currently there is no sales tax exemption for children's diapers.
b. Proposed Change: The proposed language exempts the sale of children's diapers from the sale and use tax from July 1, 2022 to June 30, 2023.

Section 2: Description of Data and Sources
IBISWorld Industry Report OD5652 Diaper Manufacturing (February 2021)
Florida Demographic Estimating Conference, December 2021
U.S. Census Bureau, American Community Survey 2019

Section 3: Methodology (Include Assumptions and Attach Details)
This analysis uses as a base the methodology adopted for SB 246/ HB 85 806 by the REC on 10/15/2022. The methodology uses national data on diaper manufacturing from IBISWorld. Baby diapers represent 68.8% of the industry total. Baby diapers includes disposable diapers, training pants and cloth diapers. The Florida share of baby diapers is calculated given the population of children 4 and under. A 5% retail markup is applied to the estimated manufacturing industry revenue to calculate the total Florida Sales Tax Revenue from diapers. The growth in the population of children ages 0 to 4 is used to calculate the future years revenue from diapers. The estimated Florida sales tax revenue on diapers using this methodology is provided on line 17.

Section 4: Proposed Fiscal Impact The impact begins in July 2022 and it affects FY2022-23 and FY 2023-24.

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23			(31.1)			
2023-24			(2.8)			
2024-25						
2025-26						
2026-27						

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

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Sales Tax Exemption for Children's Diapers
Bill Number(s): Proposed Language

Section 5: Consensus Estimate (Adopted: 02/18/2022): The Conference adopted the proposed estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(27.6)	0.0	(Insignificant)	0.0	(0.9)	0.0	(2.6)	0.0
2023-24	(2.5)	0.0	(Insignificant)	0.0	(0.1)	0.0	(0.2)	0.0
2024-25	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(4.6)	0.0	(8.1)	0.0	(35.7)	0.0
2023-24	(0.4)	0.0	(0.7)	0.0	(3.2)	0.0
2024-25	0.0	0.0	0.0	0.0	0.0	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0

	A	B	C	D	E	F	G	H	I
1		Proposed Language - House (2022 Session) - Sales Tax Exemption for Children's Diapers							
2									
3		***IBISWorld - US Manufacturing Diaper Industry Data***							
4			**FY20-21**	**FY21-22**	**FY22-23**	**FY23-24**	**FY24-25**	**FY25-26**	**FY26-27**
5		Total Domestic Demand in U.S.	12,960,250,000						
6									
7		Baby Diapers* Industry Revenue (68.8% of total)	8,916,652,000						
8		Florida Share of Revenue (5.8%)	545,758,608						
9		Florida Sales Tax Revenue - Baby Diapers**	32,745,516	33,364,914	33,899,107	34,368,961	34,789,362	35,164,656	35,498,973
10		Growth in population 4 and under (FDEC)		1.9%	1.6%	1.4%	1.2%	1.1%	1.0%
16									
17		**Total Estimated Florida Sales Tax Revenue on Children's Diapers**	**32,745,516**	**33,364,914**	**33,899,107**	**34,368,961**	**34,789,362**	**35,164,656**	**35,498,973**
18		**Baby diapers includes disposible diapers, training pants and cloth diapers. Adult diapers includes incontinence products such as adult diapers and pads for incontinence.*							
19		IBIS World Diaper Manufacturing, Industry Report OD 5652, February 2021.							
20		***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.*							
21		Date of analysis: 2/18/2022							

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use
Issue: Sales and Use Tax Collection Allowance Limit
Bill Number(s): Proposed Language
☑ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s):
Month/Year Impact Begins: July 1st, 2022
Date of Analysis: February 18th, 2022

Section 1: Narrative

a. **Current Law**: Collection allowance is currently calculated off, at most, $1,200 remitted tax.
b. **Proposed Change**: This language removes the $1,200 cap and allows collection allowance to be calculated based on the full value of taxes remitted to the state.

Section 2: Description of Data and Sources

DOR Monthly and Annual Sales Tax Collection Records (SUT Files)

Section 3: Methodology (Include Assumptions and Attach Details)

To construct a pair of estimates, we turn to a pair of data sources. The DOR monthly SUT Files contain data at a high frequency at a cost of being produced earlier in the processing cycle. The annual data is a finished product which encapsulates total behavior over a year. Within each, we find the total value of collection allowance granted and tax liability for years 2019 and 2020. We then add collection allowance back to tax liability to see the total tax liability in a year. Based on that total liability figure, we calculate a new total collection allowance figure to show the effect of operating without a cap. The difference between the new figure and the figure given by the data is the impact for a single calendar year. The average of the two calendar years is the impact for 2019-20. Because these are the latest years that we have complete data for, we need to grow the data before reaching year 1 of our impact below. Data is grown at sales tax growth rates from the December 2021 General Revenue Estimating Conference.

The first year's cash impact is multiplied by 11/12ths to capture the impact of a July start date.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	$ (723.0 M)	$ (788.8 M)	$ (592.8 M)	$ (646.7 M)	$ (462.5 M)	$ (504.6 M)
2023-24	$ (810.1 M)	$ (810.1 M)	$ (664.1 M)	$ (664.1 M)	$ (518.2 M)	$ (518.2 M)
2024-25	$ (810.1 M)	$ (810.1 M)	$ (664.1 M)	$ (664.1 M)	$ (518.2 M)	$ (518.2 M)
2025-26	$ (832.8 M)	$ (832.8 M)	$ (682.7 M)	$ (682.7 M)	$ (532.7 M)	$ (532.7 M)
2026-27	$ (860.2 M)	$ (860.2 M)	$ (705.3 M)	$ (705.3 M)	$ (550.3 M)	$ (550.3 M)

List of affected Trust Funds: Sales and Use Tax

Section 5: Consensus Estimate (Adopted: 02/18/2022): The Conference adopted the high estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(558.1)	(608.9)	(0.1)	(0.1)	(19.3)	(21.0)	(53.0)	(57.8)
2023-24	(625.3)	(625.3)	(0.1)	(0.1)	(21.6)	(21.6)	(59.4)	(59.4)
2024-25	(625.3)	(625.3)	(0.1)	(0.1)	(21.6)	(21.6)	(59.4)	(59.4)
2025-26	(642.9)	(642.9)	(0.1)	(0.1)	(22.2)	(22.2)	(61.0)	(61.0)
2026-27	(664.1)	(664.1)	(0.1)	(0.1)	(22.9)	(22.9)	(63.0)	(63.0)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(92.5)	(101.0)	(164.8)	(179.8)	(723.0)	(788.8)
2023-24	(103.7)	(103.7)	(184.7)	(184.7)	(810.1)	(810.1)
2024-25	(103.7)	(103.7)	(184.7)	(184.7)	(810.1)	(810.1)
2025-26	(106.6)	(106.6)	(189.8)	(189.8)	(832.8)	(832.8)
2026-27	(110.1)	(110.1)	(196.0)	(196.0)	(860.2)	(860.2)

	A	B	C	D	E	F	G
1	**Monthly Data**						
2	**Year**	**Collection Allowance**	**Tax Liability**	**Total Tax Liability**	**Calculated Collection Allowance**	**Difference**	
3	2019	$ 66,816,892	$ 28,402,916,274	$ 28,469,733,166	$ 711,743,329	$ 644,926,437	
4	2020	$ 64,301,150	$ 26,726,757,143	$ 26,791,058,293	$ 669,776,457	$ 605,475,307	
5							
6	**Annual Data**						
7	**Year**	**Collection Allowance**	**Tax Liability**	**Total Tax Liability**	**Calculated Collection Allowance**	**Difference**	
8	2019	$ 59,397,573	$ 19,085,761,051	$ 19,145,158,624	$ 478,628,966	$ 419,231,393	
9	2020	$ 57,140,292	$ 17,453,914,656	$ 17,511,054,948	$ 437,776,374	$ 380,636,082	
10							
11	**2019-20 Impact**				**Middle Adjustment Factor**		
12	**High**	**Middle**	**Low**		0%		
13	$ 625,200,872	$ 512,567,305	$ 399,933,737				
14							
15	**DEC-21 GR Sales Tax Growth Rates**						
16	2020-21	10.6%					
17	2021-22	16.4%					
18	2022-23	-2.0%					
19	2023-24	2.7%					
20	2024-25	0.0%					
21	2025-26	2.8%					
22	2026-27	3.3%					
23							
24	**Impact**						
25		**High**		**Middle**		**Low**	
26	**Year**	**Cash**	**Recurring**	**Cash**	**Recurring**	**Cash**	**Recurring**
27	2019-20		$ (625.2 M)		$ (512.6 M)		$ (399.9 M)
28	2020-21		$ (691.5 M)		$ (566.9 M)		$ (442.3 M)
29	2021-22		$ (804.9 M)		$ (659.9 M)		$ (514.9 M)
30	2022-23	$ (723.0 M)	$ (788.8 M)	$ (592.8 M)	$ (646.7 M)	$ (462.5 M)	$ (504.6 M)
31	2023-24	$ (810.1 M)	$ (810.1 M)	$ (664.1 M)	$ (664.1 M)	$ (518.2 M)	$ (518.2 M)
32	2024-25	$ (810.1 M)	$ (810.1 M)	$ (664.1 M)	$ (664.1 M)	$ (518.2 M)	$ (518.2 M)
33	2025-26	$ (832.8 M)	$ (832.8 M)	$ (682.7 M)	$ (682.7 M)	$ (532.7 M)	$ (532.7 M)
34	2026-27	$ (860.2 M)	$ (860.2 M)	$ (705.3 M)	$ (705.3 M)	$ (550.3 M)	$ (550.3 M)

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Refund for Catastrophic Event
Bill Number(s): Proposed Language

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s):
Month/Year Impact Begins: January 2023
Date of Analysis: February 18, 2022

Section 1: Narrative

a. Current Law: No law currently exists.

b. Proposed Change: Creates section 197.319, Florida Statutes, to provide abatement of taxes for residential dwellings rendered uninhabitable for more than 30 days by a catastrophic event. A residential dwelling can be homestead properties or nonhomestead properties with a residential unit count of nine or fewer, not including the value of the land or special features. To receive the abatement, the property must be rendered uninhabitable by a catastrophic event as defined by the bill. If a property meets the criteria, the owner must file an application with the property appraiser between 30 days after the dwelling becomes habitable again and March 1 of the year after the catastrophic event. The application must identify the parcel, the date of the catastrophic event, and the number of days the structure was uninhabitable during that calendar year and the applicant must verify its contents under oath. The property appraiser must investigate the statements in the application and determine if the applicant is eligible for an abatement. Denied applications or applicants filing after the March 1st deadline, but before 25 days after truth in millage (TRIM) notices are mailed, approximately September 18th, can file a petition with the value adjustment board.

If the property appraiser determines the applicant is eligible for an abatement, the property appraiser must issue an official written statement to the tax collector within 30 days but no later than April 1 of the year after the catastrophic event that must include:

1. the just value of the residential improvement as of January 1 of the year in which the catastrophic event took place [jv-lnd_val-spec_feat_val]
2. the number of days in that year in which the dwelling was uninhabitable as a result of the catastrophic event
3. the postcatastrophic event just value [lnd_val+spec_feat_val]
4. the percent change in value applicable to the residential parcel [(jv-lnd_val-spec_feat_val)/jv or (#1)/(#1+#3)]

The postcatastrophic event just value is the January 1 just value reduced to reflect the change in value resulting from the catastrophic event and is further defined to indicate that residential dwellings deemed uninhabitable have no value. The percent change in value is defined as the difference between the January 1 just value and the postcatastrophic just value, all divided by the January 1 just value. The tax collector then calculates the damage differential, applies it to the amount of timely taxes paid, and issues a refund. The damage differential is calculated as the percent change in value (previously defined) multiplied by the number of days in that year in which the dwelling was uninhabitable as a result of the catastrophic event divided by 365. The refund amount formula is:

$$\frac{JV_{Jan1} - JV_{postcatastrophic}}{JV_{Jan1}} \times \frac{\#DaysUninhabitable}{365} \times TimelyPaidTaxes$$

Section 2: Description of Data and Sources

2017-2021 Final Real Property Assessment Rolls
2021 Millage and Taxes Levied Report, 2021 Final Data Book published by Property Tax Oversight
Conference Package from the January 6, 2022 Ad Valorem Revenue Estimating Conference
Residential Fire Data from the U.S. Fire Administration

Section 3: Methodology (Include Assumptions and Attach Details)

To determine the impact on current and future years, we first assess how much abatement would have occurred over the last 4 years. To calculate the abatement for year X, the following process is applied:

1. Destruction occurring to a property in tax year X will appear as a deletion value in the year X+1 roll (the deletion value is an adjustment to just value). In the year X+1 roll, identify parcels of the appropriate use code (1,2,4,5,8) with a non-

zero/blank deletion value. For those parcels, calculate the share remaining after the deletion as the current improvement value divided by what the improvement value would have been absent the deletion, or:

$$ShareRemain = \frac{JustValue - LandValue - SpecialFeatureValue}{JustValue - LandValue - SpecialFeatureValue + DeletionValue}$$

2. Match these parcels with the year X roll and remove all observations where the use code changed between years (unless it changed to vacant residential) or where the year X just value was less than or equal to the sum of the land and special feature values. This step is done to avoid situations where a previous commercial operation is destroyed to build a home and where the property was only land and special features and the special feature was destroyed. Additionally, parcels that change owner between years X and X+1 are dropped to remove the situation of new owners destroying an older home to build a new one on the site.

3. For the remaining parcels, taxes paid are calculated using taxable values and statewide millage rates as well as "Percent change in value." The percent change in value formula is found above in Section 1, but since only dwellings deemed uninhabitable receive an abatement and an uninhabitable dwelling has no value (see (1)(e) of the bill), the postcatastrophic just value is equal to the land value plus the special feature value. The percent change in value formula is then:

$$PercentChangeInValue = \frac{JV_{Jan1} - JV_{postcatastrophic}}{JV_{Jan1}} = \frac{JV_{Jan1} - LandValue - SpecialFeatureValue}{JV_{Jan1}}$$

4. Multiply the taxes paid by the percent change in value to represent the value of a refund of a property uninhabitable for 365 days. Choices can then be made of how low the share remaining from step 1 should be to be considered uninhabitable, what a reasonable estimate of the representative days uninhabitable would be, how much of the destruction results from catastrophic events, and what share of eligible homeowners will apply.

The numbers presented assume that parcels with 10/50/100% (high/middle/low) of an improvement destroyed are uninhabitable, the representative days uninhabitable is 182 (approximately half a year), that 90.7/55.2/19.7% of destruction is the result of a catastrophic event, and that 100/90/80% of eligible households will apply. The U.S. Fire Administration, an entity of the U.S. Department of Homeland Security's Federal Emergency Management Agency (FEMA), publishes data regarding the cause of residential building fires resulting in deaths in 2019. In this data, 19.7% of such fires are identified as "Unintentional" and this is used for the low estimate for the share of destruction resulting from a catastrophic event. In the same data, 9.3% of such fires are identified as "Intentional" and this is used (as 90.7% unintentional) for the high estimate of this share, and the middle estimate assumes the average of the high and low shares.

Note that some amount of these properties, particularly those with use code 8, multi-family with fewer than 10 units, may have multiple buildings with multiple residential units in them. For those properties, it is possible for some units to be uninhabitable while others remain habitable. The analysis assumes that, if those parcels meet the damage threshold, they are all uninhabitable. Properties with use code 8, multiple buildings, and multiple residential units account for less than 1.5% of the parcels considered. The estimates for what the impact would have been in 2017 through 2020 appear in the table below.

Calendar Year of Roll	High Amount Abated (if bill applied)	Mid Amount Abated (if bill applied)	Low Amount Abated (if bill applied)
2017	$(9.1 M)	$(2.2 M)	$(0.5 M)
2018	$(7.0 M)	$(2.5 M)	$(0.7 M)
2019	$(5.4 M)	$(1.8 M)	$(0.5 M)
2020	$(4.9 M)	$(1.6 M)	$(0.4 M)

A similar concept became law in 2018 (see s. 197.318, F.S., or CS/HB7087 from 2018) allowing for an abatement of taxes from damage due to Hurricanes Hermine, Matthew, and Irma. The abatement calculation for qualified applicants was effectively

Tax: Ad Valorem
Issue: Refund for Catastrophic Event
Bill Number(s): Proposed Language

identical to the calculation from this bill. Language was included for the Legislature to appropriate money to offset the reduction in revenue for Monroe and fiscally constrained counties. The total abatement resulting from that law was $(0.4 M).

The impacts below assumes that all abatement for a given Ad Valorem tax year will occur in the fiscal year beginning in that tax year. In reality, some may occur in the following fiscal year due to the late application period being open between July 1 and September 18. The estimates take the average of the amounts calculated as the low/middle/high estimate for the previous 4 years if the bill had applied to them and grows it by the appropriate statewide school and county taxable value growth rates from the Ad Valorem Revenue Estimating Conference held January 6, 2022. Presented also is the average of the high and the middle:

	Avg. High & Middle	
	Cash	Recurring
2022-23	$0	$(4.9 M)
2023-24	$(5.2 M)	$(5.2 M)
2024-25	$(5.5 M)	$(5.5 M)
2025-26	$(5.8 M)	$(5.8 M)
2026-27	$(6.1 M)	$(6.1 M)

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	$0	$(7.5 M)	$0	$(2.3 M)	$0	$(0.6 M)
2023-24	$(8.0 M)	$(8.0 M)	$(2.5 M)	$(2.5 M)	$(0.6 M)	$(0.6 M)
2024-25	$(8.5 M)	$(8.5 M)	$(2.6 M)	$(2.6 M)	$(0.6 M)	$(0.6 M)
2025-26	$(8.9 M)	$(8.9 M)	$(2.8 M)	$(2.8 M)	$(0.7 M)	$(0.7 M)
2026-27	$(9.4 M)	$(9.4 M)	$(2.9 M)	$(2.9 M)	$(0.7 M)	$(0.7 M)

List of affected Trust Funds:
Ad Valorem

Section 5: Consensus Estimate (Adopted: 02/18/2022): The Conference adopted an average of the high and middle estimates. These estimates do not assume any extraordinary catastrophic events since they are not in the underlying baseline forecast. Were one to happen, the impact of the bill would be much higher in that year.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	(1.8)	0.0	(3.1)	0.0	(4.9)
2023-24	(1.9)	(1.9)	(3.3)	(3.3)	(5.2)	(5.2)
2024-25	(2.0)	(2.0)	(3.5)	(3.5)	(5.5)	(5.5)
2025-26	(2.1)	(2.1)	(3.7)	(3.7)	(5.8)	(5.8)
2026-27	(2.2)	(2.2)	(3.9)	(3.9)	(6.1)	(6.1)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	0.0	0.0	0.0	0.0	(4.9)	0.0	(4.9)
2023-24	0.0	0.0	0.0	0.0	(5.2)	(5.2)	(5.2)	(5.2)
2024-25	0.0	0.0	0.0	0.0	(5.5)	(5.5)	(5.5)	(5.5)
2025-26	0.0	0.0	0.0	0.0	(5.8)	(5.8)	(5.8)	(5.8)
2026-27	0.0	0.0	0.0	0.0	(6.1)	(6.1)	(6.1)	(6.1)

	A	B	C
2	**AV Tax Year**	**SD Growth**	**NSD Growth**
3	2021	6.13%	6.75%
4	2022	7.62%	7.88%
5	2023	5.85%	6.31%
6	2024	5.54%	5.91%
7	2025	5.18%	5.47%
8	2026	5.03%	5.26%

	A	B	C	D
10–12	**Calendar Year of Roll**	**High SD Abated (if bill applied)**	**Mid SD Abated (if bill applied)**	**Low SD Abated (if bill applied)**
13	2017	$(3.6 M)	$(0.9 M)	$(0.2 M)
14	2018	$(2.7 M)	$(1.0 M)	$(0.3 M)
15	2019	$(2.1 M)	$(0.7 M)	$(0.2 M)
16	2020	$(1.9 M)	$(0.6 M)	$(0.2 M)

	A	B	C	D
18–20	**Calendar Year of Roll**	**High NSD Abated (if bill applied)**	**Mid NSD Abated (if bill applied)**	**Low NSD Abated (if bill applied)**
21	2017	$(5.5 M)	$(1.4 M)	$(0.3 M)
22	2018	$(4.2 M)	$(1.5 M)	$(0.4 M)
23	2019	$(3.3 M)	$(1.1 M)	$(0.3 M)
24	2020	$(3.0 M)	$(1.0 M)	$(0.3 M)

	A	B	C	D
26–28	**Calendar Year of Roll**	**High Total Abated (if bill applied)**	**Mid Total Abated (if bill applied)**	**Low Total Abated (if bill applied)**
29	2017	$(9.1 M)	$(2.2 M)	$(0.5 M)
30	2018	$(7.0 M)	$(2.5 M)	$(0.7 M)
31	2019	$(5.4 M)	$(1.8 M)	$(0.5 M)
32	2020	$(4.9 M)	$(1.6 M)	$(0.4 M)

		High	Middle	Low
35	**Share of Property Destroyed >= X%:**	10%	50%	100%
36	**Number of Days Uninhabitable:**	182	182	182
38	**Share of Destruction classified "Catastrophic Event":**	90.7%	55.2%	19.7%
39	**Participation Rate:**	100.0%	90.0%	80.0%
40	**Same Owner Required:**	1	1	1
41	**Share of 2021 Destruction in 21-22:**	0%	0%	0%

43		**s. 197.318, F.S.**	**High**	**Middle**	**Low**
44	**Estimated Parcels Impacted (latest)**	**1,056**	**7,205**	**2,392**	**669**

46	**Total Impact**						
47	**Year**	High		Middle		Low	
48		Cash	Recurring	Cash	Recurring	Cash	Recurring
49	21-22	$0	$(7.0 M)	$0	$(2.2 M)	$0	$(0.5 M)
50	22-23	$0	$(7.5 M)	$0	$(2.3 M)	$0	$(0.6 M)
51	23-24	$(8.0 M)	$(8.0 M)	$(2.5 M)	$(2.5 M)	$(0.6 M)	$(0.6 M)
52	24-25	$(8.5 M)	$(8.5 M)	$(2.6 M)	$(2.6 M)	$(0.6 M)	$(0.6 M)
53	25-26	$(8.9 M)	$(8.9 M)	$(2.8 M)	$(2.8 M)	$(0.7 M)	$(0.7 M)
54	26-27	$(9.4 M)	$(9.4 M)	$(2.9 M)	$(2.9 M)	$(0.7 M)	$(0.7 M)

	A	B	C	D	E	F	G
55							
56	**Refund: School District**						
57	**Year**	High		Middle		Low	
58		Cash	Recurring	Cash	Recurring	Cash	Recurring
59	21-22	$0	$(2.7 M)	$0	$(0.8 M)	$0	$(0.2 M)
60	22-23	$0	$(2.9 M)	$0	$(0.9 M)	$0	$(0.2 M)
61	23-24	$(3.1 M)	$(3.1 M)	$(1.0 M)	$(1.0 M)	$(0.2 M)	$(0.2 M)
62	24-25	$(3.3 M)	$(3.3 M)	$(1.0 M)	$(1.0 M)	$(0.2 M)	$(0.2 M)
63	25-26	$(3.5 M)	$(3.5 M)	$(1.1 M)	$(1.1 M)	$(0.3 M)	$(0.3 M)
64	26-27	$(3.6 M)	$(3.6 M)	$(1.1 M)	$(1.1 M)	$(0.3 M)	$(0.3 M)
65							
66	**Refund: Non-School District**						
67	**Year**	High		Middle		Low	
68		Cash	Recurring	Cash	Recurring	Cash	Recurring
69	21-22	$0	$(4.3 M)	$0	$(1.3 M)	$0	$(0.3 M)
70	22-23	$0	$(4.6 M)	$0	$(1.4 M)	$0	$(0.4 M)
71	23-24	$(4.9 M)	$(4.9 M)	$(1.5 M)	$(1.5 M)	$(0.4 M)	$(0.4 M)
72	24-25	$(5.2 M)	$(5.2 M)	$(1.6 M)	$(1.6 M)	$(0.4 M)	$(0.4 M)
73	25-26	$(5.5 M)	$(5.5 M)	$(1.7 M)	$(1.7 M)	$(0.4 M)	$(0.4 M)
74	26-27	$(5.8 M)	$(5.8 M)	$(1.8 M)	$(1.8 M)	$(0.4 M)	$(0.4 M)

REVENUE ESTIMATING CONFERENCE

Tax: Corporate Income Tax
Issue: Short Line Rail
Bill Number(s): Proposed Language

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): N.A.
Month/Year Impact Begins: 01/01/2023
Date of Analysis: 02/18/2022

Section 1: Narrative

a. **Current Law**: There is currently no state income tax credit for railroad expenditures.

b. **Proposed Change**: Section 220.1915, F.S. is created to define "qualifying railroad" as a taxpayer that was a Class II or Class III railroad operating in Florida on the last day of the calendar year as set by the United States Surface Transportation Board. "Qualified expenditures" are defined as gross expenditures made in Florida by a qualifying railroad during the preceding calendar year which qualify or a credit per 26 U.S.C. 45G. These expenditures are for maintenance, reconstruction, or replacement of railroad infrastructure including track, roadbed, bridges, industrial leads and siding, and track-related structures which were owned or leased by the railroad. "Qualified expenditures" also includes new construction of industrial leads, switches, spurs, siding and extension of existing siding. For the taxable year beginning on or after January 1, 2023, a qualifying railroad is eligible for a credit against corporate income tax if it has qualified expenditures in Florida during the preceding calendar year and is allowed a qualified railroad track maintenance credit on its federal tax return. The credit against state corporate income tax is equal to fifty percent of a qualified railroad's qualified expenditures incurred in Florida during the prior calendar year, not exceeding the product of $3,500 and the number of miles of railroad track owned or leased within the state of Florida. A qualifying railroad must submit to the Department of Revenue any documentation that the department may require to demonstrate eligibility for the credit. If a credit granted pursuant to this section is not fully used one year because of insufficient tax liability, the unused amount may be carried forward for a period not to exceed five years.

Section 2: Description of Data and Sources

List of Class II and Class III Railroads Operating in Florida with Mileage per the FDOT Freight and Rail Office
Confidential Florida CIT Liability Data per FDOR
US Surface Transportation Board website: https://www.stb.gov/
Investment Element of the 2010 Florida Rail System Plan as prepared by Cambridge Systematics, Inc.

Section 3: Methodology (Include Assumptions and Attach Details)

According to the US Surface Transportation Board website, the Board categorizes rail carriers into three classes: Class I, Class II, and Class III. The classes are based on the carrier's annual operating revenues. Current thresholds establish Class I carriers as any carrier earning revenue greater than $900 million, Class II carriers as those earning revenue between $40.4 million and $900 million, and Class III carriers as those earning revenue less than $40.4 million. The Florida Department of Transportation provided a list of Class II and Class III railroads with each railroad's owned mileage. The Department does not have access to leased mileage; however, a report prepared for the department in 2010 showed that railroad mileage owned and operated are minimally different. Thus, it is appropriate to use mileage owned for analysis.

The high analysis assumes 75% of the possible credits based upon miles operated times $3,500 are claimed annually. The middle analysis was limited to only entities that had been identified as Florida corporate income tax payers. The low estimate assumes only average Florida CIT liability from 2015 to 2019 for those entities will be taken as credit.

We assumed the credit will be claimed with their CIT final return. First of which is due on April 1, 2024 for calendar year filers.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	(5.2)	0.0	(1.8)	0.0	(0.4)
2023-24	(5.2)	(5.2)	(1.8)	(1.8)	(0.4)	(0.4)
2024-25	(5.2)	(5.2)	(1.8)	(1.8)	(0.4)	(0.4)
2025-26	(5.2)	(5.2)	(1.8)	(1.8)	(0.4)	(0.4)
2026-27	(5.2)	(5.2)	(1.8)	(1.8)	(0.4)	(0.4)

REVENUE ESTIMATING CONFERENCE

Tax: Corporate Income Tax
Issue: Short Line Rail
Bill Number(s): Proposed Language

List of affected Trust Funds:
General Revenue Fund

Section 5: Consensus Estimate (Adopted: 02/18/2022): The Conference adopted the middle estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	(1.8)	0.0	0.0	0.0	0.0	0.0	(1.8)
2023-24	(1.8)	(1.8)	0.0	0.0	0.0	0.0	(1.8)	(1.8)
2024-25	(1.8)	(1.8)	0.0	0.0	0.0	0.0	(1.8)	(1.8)
2025-26	(1.8)	(1.8)	0.0	0.0	0.0	0.0	(1.8)	(1.8)
2026-27	(1.8)	(1.8)	0.0	0.0	0.0	0.0	(1.8)	(1.8)

	A	B
1		**Miles**
2	**Class II**	
3	Florida East Coast Railway	562.20
4	**Class III**	
5	Alabamba and Gulf Coast Railway	53.57
6	Apalachicola Northern Railway	114.82
7	The Bay Line Railroad	96.37
8	Duke Energy	10.33
9	Florida Central Railroad	80.73
10	First Coast Railroad	21.47
11	Florida Gulf and Atlantic Railroad	407.06
12	Florida Midland Railroad	33.70
13	Florida Northern Railroad	96.64
14	Georgia and Florida Railway	46.36
15	Georgia Pacific Railway	8.36
16	Jacksonville Port Authority	6.70
17	Port of Manatee	2.27
18	Orlando Utilities Commission	25.27
19	Port of Palm Beach Terminal	1.66
20	South Central Florida Express	168.06
21	Seminole Gulf Railway	113.36
22	Talleyrand Terminal Railroad	4.91
23	United States Government	34.65
24	US Sugar Railroad	60.10
25	Florida Power and Light Company	21.41
26	Port Everglades Authority	2.20
27		
28	**Total Miles**	**1,972.16**
29	**Total Available Credit**	**$ (6,902,567)**
30	**High: 75% of Available credit**	**$ (5,176,925)**
31	**Middle: Miles of All With Fla CIT Liability in Last 5 Years**	**$ (1,793,866)**
32	**Low: Fla CIT Liability of Identified Entities Avg 2015-2019**	**$ (410,238)**

REVENUE ESTIMATING CONFERENCE

Tax: Local Option Food and Beverage Tax
Issue: Elimination of an Exemption That Currently Prevents Sales within Cities Levying the Municipal Resort Tax from Being Taxed
Bill Number(s): Draft Senate Language

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Senate Committee Amendment
Month/Year Impact Begins: July 1, 2022
Date of Analysis: February 18, 2022

Section 1: Narrative

a. Current Law:

Local Option Food and Beverage Taxes

Section 212.0306, F.S., authorizes the Local Option Food and Beverage Taxes. Any county, as defined in s. 125.011(1), F.S., [i.e., Miami-Dade County] may impose two separate taxes by ordinance adopted by a majority vote of the county's governing body. The first tax may be imposed on the sale of food, beverages, or alcoholic beverages in hotels and motels at the rate of 2 percent. A second tax of 1 percent may be imposed on the sale of food, beverages, or alcoholic beverages in establishments that are licensed by the state to sell alcoholic beverages for consumption on the premises, except for hotels and motels. However, this 1 percent tax does not apply to any alcoholic beverage sold by the package for off-premises consumption. The county levying either tax locally administers the tax using the powers and duties enumerated for local administration of the tourist development tax by s. 125.0104, F.S. Miami-Dade County began levying these taxes on October 1, 1993.

The county distributes the 2 percent tax proceeds to a countywide convention and visitors' bureau, which by interlocal agreement and contract with the county has been given the primary responsibility for tourist and convention promotion, to be used for those purposes authorized in s. 125.0104(5)(a)2. or 3., F.S. (1992 Supp.). If the county is not or is no longer a party to such an interlocal agreement and contract with a countywide convention and visitors' bureau, the county allocates the proceeds for those purposes authorized in s. 125.0104(5)(a)2. or 3., F.S. (1992 Supp.). The 1 percent tax proceeds are distributed by the county pursuant to the guidelines provided in the approved plans for addressing homeless needs as well as the construction and operation of domestic violence centers. The county and its respective municipalities continue to contribute each year at least 85 percent of aggregate expenditures from the respective county or municipal general fund budget for county-operated or municipally-operated homeless shelter services at or above the average level of such expenditures in the two fiscal years preceding the levy date of this tax.

As described in s. 125.0104(5)(a)2. or 3., F.S. (1992 Supp.), the 2 percent tax proceeds are used for the following purposes.

1. Promoting and advertising tourism in the State of Florida and nationally and internationally.
2. Funding convention bureaus, tourist bureaus, tourist information centers, and news bureaus as county agencies or by contract with the chambers of commerce or similar associations in the county.

For the first 12 months of the 1 percent tax levy, the proceeds are used by the county to assist persons who have become or are about to become homeless. These funds are made available for emergency homeless shelters, food, clothing, medical care, counseling, alcohol and drug abuse treatment, mental health treatment, employment and training, education, and housing. Thereafter, not less than 15 percent of the proceeds are made available for construction and operation of domestic violence centers. The remainder is used for programs to assist the homeless or those about to become homeless. In addition, the proceeds and accrued interest may be used as collateral, pledged, or hypothecated for authorized projects, including bonds issued in connection with such authorized projects.

Municipal Resort Tax

Chapter 67-930, L.O.F., as amended by Chapters 82-142, 83-363, 93-286, and 94-344, L.O.F., authorizes the Municipal Resort Tax. Municipalities in counties having a population of not less than 330,000 and not more than 340,000 (i.e., Broward County) and in counties having a population of more than 900,000 (i.e., Miami-Dade County), according to the 1960 decennial census, whose charter specifically provided or was amended prior to January 1, 1968, to provide for this tax levy, are eligible to impose it by ordinance adopted by the governing body. The tax is levied upon the rent of every occupancy of a room or rooms in any hotel, motel, apartment house, rooming house, tourist or trailer camp, as defined in part I of ch. 212, F.S., and upon the retail sale price of all items of food or beverages sold at retail, and of alcoholic beverages sold at retail for consumption on the premises at any place of business required by law to be licensed by the state hotel and restaurant commission or by the state beverage department. However, the tax does not apply to those sales the amount of which is less than 50 cents or sales of food or beverages delivered to a person's home under a contract providing for deliveries on a regular schedule when the price of each meal is less than $10.

The Miami-Dade County municipalities of Bal Harbour, Miami Beach, and Surfside are eligible to impose the tax. According to their official government websites, Bal Harbour[1], Miami Beach[2], and Surfside[3] are imposing the tax at 4 percent on transient rental transactions and 2 percent on the sale of food and beverages.

It is the duty of every person renting a room or rooms and selling at retail food or beverages or alcoholic beverages for consumption on the premises to act as the tax collection agent. These persons must collect, report, and pay over to the municipality all taxes levied in accordance with the enacted ordinance. Any municipality collecting the tax has the same duties and privileges as the Department of Revenue (DOR) under part I of ch. 212, F.S., and may use any power granted to the DOR under this part including enforcement and collection procedures and penalties.

The governing body may authorize by ordinance the creation of an authority or commission empowered to contract and be contracted with its own name as an agency of the municipality to expend the tax proceeds as the body may determine appropriate. The tax proceeds are used for the creation and maintenance of convention and publicity bureaus; development and maintenance of art and cultural centers; enhancement of tourism; publicity and advertising; construction, operation, and maintenance of auditoriums, community centers, and convention structures; or relief from ad valorem taxes being used for any of these other purposes.

Relevant Taxes on the Sale of Food, Beverages, or Alcoholic Beverages			
Local Option Food and Beverage Tax		**Municipal Resort Tax**	
2% Tax	On the sale of food, beverages, or alcoholic beverages in hotels and motels only.	Up to 2% Tax	Upon the retail sale price of all items of food or beverages sold at retail, and of alcoholic beverages sold at retail for consumption on the premises at any place of business required by law to be licensed by the state hotel and restaurant commission of by the state beverage department. However, this tax shall not apply to those sales the amount of which is less than fifty cents nor to sales of food or beverages delivered to a person's home under a contract providing for deliveries on-a regular schedule when the price of each meal is less than ten dollars.
1% Tax	On the sale of food, beverages, or alcoholic beverages in establishments that are licensed by the state to sell alcoholic beverages for consumption on the premises, except for hotels and motels; however, the tax shall not apply to any alcoholic beverage sold by the package for off-premises consumption.		

b. Proposed Change: The draft language amends s. 212.0306(2)(d), F.S., to provide that eligible sales in those municipalities currently imposing the Municipal Resort Tax, as authorized by Chapter 67-930, L.O.F., (i.e., Bal Harbour, Miami Beach, and Surfside) are no longer exempt from the Local Option Food and Beverage Taxes.

Section 2: Description of Data and Sources
Municipal Resort Tax Collections: LFY 2001-02 to 2019-20 as reported in Municipalities' Comprehensive Annual Financial Reports and available on the EDR's website[4] and LFY 2020-21 collections obtained from LFY 2021-22 budget documents. Local Option Food and Beverage Tax Collections: CY 2000 to 2020 as reported in Miami-Dade County's Comprehensive Annual Financial Reports and available on the EDR's website[5] and CY 2021 collections estimated from FY 2021-22 adopted budget. Data provided to EDR by the municipalities of Bal Harbour, Miami Beach, and Surfside.

[1] http://www.balharbourfl.gov/doing-business/resort-tax-registration
[2] https://www.miamibeachfl.gov/city-hall/finance/filepay-resort-tax/
[3] See document entitled "Resort Tax Application Package" available at http://www.townofsurfsidefl.gov/departments-services/finance/certificate-of-use-local-business-tax-receipt-and-resort-tax-information
[4] http://edr.state.fl.us/Content/local-government/data/data-a-to-z/m-r.cfm
[5] http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm

REVENUE ESTIMATING CONFERENCE

Tax: Local Option Food and Beverage Tax
Issue: Elimination of an Exemption That Currently Prevents Sales within Cities Levying the Municipal Resort Tax from Being Taxed
Bill Number(s): Draft Senate Language

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

Section 4: Proposed Fiscal Impact (Millions)

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23			$21.5	$21.5		
2023-24			$22.2	$22.2		
2024-25			$22.9	$22.9		
2025-26			$23.7	$23.7		
2026-27			$24.5	$24.5		

List of Affected Trust Funds: Local funds only.

Section 5: Consensus Estimate (Adopted: 02/18/2022): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	0.0	0.0	0.0	21.5	21.5	21.5	21.5
2023-24	0.0	0.0	0.0	0.0	22.2	22.2	22.2	22.2
2024-25	0.0	0.0	0.0	0.0	22.9	22.9	22.9	22.9
2025-26	0.0	0.0	0.0	0.0	23.7	23.7	23.7	23.7
2026-27	0.0	0.0	0.0	0.0	24.5	24.5	24.5	24.5

	A	B	C	D	E	F	G	H	I
1	**Fiscal Impact Analysis of Local Option Food and Beverage Taxes**								
2	**Issue: Elimination of an Exemption That Currently Prevents Sales within Cities Levying the Municipal Resort Tax from Being Taxed**								
3									
4	**Municipal Resort Tax Collections**								
5		**Bal Harbour**		**Miami Beach**		**Surfside**		**TOTALS**	
6	**Local Fiscal Year**	**Collections**	**% Chg.**	**Collections**	**% Chg.**	**Collections**	**% Chg.**	**Collections**	**% Chg.**
7	2001-02	$ 1,644,417	-	$ 21,021,618	-	$ 526,374	-	$ 23,192,409	-
8	2002-03	$ 1,750,436	6.4%	$ 24,002,336	14.2%	$ 531,691	1.0%	$ 26,284,463	13.3%
9	2003-04	$ 2,123,125	21.3%	$ 27,406,669	14.2%	$ 534,731	0.6%	$ 30,064,525	14.4%
10	2004-05	$ 2,570,155	21.1%	$ 32,112,039	17.2%	$ 505,346	-5.5%	$ 35,187,540	17.0%
11	2005-06	$ 2,307,901	-10.2%	$ 34,265,010	6.7%	$ 546,264	8.1%	$ 37,119,175	5.5%
12	2006-07	$ 1,712,220	-25.8%	$ 36,595,885	6.8%	$ 477,563	-12.6%	$ 38,785,668	4.5%
13	2007-08	$ 805,262	-53.0%	$ 38,100,260	4.1%	$ 424,279	-11.2%	$ 39,329,801	1.4%
14	2008-09	$ 848,975	5.4%	$ 37,412,291	-1.8%	$ 366,867	-13.5%	$ 38,628,133	-1.8%
15	2009-10	$ 876,700	3.3%	$ 42,394,976	13.3%	$ 390,873	6.5%	$ 43,662,549	13.0%
16	2010-11	$ 1,131,882	29.1%	$ 48,773,891	15.0%	$ 435,175	11.3%	$ 50,340,948	15.3%
17	2011-12	$ 2,118,487	87.2%	$ 53,920,167	10.6%	$ 344,063	-20.9%	$ 56,382,717	12.0%
18	2012-13	$ 3,229,946	52.5%	$ 58,617,992	8.7%	$ 343,733	-0.1%	$ 62,191,671	10.3%
19	2013-14	$ 3,600,359	11.5%	$ 61,760,518	5.4%	$ 677,079	97.0%	$ 66,037,956	6.2%
20	2014-15	$ 3,448,249	-4.2%	$ 67,999,916	10.1%	$ 1,154,041	70.4%	$ 72,602,206	9.9%
21	2015-16	$ 3,423,437	-0.7%	$ 82,633,144	21.5%	$ 1,226,351	6.3%	$ 87,282,932	20.2%
22	2016-17	$ 3,331,088	-2.7%	$ 81,910,032	-0.9%	$ 1,374,357	12.1%	$ 86,615,477	-0.8%
23	2017-18	$ 3,825,266	14.8%	$ 87,595,052	6.9%	$ 2,054,141	49.5%	$ 93,474,459	7.9%
24	2018-19	$ 4,526,248	18.3%	$ 88,246,170	0.7%	$ 3,901,559	89.9%	$ 96,673,977	3.4%
25	2019-20	$ 2,777,408	-38.6%	$ 54,972,321	-37.7%	$ 2,583,931	-33.8%	$ 60,333,660	-37.6%
26	2020-21	$ 4,600,000	65.6%	$ 79,237,273	44.1%	$ 2,920,000	13.0%	$ 86,757,273	43.8%
27	Data Source: Municipalities' Comprehensive Annual Financial Reports for FY 2001-02 through 2019-20. Budget documents for FY 2020-21.								
28									
29									
30	**Estimates of FY 2020-21 Municipal Resort Tax Total Collections Derived from the 2% Tax on the Sales of Food, Beverages, and Alcoholic Beverages**								
31		**Bal Harbour**		**Miami Beach**		**Surfside**		**TOTALS**	
32		**Collections**	**%**	**Collections**	**%**	**Collections**	**%**	**Collections**	**%**
33	2% Tax Proceeds	$ 1,646,800	35.8%	$ 27,733,046	35.0%	$ 730,000	25.0%	$ 30,109,846	49.9%
34	% of 2% Tax Proceeds Derived from Sales at Hotels and Motels	$ 411,700	25.0%	$ 9,706,566	35.0%	$ 328,500	45.0%	$ 10,446,766	34.7%
35	% of 2% Tax Proceeds Derived from Sales at All Other Eligible Businesses	$ 1,235,100	75.0%	$ 18,026,480	65.0%	$ 401,500	55.0%	$ 19,663,080	65.3%
36	FY 2020-21 Sales Attributable to Hotels and Motels	$ 20,585,000		$ 485,328,297		$ 16,425,000		$ 522,338,297	
37	FY 2020-21 Sales Attributable to All Other Eligible Businesses	$ 61,755,000		$ 901,323,980		$ 20,075,000		$ 983,153,980	
38	Data Source: Municipalities' emailed responses to EDR. The green shaded cells reflect data provided by Bal Harbour, Miami Beach, and Surfside. EDR staff was told that Miami Beach's resort tax system does not have the ability to separate out the collections from hotels and motels only. Consequently, the yellow shaded cells reflect assumptions, which were made by averaging the Bal Harbour and Surfside percentages.								

	A	B	C	D	E	F	G
41	**Local Option Food and Beverage Tax Collections**						
42		**2% Tax**		**1% Tax**		**TOTALS**	
43	**Calendar Year**	**Collections**	**% Chg.**	**Collections**	**% Chg.**	**Collections**	**% Chg.**
44	**2000**	**$ 4,303,000**	**-**	**$ 9,129,000**	**-**	**$ 13,432,000**	**-**
45	**2001**	**$ 4,152,000**	**-3.5%**	**$ 9,701,000**	**6.3%**	**$ 13,853,000**	**3.1%**
46	**2002**	**$ 4,290,000**	**3.3%**	**$ 9,958,000**	**2.6%**	**$ 14,248,000**	**2.9%**
47	**2003**	**$ 4,601,000**	**7.2%**	**$ 9,618,000**	**-3.4%**	**$ 14,219,000**	**-0.2%**
48	**2004**	**$ 5,150,000**	**11.9%**	**$ 11,440,000**	**18.9%**	**$ 16,590,000**	**16.7%**
49	**2005**	**$ 5,294,000**	**2.8%**	**$ 12,796,000**	**11.9%**	**$ 18,090,000**	**9.0%**
50	**2006**	**$ 5,594,000**	**5.7%**	**$ 14,005,000**	**9.4%**	**$ 19,599,000**	**8.3%**
51	**2007**	**$ 5,924,000**	**5.9%**	**$ 14,602,000**	**4.3%**	**$ 20,526,000**	**4.7%**
52	**2008**	**$ 5,663,000**	**-4.4%**	**$ 15,098,000**	**3.4%**	**$ 20,761,000**	**1.1%**
53	**2009**	**$ 4,651,000**	**-17.9%**	**$ 14,969,000**	**-0.9%**	**$ 19,620,000**	**-5.5%**
54	**2010**	**$ 5,247,000**	**12.8%**	**$ 16,348,000**	**9.2%**	**$ 21,595,000**	**10.1%**
55	**2011**	**$ 6,161,000**	**17.4%**	**$ 18,307,000**	**12.0%**	**$ 24,468,000**	**13.3%**
56	**2012**	**$ 6,505,000**	**5.6%**	**$ 19,776,000**	**8.0%**	**$ 26,281,000**	**7.4%**
57	**2013**	**$ 6,988,000**	**7.4%**	**$ 20,674,000**	**4.5%**	**$ 27,662,000**	**5.3%**
58	**2014**	**$ 7,447,000**	**6.6%**	**$ 22,513,000**	**8.9%**	**$ 29,960,000**	**8.3%**
59	**2015**	**$ 7,578,000**	**1.8%**	**$ 24,319,000**	**8.0%**	**$ 31,897,000**	**6.5%**
60	**2016**	**$ 8,011,000**	**5.7%**	**$ 25,517,000**	**4.9%**	**$ 33,528,000**	**5.1%**
61	**2017**	**$ 8,035,000**	**0.3%**	**$ 26,413,000**	**3.5%**	**$ 34,448,000**	**2.7%**
62	**2018**	**$ 8,370,000**	**4.2%**	**$ 29,018,000**	**9.9%**	**$ 37,388,000**	**8.5%**
63	**2019**	**$ 8,899,000**	**6.3%**	**$ 30,680,000**	**5.7%**	**$ 39,579,000**	**5.9%**
64	**2020**	**$ 4,332,000**	**-51.3%**	**$ 20,536,000**	**-33.1%**	**$ 24,868,000**	**-37.2%**
65	**2021 est.**	**$ 4,940,286**	**14.0%**	**$ 28,461,350**	**38.6%**	**$ 33,401,636**	**34.3%**
66	**Data Source: Miami-Dade County's Comprehensive Annual Financial Reports, Table: Miami-Dade County Tourism Tax Collection, Last Ten Calendar Years for CY 2000 through 2020. CY 2021 estimate calculated from FY 2021-22 Adopted Budget.**						

	A	B	C	D	E	F	G
69	**Local Option Food and Beverage Tax - Fiscal Impact**						
70		**2% Tax**		**1% Tax**		**TOTALS**	
71	**Compound Annual Growth Rate: 2000 to 2021**		**0.66%**		**5.56%**		
72	**FY 2020-21 Municipal Resort Tax Sales Corresponding to Each Tax**	**$ 522,338,297**		**$ 983,153,980**			
73	**FY 2020-21 Local Option Food and Beverage Tax Revenues Attributable to Bal Harbour, Miami Beach, and Surfside**	**$ 10,446,766**		**$ 9,831,540**		**$ 20,278,306**	
74							
75	**Fiscal Impact**						
76	**FY 2021-22**	**$ 10,515,698**		**$ 10,378,566**		**$ 20,894,264**	
77	**FY 2022-23**	**$ 10,585,084**		**$ 10,956,029**		**$ 21,541,114**	
78	**FY 2023-24**	**$ 10,654,929**		**$ 11,565,622**		**$ 22,220,551**	
79	**FY 2024-25**	**$ 10,725,234**		**$ 12,209,133**		**$ 22,934,367**	
80	**FY 2025-26**	**$ 10,796,003**		**$ 12,888,449**		**$ 23,684,452**	
81	**FY 2026-27**	**$ 10,867,239**		**$ 13,605,562**		**$ 24,472,801**	

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Refunds for Building Mitigation Retrofit Improvements
Bill Number(s): Proposed Language
☒ **Entire Bill:**
☐ **Partial Bill**:
Sponsor(s):
Month/Year Impact Begins: July 1st, 2022
Date of Analysis: February 18th, 2022

Section 1: Narrative

a. Current Law: There currently exists no exemptions for building mitigation retrofit improvements under section 212.08.

b. Proposed Change: amends s. 212.08, F.S.; providing definitions; exempting materials used for building mitigation retrofit improvements from the sales and use tax; requiring the owner of a qualified building to electronically file certain documents within a certain timeframe with the Department of Revenue to receive a refund of previously paid taxes; "Building mitigation retrofit improvement" means one or more of the following:
(I) The installation of impact-resistant windows.
(II) The installation of impact-resistant entry doors.
(III) The installation of impact-resistant garage doors
d. "Qualified building" means an existing, insured residential or commercial building.
2. Building materials purchased and used for a building mitigation retrofit improvement are exempt from the tax imposed by this chapter upon an affirmative showing to the department that the requirements of this paragraph have been met. This exemption inures to the owner of the qualified building through a refund of previously paid taxes.
Section 2. This act shall take effect July 1st, 2022, and the exemption shall only apply to purchases made from then until June 30th, 2024.

Section 2: Description of Data and Sources:

Department of Revenue 2021 property tax rolls
Florida building code
Florida building commission wind zone map
Market research on building material costs
Insurance Policy Data from OIR

Section 3: Methodology (Include Assumptions and Attach Details)

Residential Windows:

Using the same NAL data as in roofing, we start by defining certain DOR use codes as high-density housing and others as low-density housing. For high density housing we then assume that for every 1000sq feet of total livable area, there are 2 windows, while for low-density housing we assume that for every 850sq feet of total livable area, there are 4 windows. Using these assumptions, in conjunction with the NAL data, we can calculate the assumed total number of windows in each county. We then take that data and multiply it by 1) the proportion of parcels in that county that are insured, and 2) an assumed participation rate based on the Building Code Requirements. The resulting figure is called "Total Qualifying Windows" and is the number of windows in insured parcels that we expect to be replaced by impact resistant windows whenever that replacement may occur. We next assume three window lifespans (which may be thought of as replacement rates), a high, middle, and low. Multiplying Total Qualifying Windows by the inverse of each lifespan gives us a high, middle, and low estimate for the number of windows replaced per year. These estimates are multiplied by a high, middle, or low-cost estimate (parts only) to arrive at the total annual expenses of qualifying windows which is then multiplied by 6% for a high, middle, and low impact.

Residential Entry Doors:

Using the same NAL data, Insured Rates, and Participation Rates as above, we start by assuming every residential unit in a residential use code will have one entry door. This gives us the number of entry doors in total, per county. This per county figure is then multiplied by the county insured rate and the county participation rate to find the total qualifying entry doors. From there, we assume the lifespan of an entry door. Multiplying the total qualifying entry doors by the inverse of the lifespan gives the number of qualifying doors we expect to be replaced in a year. This annual replacement value is then multiplied by a high, middle, and low-cost estimate (again, parts only) to arrive at total annual expenses involved in replacing entry doors. These figures are multiplied by 6% to reach the impacts for Residential Entry Doors.

Residential Garage Doors and Back Doors:

Previously, the inclusion of garage doors was a sticking point for the conference, they are now explicitly included. Both Garage Doors and back doors use the same data as above, but we must consider that not every property has one of them. For each individually, we establish a set of DOR use codes that are likely to have one (a garage door or a back door). We also establish a minimum livable

Tax: Sales and Use Tax
Issue: Refunds for Building Mitigation Retrofit Improvements
Bill Number(s): Proposed Language

area for each, meaning that if a property is below that minimum, it likely does **not** have one. From there, we narrow down the data to observations that fit those two assumptions and follow the same procedure as with entry doors.

Commercial Windows:

For commercial windows, we use the same data as above but with a different set of assumptions. As commercial windows are almost entirely custom, we abandon the idea of counting individual windows and instead assume that per 500 sq feet of livable area, a business will spend a certain amount on windows. We develop three values for this "certain amount", a low, middle, and high. From there, we apply participation and insured rates and reduce it by an estimated low, middle, and high replacement rate.

Commercial Doors:

For commercial doors, we use, again, the same data as above. For doors, we simply assume that each business has 5 exterior doors. That is one door for each 4 walls, and an extra door for the front. We again estimate three prices, county by county participation and insured rates, and three replacement rates, to arrive at final low, middle, and high estimates.

Commercial Roll-Up Doors:

For commercial Roll-Up Doors, we follow a similar procedure to residential garage doors. We start by assume that only buildings within certain DOR use codes have roll-up doors. After reducing the population to only parcels within these use codes, we assume that each building will have 4 roll-up doors. From there we can calculate the total number of roll-up doors and use the same insured rates and participation rates to find the total number of qualifying roll-up doors. This is then multiplied by the inverse of an assumed lifespan and an assumed cost (parts only) to find total annual expenses on qualifying roll-ups.

The effective date of the bill is July 1st, 2022. In all estimates, the first year's cash is eleven months of the full estimate, and the 2024-25 cash is one months of the full impact to accommodate for the start and end dates of the exemption. The presented high considers that buyers may time their purchases to coincide with the window for this exemption and adds two months impact to the first and last years cash. In all cases, there is no recurring due to the limited duration of the exemption.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	$ (125.4 M)	$ -	$ (81.0 M)	$ -	$ (63.6 M)	$ -
2023-24	$ (115.2 M)	$ -	$ (88.0 M)	$ -	$ (69.1 M)	$ -
2024-25	$ (29.8 M)	$ -	$ (7.6 M)	$ -	$ (6.0 M)	$ -
2025-26	$ -	$ -	$ -	$ -	$ -	$ -
2026-27	$ -	$ -	$ -	$ -	$ -	$ -

List of affected Trust Funds: Sales and Use Tax

Section 5: Consensus Estimate (Adopted: 02/18/2022): The Conference adopted an adjusted middle estimate that excludes commercial activity.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(59.0)	0.0	(Insignificant)	0.0	(2.0)	0.0	(5.7)	0.0
2023-24	(64.1)	0.0	(Insignificant)	0.0	(2.2)	0.0	(6.1)	0.0
2024-25	(5.5)	0.0	(Insignificant)	0.0	(0.2)	0.0	(0.5)	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(9.8)	0.0	(17.4)	0.0	(76.4)	0.0
2023-24	(10.6)	0.0	(18.9)	0.0	(83.0)	0.0
2024-25	(0.9)	0.0	(1.6)	0.0	(7.1)	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0

	A	B
1–3	Total Construction Expenditures Growth Rates	
4	22-23	-2.5%
5	23-24	-0.4%
6	24-25	3.4%
7	25-26	3.0%
8	26-27	2.4%

Timed Activity (Extra months pulled into window)	Estimate	Total	First Year	Last Year
	Low	0	0	0
	Middle	0	0	0
	High	4	2	2

High Impact

	FY	Residential Windows	Residential Front Doors	Residential Back Doors	Residential Garage Doors	Commercial Windows	Commercial Doors	Commerical Roll Doors	Total
12	22-23	$ (46.5) M	$ (5.196) M	$ (19.07) M	$ (19.13) M				**$ (89.9) M**
13	23-24	$ (46.32) M	$ (5.18) M	$ (18.99) M	$ (19.05) M				**$ (89.54) M**
14	24-25	$ (47.89) M	$ (5.35) M	$ (19.64) M	$ (19.7) M				**$ (92.58) M**
15	25-26	$ (49.33) M	$ (5.51) M	$ (20.23) M	$ (20.29) M				**$ (95.36) M**
16	26-27	$ (50.51) M	$ (5.64) M	$ (20.71) M	$ (20.78) M				**$ (97.65) M**

Mid Impact

	FY	Residential Windows	Residential Front Doors	Residential Back Doors	Residential Garage Doors	Commercial Windows	Commercial Doors	Commerical Roll Doors	Total
20	22-23	$ (31.39) M	$ (3.12) M	$ (19.07) M	$ (19.13) M				**$ (72.71) M**
21	23-24	$ (31.26) M	$ (3.11) M	$ (18.99) M	$ (19.05) M				**$ (72.42) M**
22	24-25	$ (32.33) M	$ (3.21) M	$ (19.64) M	$ (19.7) M				**$ (74.88) M**
23	25-26	$ (33.3) M	$ (3.31) M	$ (20.23) M	$ (20.29) M				**$ (77.13) M**
24	26-27	$ (34.1) M	$ (3.39) M	$ (20.71) M	$ (20.78) M				**$ (78.98) M**

Low Impact

	FY	Residential Windows	Residential Front Doors	Residential Back Doors	Residential Garage Doors	Commercial Windows	Commercial Doors	Commerical Roll Doors	Total
28	22-23	$ (22.32) M	$ (1.04) M	$ (19.07) M	$ (19.13) M				**$ (61.56) M**
29	23-24	$ (22.23) M	$ (1.04) M	$ (18.99) M	$ (19.05) M				**$ (61.31) M**
30	24-25	$ (22.99) M	$ (1.07) M	$ (19.64) M	$ (19.7) M				**$ (63.4) M**
31	25-26	$ (23.68) M	$ (1.1) M	$ (20.23) M	$ (20.29) M				**$ (65.3) M**
32	26-27	$ (24.25) M	$ (1.13) M	$ (20.71) M	$ (20.78) M				**$ (66.87) M**

Total Impact

	Year	High Cash	High Recurring	Middle Cash	Middle Recurring	Low Cash	Low Recurring
37	2022-23	$ (97.4 M)	$ -	$ (66.6 M)	$ -	$ (56.4 M)	$ -
38	2023-24	$ (89.5 M)	$ -	$ (72.4 M)	$ -	$ (61.3 M)	$ -
39	2024-25	$ (23.1 M)	$ -	$ (6.2 M)	$ -	$ (5.3 M)	$ -
40	2025-26	$ -	$ -	$ -	$ -	$ -	$ -
41	2026-27	$ -	$ -	$ -	$ -	$ -	$ -

	A	B	C	D	E	F	G
1	Commercial Windows				Total Participation Rate		
2	Base Size (SQ Feet)	500			95.78%		
3	Window Ratio*	55%			Prop. Insured Residential Parcels		
4	Total Units of Base	4,495,387			92.60%		
5							
6				Window Base Units Per Block	PCT Livable Area Per Block	PCT Parcels	PCT Window Base Units
7	Commercial Paritícpation Rates						
8	Optional	O	50%	120,902	5.81%	7.09%	3.02%
9	More Inclined	I	70%	-	0.00%	0.00%	0.00%
10	Partially Mandated	P	90%	330,546	8.82%	6.73%	8.25%
11	Fully Mandated	M	100%	3,553,651	85.37%	86.18%	88.73%
12				4,005,099			
13	Spending Per Base		Total Spending				
14	Low	$ 600	$ 2,403,059,380				
15	Mid	$ 1,000	$ 4,005,098,967				
16	High	$ 1,500	$ 6,007,648,450				
17							
18	Lifespan		Annual Spending				
19	Low	60	$ 40,050,990				
20	Mid	50	$ 80,101,979				
21	High	40	$ 150,191,211				
22							
23	**Commercial Windows Sales Tax Impact**						
24	Low	$ (2.4) M					
25	Mid	$ (4.81) M					
26	High	$ (9.01) M					
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43	*Proprtion of Parcels in Commercial or Industrial Use Codes that fall specifically within Use Codes 11, 12, 16, 17, 18, 19, 20, 21, 23, 24, 27, 30, 33, 35, 39, 41, 42, 44, 45, and 46						
44							
45							

	A	B	C	D	E	F	G
1	**Commercial Doors**				**Commercial Roll-Up Doors**		
2	Doors Per Building	5			Roll-Ups Per Building	4	
3	N Doors	2,213,790			Roll-Up Ratio*	38.8%	
4					N Roll Ups	687,160	
5							
6				Qualifying Doors		Qualifying Roll-Ups	
7	Pariticpation Rates						
8	Optional	O	50%	84,833		26,332	
9	More Inclined	I	70%	-		-	
10	Partially Mandated	P	90%	141,195		43,827	
11	Fully Mandated	M	100%	1,723,420		534,950	
12				1,949,448		605,109	
13							
14	Lifespan		Annual Replacement		Lifespan		
15					All	50	
16	Low	30	64,982		Annual Replacement	12,102	
17	Mid	25	77,978				
18	High	20	97,472				
19							
20	Cost Per Door (Parts Only)		Annual Replacement		Cost Per Roll-Up (Parts Only)		Annual Replacement
21							
22	Low Cost Per	$ 1,200.00	$ 77,977,923		Low Cost Per	$ 1,000.00	$ 12,102,174
23	Mid Cost Per	$ 2,000.00	$ 155,955,846		Mid Cost Per	$ 2,000.00	$ 24,204,347
24	High Cost Per	$ 2,500.00	$ 243,681,009		High Cost Per	$ 3,000.00	$ 36,306,521
25							
26	**Commercial Doors Sales Tax Impact**				**Commercial Roll-Ups Sales Tax Impact**		
27	Low	$ (4.68) M			Low	$ (.73) M	
28	Mid	$ (9.36) M			Mid	$ (1.45) M	
29	High	$ (14.62) M			High	$ (2.18) M	
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44	*Proprtion of Parcels in Commercial or Industrial Use Codes that fall specifically within Use Codes 13, 14, 15, 18, 19, 20, 27, 29, 31, 32, 34, 35, 37, 39, 41, 42, 43, 44, 45, 46, 47, and 48						
45							

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Abatement for Sudden Unforeseen Collapse
Bill Number(s): CS/SB1610

☑ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): N/A
Month/Year Impact Begins: Upon becoming law
Date of Analysis: February 18, 2022

Section 1: Narrative

a. Current Law: There is no current law abating ad valorem taxes for sudden and unforeseen building collapses.

b. Proposed Change: Section 197.319 is created to abate ad valorem taxes for sudden and unforeseen building. The building must be a multistory residential building consisting of at least 50 dwelling units. If the building is destroyed due to a sudden and unforeseen collapse, property owners are eligible for an abatement of all property taxes in that year. No payment is required, the property appraiser may not issue notices, the tax collector may not issue a tax notice, and VABs must dismiss all petitions.

For homeowners of homesteads of units in the collapsed building, their save our homes differential on a new homestead is to be calculated based on the value of the year prior to the collapse. The act applies retroactively to January 1, 2021 and is repealed on December 31, 2023.

Section 2: Description of Data and Sources

2021 Millage and Taxes Levied Report, 2021 Final Data Book published by Property Tax Oversight
2021 Final Real Property Assessment Rolls, NAL data
Results of the January 6, 2022 Ad Valorem Revenue Estimating Conference
Structural Engineer Report from Morabito Consultants from 2018, MC Job# 18217

Section 3: Methodology (Include Assumptions and Attach Details)

On Thursday, June 24, 2021, the Champlain Towers South condominium collapsed in Miami-Dade County. This is the only known sudden and *unplanned* collapse of such a condominium. Below is an excerpt from the 2018 report by the structural engineers inspecting the Champlain Towers South.

> *"the waterproofing below the Pool Deck & Entrance Drive as well as all of the planter waterproofing is beyond it useful life and therefore must all be completely removed and replaced.* ***The failed waterproofing is causing major structural damage*** *to the concrete structural slab below these areas.* ***Failure to replace the waterproofing in the near future will cause the extent of the concrete deterioration to expand exponentially****…*
> *…Abundant cracking and spalling of varying degrees was observed in the concrete columns, beams, and walls. Several sizeable spalls were noted in both the topside of the entrance drive ramp and underside of the pool/entrance drive/planter slabs, which included instances with* ***exposed, deteriorating rebar****."*

The low assumes that a structural engineer report from 3 years prior to the collapse indicating that there is major structural damage that is exponentially expanding and that there is exposed and deteriorating rebar in the parking garage below the structure is sufficient to determine that the collapse was foreseen. As such, it would not meet the requirement of being unforeseen and the impact is $0.

The high impact assumes that the collapse of the Champlain Towers South was both sudden and unforeseen. The school and non-school taxable value from the 2021 final real property roll are aggregated and the appropriate Miami-Dade school and non-school millage rates were applied to evaluate the impact. The total impact is $754,718. For the final 2021 roll, the Miami-Dade Property Appraiser reduced the 2021 values to effectively remove the value of the structure from the roll. Absent this change, the impact would have been $1,108,099.

The change to the roll reduced the save our homes differential for homesteaded condo owners for 2021 compared to what it would have been had the tower not collapsed. The bill sets their differential back to what it was in 2020. The impact of this is $1,359,431 worth of save our homes differential. Assumptions can be made regarding survival rates of homesteaded owners and places of relocation, but under the maximum assumptions of a 100% survival rate with all relocating within Miami-Dade county, the impact of this is insignificant. This impact is grown using the school and non-school growth rates from the January 6,

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Abatement for Sudden Unforeseen Collapse
Bill Number(s): CS/SB1610

2022 ad valorem conference. The impact of the save our homes piece of the bill is the only impact beyond the 2022-23 fiscal year and is the recurring impact.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	$(0.8 M)	(*)			$0	$0
2023-24	(*)	(*)			$0	$0
2024-25	(*)	(*)			$0	$0
2025-26	(*)	(*)			$0	$0
2026-27	(*)	(*)			$0	$0

List of affected Trust Funds: Ad Valorem

Section 5: Consensus Estimate (Adopted: 02/18/2022) The Conference adopted the high estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(0.3)	(*)	(0.5)	(*)	(0.8)	(*)
2023-24	(*)	(*)	(*)	(*)	(*)	(*)
2024-25	(*)	(*)	(*)	(*)	(*)	(*)
2025-26	(*)	(*)	(*)	(*)	(*)	(*)
2026-27	(*)	(*)	(*)	(*)	(*)	(*)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	0.0	0.0	0.0	(0.8)	(*)	(0.8)	(*)
2023-24	0.0	0.0	0.0	0.0	(*)	(*)	(*)	(*)
2024-25	0.0	0.0	0.0	0.0	(*)	(*)	(*)	(*)
2025-26	0.0	0.0	0.0	0.0	(*)	(*)	(*)	(*)
2026-27	0.0	0.0	0.0	0.0	(*)	(*)	(*)	(*)

	A	B	C	D	E	F	G
1							
2	**Miami-Dade school millage**			7.01			
3	**Miami-Dade non-school millage**			12.58			
4	**Statewide School Millage**			6.27			
5	**Statewide Non-School Millage**			10.76			
6							
7		**2021 Preliminary**	**2021 Final/Impact**				
8	**tv_sd**	$ 57,373,924	$ 39,338,081				
9	**tv_nsd**	$ 56,098,850	$ 38,063,081				
10							
11	**Victims**	98					
12	**Total Possible**	242					
13	**Share Survive**	59.5%					
14							
15		**High**	**Middle**				
16	**Share Homeastead Survived**	100%	59.5%				
17	**Share Stay in Miami-Dade**	100%	75%				
18	**Share Stay in rest of state**	0%	25%				
19							
20		**2020 Final**	**2021 Final**	**Bill Impact**			
21	**SOH value**	$ 7,967,164	$ 6,607,733	$ 1,359,431			
22							
23		**Statewide Growth**		**Miami-Dade Growth**			
24		**School**	**Non-School**	**School**	**Non-School**		
25	**2023**	5.85%	6.31%	6.10%	6.70%		
26	**2024**	5.54%	5.91%	5.90%	6.30%		
27	**2025**	5.18%	5.47%	5.60%	6.00%		
28	**2026**	5.03%	5.26%	5.50%	5.80%		
29	**2027**	4.90%	5.09%	5.40%	5.60%		
30							
31	**Impact on Taxes Levied**	**High SOH Impact**		**Middle SOH Impact**			
32	**Resulting from SOH Change**	**School**	**Non-School**	**School**	**Non-School**		
33	**2022**	$ (9,528)	$ (17,107)	$ (5,520)	$ (9,810)		
34	**2023**	$ (10,109)	$ (18,254)	$ (5,854)	$ (10,459)		
35	**2024**	$ (10,706)	$ (19,404)	$ (6,194)	$ (11,109)		
36	**2025**	$ (11,305)	$ (20,568)	$ (6,535)	$ (11,763)		
37	**2026**	$ (11,927)	$ (21,761)	$ (6,888)	$ (12,431)		
38	**2027**	$ (12,571)	$ (22,979)	$ (7,252)	$ (13,113)		
39							

	A	B	C	D	E	F	G
40	**Impact on School**						
41		High		Middle		Low	
42		Cash	Recurring	Cash	Recurring	Cash	Recurring
43	2022-23	$(0.3 M)	$(0.0 M)	$(0.3 M)	$(0.0 M)	$0	$0
44	2023-24	$(0.0 M)	$(0.0 M)	$(0.0 M)	$(0.0 M)	$0	$0
45	2024-25	$(0.0 M)	$(0.0 M)	$(0.0 M)	$(0.0 M)	$0	$0
46	2025-26	$(0.0 M)	$(0.0 M)	$(0.0 M)	$(0.0 M)	$0	$0
47	2026-27	$(0.0 M)	$(0.0 M)	$(0.0 M)	$(0.0 M)	$0	$0
48							
49	**Impact on Non-School**						
50		High		Middle		Low	
51		Cash	Recurring	Cash	Recurring	Cash	Recurring
52	2022-23	$(0.5 M)	$(0.0 M)	$(0.5 M)	$(0.0 M)	$0	$0
53	2023-24	$(0.0 M)	$(0.0 M)	$(0.0 M)	$(0.0 M)	$0	$0
54	2024-25	$(0.0 M)	$(0.0 M)	$(0.0 M)	$(0.0 M)	$0	$0
55	2025-26	$(0.0 M)	$(0.0 M)	$(0.0 M)	$(0.0 M)	$0	$0
56	2026-27	$(0.0 M)	$(0.0 M)	$(0.0 M)	$(0.0 M)	$0	$0
57							
58	**Total Impact**						
59		High		Middle		Low	
60		Cash	Recurring	Cash	Recurring	Cash	Recurring
61	2022-23	$(0.8 M)	$(0.0 M)	$(0.8 M)	$(0.0 M)	$0	$0
62	2023-24	$(0.0 M)	$(0.0 M)	$(0.0 M)	$(0.0 M)	$0	$0
63	2024-25	$(0.0 M)	$(0.0 M)	$(0.0 M)	$(0.0 M)	$0	$0
64	2025-26	$(0.0 M)	$(0.0 M)	$(0.0 M)	$(0.0 M)	$0	$0
65	2026-27	$(0.0 M)	$(0.0 M)	$(0.0 M)	$(0.0 M)	$0	$0

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Affordable Housing Exemption - 15 Year Start Date
Bill Number(s): Proposed Language

☑ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): N/A
Month/Year Impact Begins: July 2022
Date of Analysis: February 18, 2022

Section 1: Narrative

a. Current Law: Paragraph 196.1978(2)(a) identifies the requirements for a multifamily property to receive a full exemption from ad valorem taxation. The exemption begins the January 1st after the 15th year of a term of a recorded agreement with the Florida Housing Finance Corporation and requires more than 70 units provided for affordable housing. The exemption terminates if the property no longer serves low income individuals pursuant to the agreement.

b. Proposed Change: The proposed language breaks Paragraph 196.1978(2)(a) into two distinct paragraphs (a) and (b). Paragraph (a) would read:

*Notwithstanding ss. 196.195 and 196.196, property in a multifamily project that meets the requirements of **this paragraph** is considered property used for a charitable purpose and is exempt from ad valorem tax beginning with the January 1 assessment after the 15th completed year ~~of the term of~~ <u>from</u> the <u>earlier of:</u>*

1. *<u>The effective date of the</u> recorded agreement on those portions of the affordable housing property that provide housing to natural persons or families meeting the extremely-low-income, very-low-income, or low-income limits specified in s. 420.0004.*
2. *<u>the first day of the first taxable year in which the property was placed in service, or</u>*
3. *<u>the date such property received a certificate of occupancy, or substantial completion certificate in the event of a rehabilitation.</u>*

Paragraph (b) then lists the same requirements of more than 70 affordable housing units and an agreement with the Florida Housing Finance Corporation from the current law.

Section 2: Description of Data and Sources

2021 Millage and Taxes Levied Report, 2021 Final Data Book published by Property Tax Oversight
2021 Final Real Property Assessment Rolls, NAL data
Results of the January 6, 2022 Ad Valorem Revenue Estimating Conference
Florida Housing Data Clearinghouse, Assisted Housing Inventory, 2020

Section 3: Methodology (Include Assumptions and Attach Details)

As paragraph (a) is written, a property is fully exempt from ad valorem taxation if it meets the requirements of paragraph (a). The only requirements in paragraph (a) are that the property is multifamily and received a certificate of occupancy at least 15 years ago. Based on use code, actual year built, and taxable value data from the real property roll, cohorts by property age are made of all multifamily parcels and grown for the 2022-2027 tax years. The 2021 millage rates are applied, and the following table would be the impact of this interpretation.

	Alt High	
	Cash	Recurring
2022-23	$0	$(2,542.2 M)
2023-24	$(1,953.7 M)	$(2,542.2 M)
2024-25	$(2,117.4 M)	$(2,542.2 M)
2025-26	$(2,275.3 M)	$(2,542.2 M)
2026-27	$(2,407.3 M)	$(2,542.2 M)

For the impact presented below, the requirements of paragraph (b) are assumed to be the requirements referenced in paragraph (a). Data from the Assisted Housing Inventory of the Florida Housing Data Clearing House contains parcel id, county, affordable units, housing program(s), and the start date of the affordability agreement. Staff at the Florida Housing Finance Corporation provided the set of relevant housing programs that would receive the exemption. This is used to match with parcels in the real property roll and just values, assessed values, taxable values, actual years built, and amount of exemptions are imported to the affordable housing data set.

Separately, all parcels on the real property roll receiving any amount in exemption 15, encapsulating the current 196.1978 requirements, are identified. For parcels with no other exemptions, the share of assessed value represented by the amount in exemption 15 is calculated. Due to HB7061 from the 2021 Legislative Session, parcels receiving a 49-51% are assumed to be 100%. To determine the ratio of Exemption 15 values to Assessed Value for the estimates, the parcels currently receiving solely Exemption 15 were analyzed. The low estimate uses the statewide sum of Exemption 15 divided by the statewide sum of Assessed Valued for these parcels. The middle estimate uses the average of these individual parcels' ratios. The high estimate uses the median of these individuals parcels' ratios.

Some amount of the affordable housing data did not match with the real property roll and some had blank build dates. For each of these, the number of affordable units and type of housing program is still known. The unmatched parcels are distributed among build dates at the same ratios as the matched parcels. The estimates based on the matched parcels will be scaled up to the total number of parcels.

For the matched parcels with more than 70 units, the 16th year after construction is compared to the 16th year since beginning an FHFC agreement and the fiscal year under analysis to determine if there is an impact that year. If, in the year of analysis, a parcel had reached its 16th year since construction but not yet reached its 16th year since beginning an FHFC agreement, the taxable value was noted and adjusted by the high/middle/low calculation above. Each year the taxable value is grown by the growth in county taxable value from the January 6, 2022 Ad Valorem conference to estimate the possible impact amount in the following year. Finally, if there was already an amount in exemption 15 in 2021, the impact for that parcel is assumed to be zero. The 2021 millage rates are applied to produce an impact of the currently known affordable housing agreements.

Each year, FHFC makes new agreements. Over the last few years, this has ranged from at least 62 to at least 113. For the forecast period, the total number of parcels for which the above criteria are newly met is divided by the total number of newly eligible parcels to estimate the share of parcels from new credits that would be eligible based on construction date. The low estimate uses that calculated rate. Within the affordable housing data set, there are 681 properties where the build date and affordable agreement start date are known. 117 of them were built before the agreement. That ratio of 117 to 681 is used in the high. Of that 681, 67 were at least 16 years old at the time of their agreement with FHFC. That ratio of 67 to 681 used in the middle. Since there are new credits each year and the impact would last for 15 years, these new parcels are put into cohorts and grown for the forecast period. The aggregate by year are summed, and the millage rate is applied. This total is added to the total from the known parcels to arrive at the impact. The recurring represents the impact of the new agreements made through 2027.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	$0	$(6.1 M)	$0	$(2.8 M)	$0	$(0.3 M)
2023-24	$(2.9 M)	$(6.1 M)	$(1.7 M)	$(2.8 M)	$(0.8 M)	$(0.3 M)
2024-25	$(3.4 M)	$(6.1 M)	$(1.7 M)	$(2.8 M)	$(0.5 M)	$(0.3 M)
2025-26	$(4.4 M)	$(6.1 M)	$(2.2 M)	$(2.8 M)	$(0.6 M)	$(0.3 M)
2026-27	$(5.7 M)	$(6.1 M)	$(2.8 M)	$(2.8 M)	$(0.8 M)	$(0.3 M)

List of affected Trust Funds: Ad Valorem

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Affordable Housing Exemption - 15 Year Start Date
Bill Number(s): Proposed Language

Section 5: Consensus Estimate (Adopted: 02/18/2022) The Conference adopted the middle estimate. The Conference assumes that the intent of the language is to change the starting point of the 15 year period, not the substantive requirements for the exemption.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	(1.0)	0.0	(1.8)	0.0	(2.8)
2023-24	(0.6)	(1.0)	(1.1)	(1.8)	(1.7)	(2.8)
2024-25	(0.6)	(1.0)	(1.1)	(1.8)	(1.7)	(2.8)
2025-26	(0.8)	(1.0)	(1.4)	(1.8)	(2.2)	(2.8)
2026-27	(1.0)	(1.0)	(1.8)	(1.8)	(2.8)	(2.8)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	0.0	0.0	0.0	0.0	(2.8)	0.0	(2.8)
2023-24	0.0	0.0	0.0	0.0	(1.7)	(2.8)	(1.7)	(2.8)
2024-25	0.0	0.0	0.0	0.0	(1.7)	(2.8)	(1.7)	(2.8)
2025-26	0.0	0.0	0.0	0.0	(2.2)	(2.8)	(2.2)	(2.8)
2026-27	0.0	0.0	0.0	0.0	(2.8)	(2.8)	(2.8)	(2.8)

	A	B	C	D	E	F	G	H
1	**21-22 School Millage**	6.27						
2	**21-22 Non-School Millage**	10.76						
3								
4		**Ratio**	**Category**					
5	**sum ex15/av**	90.05%	low					
6	**avg ex15/av**	98.30%	mid					
7	**median ex15/av**	100.00%	high					
8								
9	**Growth Rates**	**County Taxable Value**						
10	2022	7.88%						
11	2023	6.31%						
12	2024	5.91%						
13	2025	5.47%						
14	2026	5.26%						
15	2027	5.09%						
16								
17	**# Matched with years:**	681						
18	**Total:**	1,060						
19	**Share-up for missing:**	1.56						
20								
21	**Existing Agreements**							
22	**New Calc Ex15**	**Calc New TV**	**Shared-up**	**High EX15**	**Middle EX15**	**Low EX15**		
23	2022	$ 36,005,129	$ 56,043,226	$ 56,043,226	$ 55,092,589	$ 50,464,419		
24	2023	$ 31,469,012	$ 48,982,604	$ 48,982,604	$ 48,151,733	$ 44,106,645		
25	2024	$ 17,705,453	$ 27,559,148	$ 27,559,148	$ 27,091,675	$ 24,815,781		
26	2025	$ 18,673,941	$ 29,066,634	$ 29,066,634	$ 28,573,589	$ 26,173,204		
27	2026	$ 24,083,799	$ 37,487,264	$ 37,487,264	$ 36,851,384	$ 33,755,605		
28	2027	$ 14,624,352	$ 22,763,308	$ 22,763,308	$ 22,377,184	$ 20,497,341		
29								
30		**Estimated New Credits**			**Additional Credit, in dollars above**	**become eligible in given year, but either ex15 or FHFC at 15 years**	**become eligible in given year, but neither ex15 nor FHFC at 15 years**	
31	**Count Data**	**High**	**Middle**	**Low**	**Parcels**	**Parcels Newly Eligible**	**Parcels Newly Eligible**	
32	2022	113	88	62	12	37	1	
33	2023	113	88	62	10	27	0	
34	2024	113	88	62	8	15	0	
35	2025	113	88	62	8	17	0	
36	2026	113	88	62	8	38	1	
37	2027	113	88	62	6	7	0	

	A	B	C	D	E	F	G	H
38								
39		**Count**	**Share**					
40	**Built Before Agreement**	117	17.2%					
41	**Built Concurrent to or After Agreement**	564	82.8%					
42	**Total with Both Dates Known**	681						
43	**Built 15 years prior to agreement**	67	9.8%					
44								
45		**High**	**Middle**	**Low**		**Toggle New**		
46	Share New > 15 years:	17.2%	9.8%	1.4%		1		
47								
48	**New Credits High**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**Total**
49	2022	$ 58,250,589						$ 58,250,589
50	2023	$ 61,926,201	$ 61,094,246					$ 123,020,447
51	2024	$ 65,586,039	$ 64,704,916	$ 42,966,922				$ 173,257,877
52	2025	$ 69,173,596	$ 68,244,275	$ 45,317,213	$ 45,317,213			$ 228,052,296
53	2026	$ 72,812,127	$ 71,833,923	$ 47,700,898	$ 47,700,898	$ 58,445,650		$ 298,493,497
54	2027	$ 76,518,264	$ 75,490,270	$ 50,128,874	$ 50,128,874	$ 61,420,534	$ 47,319,764	$ 361,006,580
55								
56	**New Credits Mid**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**Total**
57	2022	$ 25,391,533						$ 25,391,533
58	2023	$ 26,993,739	$ 26,631,088					$ 53,624,828
59	2024	$ 28,589,069	$ 28,204,986	$ 18,729,356				$ 75,523,411
60	2025	$ 30,152,891	$ 29,747,798	$ 19,753,852	$ 19,753,852			$ 99,408,394
61	2026	$ 31,738,933	$ 31,312,533	$ 20,792,905	$ 20,792,905	$ 25,476,561		$ 130,113,837
62	2027	$ 33,354,445	$ 32,906,341	$ 21,851,264	$ 21,851,264	$ 26,773,318	$ 20,626,768	$ 157,363,399
63								
64	**New Credits Low**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**Total**
65	2022	$ 2,376,008						$ 2,376,008
66	2023	$ 2,525,934	$ 2,491,999					$ 5,017,933
67	2024	$ 2,675,217	$ 2,639,276	$ 1,752,596				$ 7,067,088
68	2025	$ 2,821,551	$ 2,783,644	$ 1,848,463	$ 1,848,463			$ 9,302,121
69	2026	$ 2,969,964	$ 2,930,064	$ 1,945,692	$ 1,945,692	$ 2,383,964		$ 12,175,377
70	2027	$ 3,121,136	$ 3,079,204	$ 2,044,728	$ 2,044,728	$ 2,505,308	$ 1,930,146	$ 14,725,249
71								
72	**Total Impact**	**Ex15 High**	**Ex15 Mid**	**Ex15 Low**				
73	2022	$ 114,293,815	$ 80,484,123	$ 52,840,427				
74	2023	$ 172,003,050	$ 101,776,561	$ 49,124,577				
75	2024	$ 200,817,026	$ 102,615,086	$ 31,882,869				
76	2025	$ 257,118,930	$ 127,981,983	$ 35,475,325				
77	2026	$ 335,980,761	$ 166,965,220	$ 45,930,982				
78	2027	$ 383,769,889	$ 179,740,583	$ 35,222,591				

	A	B	C	D	E	F	G	H
79								
80	**Impact on School**							
81		High		Middle		Low		
82		Cash	Recurring	Cash	Recurring	Cash	Recurring	
83	2022-23	$0	$(2.3 M)	$0	$(1.0 M)	$0	$(0.1 M)	
84	2023-24	$(1.1 M)	$(2.3 M)	$(0.6 M)	$(1.0 M)	$(0.3 M)	$(0.1 M)	
85	2024-25	$(1.3 M)	$(2.3 M)	$(0.6 M)	$(1.0 M)	$(0.2 M)	$(0.1 M)	
86	2025-26	$(1.6 M)	$(2.3 M)	$(0.8 M)	$(1.0 M)	$(0.2 M)	$(0.1 M)	
87	2026-27	$(2.1 M)	$(2.3 M)	$(1.0 M)	$(1.0 M)	$(0.3 M)	$(0.1 M)	
88								
89	**Impact on Non-School**							
90		High		Middle		Low		
91		Cash	Recurring	Cash	Recurring	Cash	Recurring	
92	2022-23	$0	$(3.9 M)	$0	$(1.7 M)	$0	$(0.2 M)	
93	2023-24	$(1.9 M)	$(3.9 M)	$(1.1 M)	$(1.7 M)	$(0.5 M)	$(0.2 M)	
94	2024-25	$(2.2 M)	$(3.9 M)	$(1.1 M)	$(1.7 M)	$(0.3 M)	$(0.2 M)	
95	2025-26	$(2.8 M)	$(3.9 M)	$(1.4 M)	$(1.7 M)	$(0.4 M)	$(0.2 M)	
96	2026-27	$(3.6 M)	$(3.9 M)	$(1.8 M)	$(1.7 M)	$(0.5 M)	$(0.2 M)	
97								
98	**Total Impact**							
99		High		Middle		Low		
100		Cash	Recurring	Cash	Recurring	Cash	Recurring	
101	2022-23	$0	$(6.1 M)	$0	$(2.7 M)	$0	$(0.3 M)	
102	2023-24	$(2.9 M)	$(6.1 M)	$(1.7 M)	$(2.7 M)	$(0.8 M)	$(0.3 M)	
103	2024-25	$(3.4 M)	$(6.1 M)	$(1.7 M)	$(2.7 M)	$(0.5 M)	$(0.3 M)	
104	2025-26	$(4.4 M)	$(6.1 M)	$(2.2 M)	$(2.7 M)	$(0.6 M)	$(0.3 M)	
105	2026-27	$(5.7 M)	$(6.1 M)	$(2.8 M)	$(2.7 M)	$(0.8 M)	$(0.3 M)	

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Tax Exemption for Deployed Servicemembers
Bill Number(s): Proposed Language

- [x] **Entire Bill**
- [ ] **Partial Bill**:

Sponsor(s):
Month/Year Impact Begins: Upon becoming law and applies to ad valorem tax rolls for 2022 and beyond
Date of Analysis: February 18, 2022

Section 1: Narrative

a. Current Law: (2) The exemption is available to servicemembers who were deployed during the preceding calendar year on active duty outside the continental United States, Alaska, or Hawaii in support of any of the following military operations:

(a) Operation Joint Task Force Bravo, which began in 1995.
(b) Operation Joint Guardian, which began on June 12, 1999.
(c) Operation Noble Eagle, which began on September 15, 2001.
(d) Operations in the Balkans, which began in 2004.
(e) Operation Nomad Shadow, which began in 2007.
(f) Operation U.S. Airstrikes Al Qaeda in Somalia, which began in January 2007.
(g) Operation Copper Dune, which began in 2009.
(h) Operation Georgia Deployment Program, which began in August 2009.
(i) Operation Spartan Shield, which began in June 2011.
(j) Operation Observant Compass, which began in October 2011.
(k) Operation Inherent Resolve, which began on August 8, 2014.
(l) Operation Atlantic Resolve, which began in April 2014.
(m) Operation Freedom's Sentinel, which began on January 2015.
(n) Operation Resolute Support, which began in January 2015.
(o) Operation Juniper Shield, which began in February 2007.
(p) Operation Pacific Eagle, which began in September 2017.
(q) Operation Martillo, which began in January 2012.

b. Proposed Change: The bill proposes the removal of Operation Observant Compass and the accompanying shift in numbering, and the addition of:

<u>(q) Operation Enduring Freedom—Horn of Africa, which began January 2015.</u>
<u>(r) European Reassurance Initiative (ERI)/European Deterrence Initiative (EDI), which began in 2014.</u>

Section 2. <u>The amendment made by this act to s. 196.173 (2), Florida Statutes, first applies to the 2022 ad valorem tax roll.</u>
Section 3. <u>Application deadline for additional ad valorem tax exemption for specified deployments.—</u>

(1) <u>Notwithstanding the filing deadlines in s. 196.173 (6), Florida Statutes, the deadline for an applicant to file an application with the property appraiser for an additional ad valorem tax exemption under s. 196.173, Florida Statutes, for the 2022 tax year is June 1, 2022.</u>
(2) <u>If an application is not timely filed under subsection (1), a property appraiser may grant the exemption if:</u>
   (a) <u>The applicant files an application for the exemption on or before the 25th day after the property appraiser mails the notice required under s. 194.011(1), Florida Statutes;</u>
   (b) <u>The applicant is qualified for the exemption; and</u>
   (c) <u>The applicant produces sufficient evidence, as determined by the property appraiser, which demonstrates that the applicant was unable to apply for the exemption in a timely manner or otherwise demonstrates extenuating circumstances that warrant granting the exemption.</u>
(3) <u>If the property appraiser denies an application under subsection (2), the applicant may file, pursuant to s, 194.011 (3), Florida Statutes, a petition with the value adjustment board which requests that the exemption be granted. Such petition must be filed on or before the 25th day after the property appraiser mails the notice required under s. 194.011 (1), Florida Statutes. Notwithstanding s. 194.013, Florida Statutes, the eligible servicemember is not required to pay a filing fee for such petition. Upon reviewing the petition, the value adjustment board may grant the exemption if the applicant is qualified for the exemption and demonstrates extenuating circumstances, as determined by the board, which warrant granting the exemption.</u>
(4) <u>This act shall take effect upon becoming law and applies to the 2022 ad valorem tax roll.</u>

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Tax Exemption for Deployed Servicemembers
Bill Number(s): Proposed Language

Section 2: Description of Data and Sources

Information from U.S. Department of Defense provided by the Florida Department of Military Affairs
Ad Valorem Estimating Conference Package (January 2022)
Florida Department of Revenue, 2020 and 2021 Data Books Exemption Value Reports

Section 3: Methodology (Include Assumptions and Attach Details)

Because the number of deployed service members, the number of days per year deployed, and the percent residing in Florida are all variables, there is no discernable correlation between the total Exemption 38 value and the specific operations included. As such, the 2021 Exemption Value Report value for deployed service members was grown forward using the Homestead Assessed Value growth rates from the most recent AV REC.

The high estimate assumes a 5% increase in exemption value. The middle estimate assumes a 1% increase in exemption value. The high and middle estimates are grown using the growth rates from the most recent Ad Valorem Estimating Conference (January 2022). The low estimate assumes no increase in exemption value.

Section 4: Proposed Fiscal Impact

Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	$(103,182)	$(103,182)	$(20,636)	$ (20,636)	$ -	$ -
2023-24	$(110,947)	$(110,947)	$(22,189)	$ (22,189)	$ -	$ -
2024-25	$(118,817)	$(118,817)	$(23,763)	$ (23,763)	$ -	$ -
2025-26	$(126,494)	$(126,494)	$(25,299)	$ (25,299)	$ -	$ -
2026-27	$(134,319)	$(134,319)	$(26,864)	$ (26,864)	$ -	$ -

List of affected Trust Funds:

Section 5: Consensus Estimate (Adopted: 02/18/2022) The Conference adopted an insignificant impact.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(*)	(*)	(*)	(*)	(*)	(*)
2023-24	(*)	(*)	(*)	(*)	(*)	(*)
2024-25	(*)	(*)	(*)	(*)	(*)	(*)
2025-26	(*)	(*)	(*)	(*)	(*)	(*)
2026-27	(*)	(*)	(*)	(*)	(*)	(*)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	0.0	0.0	0.0	(*)	(*)	(*)	(*)
2023-24	0.0	0.0	0.0	0.0	(*)	(*)	(*)	(*)
2024-25	0.0	0.0	0.0	0.0	(*)	(*)	(*)	(*)
2025-26	0.0	0.0	0.0	0.0	(*)	(*)	(*)	(*)
2026-27	0.0	0.0	0.0	0.0	(*)	(*)	(*)	(*)

	A	B	C	D	E	F	G
1							
2	**Statewide Exemption 38 Growth**	2020	2021	Growth			
3	Deployed Service Member's Homestead Exemption (EXMPT 38)	$93,725,741	$110,847,514	18.27%			
4	Parcel Count	1,403	1,434	2.21%			
5	Avg Exemption/Parcel	$66,804	$77,300	15.71%			
6	Source: Data Books and Lizette Kelly from PTO						
7							
8							
9	**Assumed Percent of Value Impacted by Proposed Language**		High	Middle	Low		
10			5%	1%	0%		
11							
12	**Impacted Taxable Value**		High	Middle	Low		
13		2021	$5,542,376	$1,108,475	$0		
14							
15	**Homestead Growth from Jan 2022 Ad Valorem Estimating Conference**						
16		Year	Total Homestead Assessed Value	Growth			
17		2021	$1,010,675				
18		2022	$1,104,963	9.329%			
19		2023	$1,188,111	7.525%			
20		2024	$1,272,388	7.093%			
21		2025	$1,354,607	6.462%			
22		2026	$1,438,393	6.185%			
23		2027	$1,523,562	5.921%			
24		Source: Ad Valorem REC Conference Package, January 2022					
25							
26	**Exemption Value Growth**						
27		Year	High	Middle	Low		
28		2022	$6,059,436	$1,211,887	$0		
29		2023	$6,515,406	$1,303,081	$0		
30		2024	$6,977,567	$1,395,513	$0		
31		2025	$7,428,442	$1,485,688	$0		
32		2026	$7,887,911	$1,577,582	$0		
33		2027	$8,354,964	$1,670,993	$0		
34							
35	**2021 Statewide Millage Rates**	School	Non-School				
36		6.2699	10.7585				
37							
38		High		Middle		Low	
39	**Estimated Tax Impact**	School	Non-School	School	Non-School	School	Non-School
40	2022	-$37,992	-$65,190	-$7,598	-$13,038	$0	$0
41	2023	-$40,851	-$70,096	-$8,170	-$14,019	$0	$0
42	2024	-$43,749	-$75,068	-$8,750	-$15,014	$0	$0
43	2025	-$46,576	-$79,919	-$9,315	-$15,984	$0	$0
44	2026	-$49,456	-$84,862	-$9,891	-$16,972	$0	$0
45	2027	-$52,385	-$89,887	-$10,477	-$17,977	$0	$0

	A	B		C	D	
1	**Statewide Exemption 38 Values**	Deployed Service Member's Homestead Exemption (EXMPT 38)		Parcel Count	Avg Exemption/Parcel	
2	2018	$	80,066,005	1,393	$	57,477
3	2019	$	81,594,694	1,284	$	63,547
4	2020	$	89,410,278	1,403	$	63,728
5	2021	$	106,934,825	1,434	$	74,571
6	*Sources: Final NAL Data Rolls*					

	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	2022-23	$ (37,992)	$ (37,992)	$ (7,598)	$ (7,598)	$ -	$ -
7	2023-24	$ (40,851)	$ (40,851)	$ (8,170)	$ (8,170)	$ -	$ -
8	2024-25	$ (43,749)	$ (43,749)	$ (8,750)	$ (8,750)	$ -	$ -
9	2025-26	$ (46,576)	$ (46,576)	$ (9,315)	$ (9,315)	$ -	$ -
10	2026-27	$ (49,456)	$ (49,456)	$ (9,891)	$ (9,891)	$ -	$ -
11							
12	**Non-School Impact**						
13		High		Middle		Low	
14	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
15	2022-23	$ (65,190)	$ (65,190)	$ (13,038)	$ (13,038)	$ -	$ -
16	2023-24	$ (70,096)	$ (70,096)	$ (14,019)	$ (14,019)	$ -	$ -
17	2024-25	$ (75,068)	$ (75,068)	$ (15,014)	$ (15,014)	$ -	$ -
18	2025-26	$ (79,919)	$ (79,919)	$ (15,984)	$ (15,984)	$ -	$ -
19	2026-27	$ (84,862)	$ (84,862)	$ (16,972)	$ (16,972)	$ -	$ -
20							
21	**Total Impact**						
22		High		Middle		Low	
23	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
24	2022-23	$ (103,182)	$ (103,182)	$ (20,636)	$ (20,636)	$ -	$ -
25	2023-24	$ (110,947)	$ (110,947)	$ (22,189)	$ (22,189)	$ -	$ -
26	2024-25	$ (118,817)	$ (118,817)	$ (23,763)	$ (23,763)	$ -	$ -
27	2025-26	$ (126,494)	$ (126,494)	$ (25,299)	$ (25,299)	$ -	$ -
28	2026-27	$ (134,319)	$ (134,319)	$ (26,864)	$ (26,864)	$ -	$ -

	A	E	F	G	H	I	J	R	S	T	U	V
2	**Changes to 196.173**											
3		**2018**	**2020**	**2022**			**Operation**	**2018**	**2019**	**2020**	**2021**	**2022**
4		Atlantic Resolve	Atlantic Resolve	Atlantic Resolve			Iraqi Freedom					
5		Balkins	Balkins	Balkins			New Dawn					
6		Copper Dune	Copper Dune	Copper Dune			Odyssey Dawn					
7		Enduring Freedom	~~Enduring Freedom~~	Freedom's Sentinel			Enduring Freedom					
8		Freedom's Sentinel	Freedom's Sentinel	Georgia Deployment Program			Noble Eagle					
9		Georgia Deployment Program	Georgia Deployment Program	Inherent Resolve			Spartan Shield					
10		Inherent Resolve	Inherent Resolve	Joint Guardian			Observant Compass					
11		Joint Guardian	Joint Guardian	Joint Task Bravo			Inherent Resolve					
12		Joint Task Bravo	Joint Task Bravo	Juniper Shield			Atlantic Resolve					
13		Noble Eagle	Noble Eagle	Martillo			Freedom's Sentinel					
14		Nomad Shadow	Nomad Shadow	Noble Eagle			Resolute Support					
15		Observant Compass	Observant Compass	Nomad Shadow			Joint Task Bravo					
16		Resolute Support	Resolute Support	~~Observant Compass~~			Joint Guardian					
17		Spartan Shield	Spartan Shield	Pacific Eagle			Balkins					
18		U.S. Airstrikes Al Qaeda in Somalia	U.S. Airstrikes Al Qaeda in Somalia	Resolute Support			Nomad Shadow					
19		~~New Dawn~~	Juniper Shield*	Spartan Shield			U.S. Airstrikes Al Qaeda in Somalia					
20		~~Odyssey Dawn~~	Pacific Eagle*	U.S. Airstrikes Al Qaeda in Somalia			Copper Dune					
21			Martillo*	Enduring Freedom-Horn of Africa*			Georgia Deployment Program					
22				European Reassurance Initiative (ERI)/European Dete			Juniper Shield					
23			*Additions	~~Deletions~~			Pacific Eagle					
24							Martillo					
25							Enduring Freedom-Horn of Africa*					
26							European Reassurance Initiative (ERI)/European Deterrence Intitiative (EDI)*					
27							Deployed Service Member's Homestead Exemption*	$ 81,321,387	$ 84,063,535	$ 93,725,741	$ 110,847,514	
28							% Growth	-1.77%	3.37%	11.49%	18.27%	
29							*Source: ftp://sdrftp03.dor.state.fl.us/PTO/Data_Portal/Databook					

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Determination of Tax Exemptions – Government Leaseholds
Bill Number(s): CS/HB 1387

☑ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Gregory
Month/Year Impact Begins: July 2022
Date of Analysis: February 18, 2022

Section 1: Narrative

a. Current Law:

Section 1: Subsection (6) of section 196.012, Florida Statutes, currently reads:

196.012 Definitions.—For the purpose of this chapter, the following terms are defined as follows, except where the context clearly indicates otherwise:

(6) Governmental, municipal, or public purpose or function shall be deemed to be served or performed when the lessee under any leasehold interest created in property of the United States, the state or any of its political subdivisions, or any municipality, agency, special district, authority, or other public body corporate of the state is demonstrated to perform a function or serve a governmental purpose which could properly be performed or served by an appropriate governmental unit or which is demonstrated to perform a function or serve a purpose which would otherwise be a valid subject for the allocation of public funds. For purposes of the preceding sentence, an activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as an aviation area on an airport layout plan which has been approved by the Federal Aviation Administration and which real property is used for the administration, operation, business offices and activities related specifically thereto in connection with the conduct of an aircraft full service fixed base operation which provides goods and services to the general aviation public in the promotion of air commerce shall be deemed an activity which serves a governmental, municipal, or public purpose or function. Any activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as a public airport as defined in s. 332.004(14) by municipalities, agencies, special districts, authorities, or other public bodies corporate and public bodies politic of the state, a spaceport as defined in s. 331.303, or which is located in a deepwater port identified in s. 403.021(9)(b) and owned by one of the foregoing governmental units, subject to a leasehold or other possessory interest of a nongovernmental lessee that is deemed to perform an aviation, airport, aerospace, maritime, or port purpose or operation shall be deemed an activity that serves a governmental, municipal, or public purpose. The use by a lessee, licensee, or management company of real property or a portion thereof as a convention center, visitor center, sports facility with permanent seating, concert hall, arena, stadium, park, or beach is deemed a use that serves a governmental, municipal, or public purpose or function when access to the property is open to the general public with or without a charge for admission. If property deeded to a municipality by the United States is subject to a requirement that the Federal Government, through a schedule established by the Secretary of the Interior, determine that the property is being maintained for public historic preservation, park, or recreational purposes and if those conditions are not met the property will revert back to the Federal Government, then such property shall be deemed to serve a municipal or public purpose. The term “governmental purpose” also includes a direct use of property on federal lands in connection with the Federal Government’s Space Exploration Program or spaceport activities as defined in s. 212.02(22). Real property and tangible personal property owned by the Federal Government or Space Florida and used for defense and space exploration purposes or which is put to a use in support thereof shall be deemed to perform an essential national governmental purpose and shall be exempt. “Owned by the lessee” as used in this chapter does not include personal property, buildings, or other real property improvements used for the administration, operation, business offices and activities related specifically thereto in connection with the conduct of an aircraft full service fixed based operation which provides goods and services to the general aviation public in the promotion of air commerce provided that the real property is designated as an aviation area on an airport layout plan approved by the Federal Aviation Administration. For purposes of determination of “ownership,” buildings and other real property improvements which will revert to the airport authority or other governmental unit upon expiration of the term of the lease shall be deemed “owned” by the governmental unit and not the lessee. Providing two-way telecommunications services to the public for hire by the use of a telecommunications facility, as defined in s. 364.02(14), and for which a certificate is required under chapter 364 does not constitute an exempt use for purposes of s. 196.199, unless the telecommunications services are provided by the operator of a public-use airport, as defined in s. 332.004, for the operator’s provision of telecommunications services for the airport or its tenants, concessionaires, or licensees, or unless the telecommunications services are provided by a public hospital.

Section 2: Subsection (5) of section 196.199, Florida Statutes, currently reads:

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Determination of Tax Exemptions – Government Leaseholds
Bill Number(s): CS/HB 1387

196.199 Government property exemption.—

(5) Leasehold interests in governmental property shall not be exempt pursuant to this subsection unless an application for exemption has been filed on or before March 1 with the property appraiser. The property appraiser shall review the application and make findings of fact which shall be presented to the value adjustment board at its convening, whereupon the board shall take appropriate action regarding the application. If the exemption in whole or in part is granted, or established by judicial proceeding, it shall remain valid for the duration of the lease unless the lessee changes its use, in which case the lessee shall again submit an application for exemption. The requirements set forth in s. 196.194 shall apply to all applications made under this subsection.

b. Proposed Change:

Section 1: Subsection (6) of section 196.012, Florida Statutes, is amended to read:

196.012 Definitions.—For the purpose of this chapter, the following terms are defined as follows, except where the context clearly indicates otherwise:

(6) Governmental, municipal, or public purpose or function <u>is</u> ~~shall be~~ deemed to be served or performed when the lessee under any leasehold interest created in property of the United States, the state or any of its political subdivisions, or any municipality, agency, special district, authority, or other public body corporate of the state is demonstrated to perform a function or serve a governmental purpose which could properly be performed or served by an appropriate governmental unit or which is demonstrated to perform a function or serve a purpose which would otherwise be a valid subject for the allocation of public funds. For purposes of the preceding sentence, an activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as an aviation area on an airport layout plan which has been approved by the Federal Aviation Administration and which real property is used for the administration, operation, business offices and activities related specifically thereto in connection with the conduct of an aircraft ~~full service~~ fixed base operation which provides goods and services to the general aviation public in the promotion of air commerce <u>is</u> ~~shall be~~ deemed an activity <u>that is part of the administration of the airport and</u> ~~which~~ serves <u>an essential</u> ~~a~~ governmental, municipal, or public purpose or function<u> which would otherwise be a valid subject for the allocation of public funds</u>. Any activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as a public airport as defined in s. 332.004(14) by municipalities, agencies, special districts, authorities, or other public bodies corporate and public bodies politic of the state, a spaceport as defined in s. 331.303, or which is located in a deepwater port identified in s. 403.021(9)(b) and owned by one of the foregoing governmental units, subject to a leasehold or other possessory interest of a nongovernmental lessee that is deemed to perform an aviation, airport, aerospace, maritime, or port purpose or operation <u>required for the operation of such facility is</u> ~~shall be~~ deemed an activity that <u>is part of the administration of the airport, spaceport, or deepwater port and</u> serves <u>an essential</u> ~~a~~ governmental, municipal, or public purpose <u>which would otherwise be a valid subject for the allocation of public funds</u>. The use by a lessee, licensee, or management company of real property or a portion thereof as a convention center, visitor center, sports facility with permanent seating, concert hall, arena, stadium, park, or beach is deemed a use that serves a governmental, municipal, or public purpose or function when access to the property is open to the general public with or without a charge for admission. If property deeded to a municipality by the United States is subject to a requirement that the Federal Government, through a schedule established by the Secretary of the Interior, determine that the property is being maintained for public historic preservation, park, or recreational purposes and if those conditions are not met the property will revert back to the Federal Government, then such property shall be deemed to serve a municipal or public purpose. The term "governmental purpose" also includes a direct use of property on federal lands in connection with the Federal Government's Space Exploration Program or spaceport activities as defined in s. 212.02(22). Real property and tangible personal property owned by the Federal Government or Space Florida and used for defense and space exploration purposes or which is put to a use in support thereof shall be deemed to perform an essential national governmental purpose and shall be exempt. "Owned by the lessee" as used in this chapter does not include personal property, buildings, or other real property improvements used for the administration, operation, business offices and activities related specifically thereto in connection with the conduct of an aircraft full service fixed based operation which provides goods and services to the general aviation public in the promotion of air commerce provided that the real property is designated as an aviation area on an airport layout plan approved by the Federal Aviation Administration. For purposes of determination of "ownership," buildings and other real property improvements which will revert to the airport authority or other governmental unit upon expiration of the term of the lease shall be deemed "owned" by the governmental unit and not the lessee. Providing two-way telecommunications services to the public for hire by the use of a telecommunications facility, as defined in s. 364.02(14), and for which a certificate is required under chapter 364 does not constitute an exempt

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Determination of Tax Exemptions – Government Leaseholds
Bill Number(s): CS/HB 1387

use for purposes of s. 196.199, unless the telecommunications services are provided by the operator of a public-use airport, as defined in s. 332.004, for the operator's provision of telecommunications services for the airport or its tenants, concessionaires, or licensees, or unless the telecommunications services are provided by a public hospital.

Section 2: Subsection (5) of section 196.199, Florida Statutes, currently reads:

196.199 Government property exemption.—

(5) Leasehold interests in governmental property are ~~shall~~ not ~~be~~ exempt pursuant to this subsection unless an application for exemption has been filed on or before March 1 with the property appraiser. ~~The property appraiser shall review the application and make findings of fact which shall be presented to the value adjustment board at its convening, whereupon the board shall take appropriate action regarding the application.~~ If the property appraiser or the value adjustment board grants the exemption in whole or in part ~~is granted~~, or is established by judicial proceeding, it shall remain valid for the duration of the lease, including extensions of the lease that were contemplated in the original lease, unless the lessee changes its use, in which case the lessee shall again submit an application for exemption. If the operations of the lessee do not change after the exemption is granted, the lessee shall not be required to submit any further applications for exemption for the duration of the lease, including extensions thereof that were contemplated in the original lease. The requirements set forth in s. 196.194 shall apply to all applications made under this subsection.

Section 3: This act shall take effect July 1, 2022.

Section 2: Description of Data and Sources

2021F Real Property Roll
January 2022 Ad Valorem Revenue Estimating Conference Package
Conversations with Hillsborough County Property Appraiser

Section 3: Methodology (Include Assumptions and Attach Details)

This bill would deem leasehold properties leased by airports and deepwater ports to be considered essential to the operation of the facility, and therefore governmentally exempt. To determine the impact, the 2021F Real Property Roll was used to identify parcels with DOR_UC=90: "leasehold interests (government-owned property, leased by a non-governmental lessee)" that had remaining taxable value. Using a "fuzzy match" to look for keywords "airport," "port authority," "aviation," and "port" in the owner name field on the Roll, 446 parcels were identified as relevant for the analysis.

The School and Non-School Taxable Values were summed for these 446 relevant parcels. These were multiplied by their respective 2021F Statewide Average Millage Rates to determine the 2021 tax impact. These amounts were grown forward using the Non-Residential Just Value growth rate from the most recent Ad Valorem Revenue Estimating Conference.

The high estimate assumes all 446 parcels would become completely exempt. The middle assumes 75%, and the low assumes 50%.

Section 4: Proposed Fiscal Impact

Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	$ (29.3 M)	$ (29.3 M)	$ (22.0 M)	$ (22.0 M)	$ (14.7 M)	$ (14.7 M)
2023-24	$ (30.8 M)	$ (30.8 M)	$ (23.1 M)	$ (23.1 M)	$ (15.4 M)	$ (15.4 M)
2024-25	$ (32.3 M)	$ (32.3 M)	$ (24.2 M)	$ (24.2 M)	$ (16.1 M)	$ (16.1 M)
2025-26	$ (33.8 M)	$ (33.8 M)	$ (25.3 M)	$ (25.3 M)	$ (16.9 M)	$ (16.9 M)
2026-27	$ (35.3 M)	$ (35.3 M)	$ (26.5 M)	$ (26.5 M)	$ (17.7 M)	$ (17.7 M)

List of affected Trust Funds:

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Determination of Tax Exemptions – Government Leaseholds
Bill Number(s): CS/HB 1387

Section 5: Consensus Estimate (Adopted: 02/18/2022) The Conference adopted the high estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(8.3)	(8.3)	(13.7)	(13.7)	(22.0)	(22.0)
2023-24	(8.7)	(8.7)	(14.4)	(14.4)	(23.1)	(23.1)
2024-25	(9.1)	(9.1)	(15.1)	(15.1)	(24.2)	(24.2)
2025-26	(9.6)	(9.6)	(15.8)	(15.8)	(25.3)	(25.3)
2026-27	(10.0)	(10.0)	(16.5)	(16.5)	(26.5)	(26.5)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	0.0	0.0	0.0	(22.0)	(22.0)	(22.0)	(22.0)
2023-24	0.0	0.0	0.0	0.0	(23.1)	(23.1)	(23.1)	(23.1)
2024-25	0.0	0.0	0.0	0.0	(24.2)	(24.2)	(24.2)	(24.2)
2025-26	0.0	0.0	0.0	0.0	(25.3)	(25.3)	(25.3)	(25.3)
2026-27	0.0	0.0	0.0	0.0	(26.5)	(26.5)	(26.5)	(26.5)

CS/HB 1387 Determination of Tax Exemptions - Ports
Relevant Parcels by County

	A	B	C	D	E
1	**CO_NO**	**County**	**N**	**TV_SD**	**TV_NSD**
2	13	Bay	53	$ 30,102,689	$ 26,181,200
3	18	Charlotte	5	$ 1,171,642	$ 1,171,642
4	27	Escambia	4	$ 12,366,206	$ 12,366,206
5	38	Highlands	46	$ 56,245,586	$ 56,125,448
6	39	Hillsborough	132	$ 1,245,631,262	$ 1,233,798,486
7	41	Inidian River	6	$ 6,376,140	$ 6,295,956
8	46	Lee	4	$ 4,216,210	$ 2,690,843
9	51	Manatee	30	$ 14,133,005	$ 13,960,074
10	52	Marion	3	$ 916,989	$ 916,989
11	58	Orange	154	$ 295,048,135	$ 249,083,616
12	60	Palm Beach	1	$ 1,171,828	$ 1,171,828
13	65	Saint Johns	7	$ 4,964,541	$ 4,964,541
14	68	Sarasota	1	$ 150,300	$ 147,741
15					
16	SUM		446	$ 1,672,494,533	$ 1,608,874,570

CS/HB 1387 Determination of Tax Exemptions - Ports
Relevant Parcels by County

	A	B	C	D
1	**OWN_NAME**	**N**	**TV_SD**	**TV_NSD**
2	Airport Dr Station Inc (Less)	1	$ 400,752	$ 400,752
3	Alh Aviation Llc	1	$ 384,368	$ 384,368
4	Charlotte County Airport Auth	5	$ 1,171,642	$ 1,171,642
5	City Of Orlando/Goaa	154	$ 295,048,135	$ 249,083,616
6	Continental Jet Aviation Inc (	1	$ 672,229	$ 672,229
7	Flying Seas Aviation Llc	1	$ 444,622	$ 444,622
8	Ft Myers Airport Plaza Llc	1	$ 3,132,881	$ 1,607,514
9	Hillsborough County Aviation A	67	$ 1,001,279,978	$ 993,634,212
10	Jp Aviation Investments Llc (L	1	$ 1,921,046	$ 1,921,046
11	Kaiser Aviation Llc	1	$ 254,339	$ 254,339
12	Little Eagle Aviation Llc	1	$ 201,796	$ 201,796
13	Manatee County Port Authority	1	$ 21,000	$ 21,000
14	Panama City Port Authority	16	$ 21,403,060	$ 17,481,571
15	Panama City-Bay Co Airport	37	$ 8,699,629	$ 8,699,629
16	Pensacola Airport City Of	3	$ 12,360,573	$ 12,360,573
17	Pensacola City Of Airport Prop	1	$ 5,633	$ 5,633
18	Port Authority Manatee County	16	$ 9,220,951	$ 9,218,588
19	Pratt Aviation Inc	1	$ 355,750	$ 355,750
20	Premier Aviation Of Boca Raton	1	$ 1,171,828	$ 1,171,828
21	Sarasota Manatee Airport Auth	4	$ 538,890	$ 538,890
22	Sarasota Manatee Airport Autho	5	$ 1,567,486	$ 1,564,927
23	Sarasota-Manatee Airport	2	$ 616,565	$ 550,794
24	Sarasota-Manatee Airport Autho	3	$ 2,318,413	$ 2,213,616
25	Sebring Airport Authority	46	$ 56,245,586	$ 56,125,448
26	St Aug-St Johns Co Airport Aut	7	$ 4,964,541	$ 4,964,541
27	Stavola Aviation Inc	1	$ 359,443	$ 359,443
28	Tampa Port Authority	65	$ 244,351,284	$ 240,164,274
29	Vero Airport Business Center L	2	$ 1,322,027	$ 1,241,843
30	Vero Airport Trade Center (Les	1	$ 2,060,086	$ 2,060,086
31				
32	SUM	446	$ 1,672,494,533	$ 1,608,874,570

CS/HB 1387 Determination of Tax Exemptions - Ports
Relevant Parcels by County

	A	B	C	D
1				
2	**Port-Related Parcels with Remaining Taxable Value**			
3	2021	Count	TV_SD	TV_NSD
4	Relevant Parcels	446	$ 1,672,494,533	$ 1,608,874,570
5	*Source: 2021F NAL Roll*			
6				
7	**Non Residential Just Value Growth Rates**			
8			Value	% Change
9		2021	$ 860,221	
10		2022	$ 908,110	5.57%
11		2023	$ 951,886	4.82%
12		2024	$ 998,823	4.93%
13		2025	$ 1,045,707	4.69%
14		2026	$ 1,092,495	4.47%
15		2027	$ 1,140,076	4.36%
16	*Source: Jan 2022 AV REC*			
17				
18	**2021F Statewide Millage Rates**			
19		School	6.2699	
20		Non School	10.7585	
21				
22	**Estimated Impact**			
23			TV_SD	TV_NSD
24		2021	$ (10,486,373)	$ (17,309,077)
25		2022	$ (11,070,156)	$ (18,272,683)
26		2023	$ (11,603,800)	$ (19,153,529)
27		2024	$ (12,175,977)	$ (20,097,980)
28		2025	$ (12,747,508)	$ (21,041,364)
29		2026	$ (13,317,869)	$ (21,982,816)
30		2027	$ (13,897,897)	$ (22,940,225)
31				
32	**Levers**			
33		High	Middle	Low
34		100%	75%	50%
35				

	A	B	C	D
36				
37	**School Impact**			
38		High	Middle	Low
39	2022-23	$ (11,070,156)	$ (8,302,617)	$ (5,535,078)
40	2023-24	$ (11,603,800)	$ (8,702,850)	$ (5,801,900)
41	2024-25	$ (12,175,977)	$ (9,131,983)	$ (6,087,988)
42	2025-26	$ (12,747,508)	$ (9,560,631)	$ (6,373,754)
43	2026-27	$ (13,317,869)	$ (9,988,402)	$ (6,658,934)
44				
45	**Non-School Impact**			
46		High	Middle	Low
47	2022-23	$ (18,272,683)	$ (13,704,513)	$ (9,136,342)
48	2023-24	$ (19,153,529)	$ (14,365,147)	$ (9,576,765)
49	2024-25	$ (20,097,980)	$ (15,073,485)	$ (10,048,990)
50	2025-26	$ (21,041,364)	$ (15,781,023)	$ (10,520,682)
51	2026-27	$ (21,982,816)	$ (16,487,112)	$ (10,991,408)
52				
53	**Total Impact**			
54		High	Middle	Low
55	2022-23	$ (29,342,839)	$ (22,007,129)	$ (14,671,420)
56	2023-24	$ (30,757,329)	$ (23,067,997)	$ (15,378,664)
57	2024-25	$ (32,273,957)	$ (24,205,468)	$ (16,136,978)
58	2025-26	$ (33,788,872)	$ (25,341,654)	$ (16,894,436)
59	2026-27	$ (35,300,685)	$ (26,475,514)	$ (17,650,343)

CS/HB 1387 Determination of Tax Exemptions - Ports
Relevant Parcels by County

	A	B	C	D	E	F	G	H
1								
2	**School Impact**							
3		High		Middle		Low		
4	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring	
5	2022-23	$ (11.1 M)	$ (11.1 M)	$ (8.3 M)	$ (8.3 M)	$ (5.5 M)	$ (5.5 M)	
6	2023-24	$ (11.6 M)	$ (11.6 M)	$ (8.7 M)	$ (8.7 M)	$ (5.8 M)	$ (5.8 M)	
7	2024-25	$ (12.2 M)	$ (12.2 M)	$ (9.1 M)	$ (9.1 M)	$ (6.1 M)	$ (6.1 M)	
8	2025-26	$ (12.7 M)	$ (12.7 M)	$ (9.6 M)	$ (9.6 M)	$ (6.4 M)	$ (6.4 M)	
9	2026-27	$ (13.3 M)	$ (13.3 M)	$ (10.0 M)	$ (10.0 M)	$ (6.7 M)	$ (6.7 M)	
10								
11	**Non-School Impact**							
12		High		Middle		Low		
13	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring	
14	2022-23	$ (18.3 M)	$ (18.3 M)	$ (13.7 M)	$ (13.7 M)	$ (9.1 M)	$ (9.1 M)	
15	2023-24	$ (19.2 M)	$ (19.2 M)	$ (14.4 M)	$ (14.4 M)	$ (9.6 M)	$ (9.6 M)	
16	2024-25	$ (20.1 M)	$ (20.1 M)	$ (15.1 M)	$ (15.1 M)	$ (10.0 M)	$ (10.0 M)	
17	2025-26	$ (21.0 M)	$ (21.0 M)	$ (15.8 M)	$ (15.8 M)	$ (10.5 M)	$ (10.5 M)	
18	2026-27	$ (22.0 M)	$ (22.0 M)	$ (16.5 M)	$ (16.5 M)	$ (11.0 M)	$ (11.0 M)	
19								
20	**Total Impact**							
21		High		Middle		Low		
22	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring	
23	2022-23	$ (29.3 M)	$ (29.3 M)	$ (22.0 M)	$ (22.0 M)	$ (14.7 M)	$ (14.7 M)	
24	2023-24	$ (30.8 M)	$ (30.8 M)	$ (23.1 M)	$ (23.1 M)	$ (15.4 M)	$ (15.4 M)	
25	2024-25	$ (32.3 M)	$ (32.3 M)	$ (24.2 M)	$ (24.2 M)	$ (16.1 M)	$ (16.1 M)	
26	2025-26	$ (33.8 M)	$ (33.8 M)	$ (25.3 M)	$ (25.3 M)	$ (16.9 M)	$ (16.9 M)	
27	2026-27	$ (35.3 M)	$ (35.3 M)	$ (26.5 M)	$ (26.5 M)	$ (17.7 M)	$ (17.7 M)	

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Homestead Exemption Application to Classified Use
Bill Number(s): Proposed Language

☑ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): N/A
Month/Year Impact Begins: January 2023
Date of Analysis: February 18, 2022

Section 1: Narrative

a. **Current Law**: Section 196.031 details the first and second homestead exemptions. The first exempts the **assessed valuation** of up to $25,000 for all levies on the residence and contiguous real property. The second is an additional exemption up to $25,000 on the **assessed valuation** greater than $50,000 for all non-school levies.

b. **Proposed Change**: Section 196.031 is amended to add the following paragraph:

"(5) For the purpose of applying the exemptions in this section, the real property includes portions of the real property and contiguous real property assessed solely on the basis of character or use pursuant to s. 193.461 or s. 193.501, or assessed pursuant to s. 193.505."

The referenced statutes regard assessing land that is agricultural, for conservation purposes, or historically significant.

Section 2: Description of Data and Sources

2021 Millage and Taxes Levied Report, 2021 Final Data Book published by Property Tax Oversight
2021 Final Real Property Assessment Rolls, NAL data
Results of the January 6, 2022 Ad Valorem Revenue Estimating Conference

Section 3: Methodology (Include Assumptions and Attach Details)

Property appraisers use different approaches in determining the first and second homestead exemptions. The most common are to use the assessed value of the homestead (av_hmstd) or to use the full assessed value (av_nsd). There are also assessed value variables in the real property roll for agriculture (av_class_use), conservation land (av_consrv_lnd), and historical significance (av_hist_signf). For property appraisers considering an assessed valuation today that is less than av_hmstd+av_class_use+av_consrv_lnd+av_hist_signf (av_min_bill), it is unknown if they will switch to av_min_bill or to the other common method of using av_nsd. The impact considers those two possibilities.

All parcels are identified that have a positive just value homestead amount, a total of 4,826,974 parcels. Parcels where currently av_nsd=av_hmtd would not be impacted by this bill and are thus dropped, leaving 140,007. Parcels with no taxable value are also dropped, leaving 138,443 parcels. Of them, there are zero with historical significance, 120 with conservation land, and 47,218 with agricultural land. There were 3 with both conservation land and agricultural land.

For each parcel, a current law exemption 1 and exemption 2 amount are estimated using av_hmstd. Parcels where the roll value equals that estimate are flagged as zero. If the roll value is greater than the estimate, they are flagged as two. If the roll value is less than the estimate, they are flagged as one. Parcels flagged as one often represent contiguous homestead parcels of the same homesteaded owner and the entire/remaining exemption amount is applied on the other parcel.

For each parcel, exemption 1 and 2 are estimated under the bill using both the av_min_bill discussed above and the av_nsd method. If the estimated exemption is lower than the exemption value on the roll, the roll value is used. The taxable value impact is either the estimated exemption under the bill minus the roll exemption, or, if that impact is greater than the remaining taxable value of the property, the remaining taxable value.

Assessed values and taxable values are grown out over the forecast horizon for each parcel, exemption amounts are estimated for current law and the bill, and impacts are evaluated for each year. The impact is the exemption amount under the bill minus the exemption amount under current law for each year. The high estimate uses the higher methodology of using av_nsd and includes all of the flags discussed above in the third paragraph. The middle uses the av_min_bill methodology and excludes those parcels with a one flag. The low uses the same methodology as the middle, but additionally excludes the two flag. The 2021 millage rates are applied to the impact on taxable value for each year to produce the impact on revenues.

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Homestead Exemption Application to Classified Use
Bill Number(s): Proposed Language

This methodology does not account for new parcels that may come on to the roll that are homesteads and would be assessed such that their av_nsd is not equal to their av_hmstd. Of the current roll, it is 2.9% of the homesteads, and of them, less than 4% were built in the most recent 5 years. Assumptions would have to be made regarding how many new parcels meet the criteria each year, what their values would be for each category of assessed value, and how their property appraiser would currently calculate their exemptions. The maximum impact of a single parcel (that is, receiving zero exemption 1 and 2 today but the full $25,000 in both exemptions under the bill, a difficult scenario) is $(694.67). The effective impact per parcel of the high/middle/low recurring estimate are $(65.20), $(1.58), and $(1.52). By those values it would require 767/31,585/32,845 new parcels per year in the high/middle/low before the impact would be significant (impact>$50,000).

The bill does not go into effect until January 1, 2023, thus there is no cash impact to Fiscal Year 2022-23. The recurring is the calculation for Fiscal Year 2027-28 for all years. The middle is excluded in the table below because, once rounded, it appears identical to the low.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	$0	$(9.0 M)			$0	$(0.2 M)
2023-24	$(9.3 M)	$(9.0 M)			$(0.2 M)	$(0.2 M)
2024-25	$(9.2 M)	$(9.0 M)			$(0.2 M)	$(0.2 M)
2025-26	$(9.2 M)	$(9.0 M)			$(0.2 M)	$(0.2 M)
2026-27	$(9.1 M)	$(9.0 M)			$(0.2 M)	$(0.2 M)

List of affected Trust Funds: Ad Valorem

Section 5: Consensus Estimate (Adopted: 02/28/2022) The Conference adopted the low estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	(0.0)	0.0	(0.2)	0.0	(0.2)
2023-24	(0.0)	(0.0)	(0.2)	(0.2)	(0.2)	(0.2)
2024-25	(0.0)	(0.0)	(0.2)	(0.2)	(0.2)	(0.2)
2025-26	(0.0)	(0.0)	(0.2)	(0.2)	(0.2)	(0.2)
2026-27	(0.0)	(0.0)	(0.2)	(0.2)	(0.2)	(0.2)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	0.0	0.0	0.0	0.0	(0.2)	0.0	(0.2)
2023-24	0.0	0.0	0.0	0.0	(0.2)	(0.2)	(0.2)	(0.2)
2024-25	0.0	0.0	0.0	0.0	(0.2)	(0.2)	(0.2)	(0.2)
2025-26	0.0	0.0	0.0	0.0	(0.2)	(0.2)	(0.2)	(0.2)
2026-27	0.0	0.0	0.0	0.0	(0.2)	(0.2)	(0.2)	(0.2)

	A	B	C	D	E	F	G
1	**21-22 School Millage**	6.27					
2	**21-22 Non-School Millage**	10.76					
3							
4	**Growth Rates**	**SOH**					
5	2022	3.00%					
6	2023	2.02%					
7	2024	2.22%					
8	2025	2.04%					
9	2026	2.15%					
10	2027	2.26%					
11							
12	**Example - Exemption 1 - Roll Data**						**Calculation**
13	**Flag Ex1**	**Meaning**	**av_nsd**	**av_hmstd**	**av_class_use**	**exmpt_01**	**Expected exmpt_01**
14	**0**	Roll Ex1 = Expected Ex1	$ 23,566	$ 3,225	$ 6,200	$ 3,225	$ 3,225
15	**1**	Roll Ex1 < Expected Ex1	$ 267,800	$ 130,600	$ -	$ 12,500	$ 25,000
16	**2**	Roll Ex1 > Expected Ex1	$ 41,635	$ 8,647	$ 15,434	$ 13,740	$ 8,647
17							
18	**Example - Exemption 1 - Calcuations based on Bill/Current Law**						
19	**Flag Ex1**	**Meaning**	**Min exmpt_01**	**Max exmpt_01**	**Min Impact**	**Max Impact**	
20	**0**	Expected Ex1=Roll Ex1	$ 9,425	$ 23,566	$ 6,200	$ 20,341	
21	**1**	Expected Ex1>Roll Ex1	$ 25,000	$ 25,000	$ 12,500	$ 12,500	
22	**2**	Expected Ex1<Roll Ex1	$ 24,081	$ 25,000	$ 10,341	$ 11,260	
23							
24	**2022 Data**	**Count**		**Exemption 1 Impact**		**Exemption 2 Impact**	
25	Flag	**flag1**	**flag2**	**av_min**	**av_nsd**	**av_min**	**av_nsd**
26	0	136,336	132,905	$ 2,602,023	$ 87,424,561	$ 16,054,340	$ 689,292,630
27	1	900	878	$ 13,355,109	$ 15,511,343	$ 12,293,453	$ 13,679,738
28	2	1,207	4,660	$ 442,437	$ 1,699,784	$ 97,546	$ 2,797,484
29							
30	**Flag 0 is Always Included**	**High**	**Middle**	**Low**			
31	**Use full av_nsd?**	1	0	0			
33	**Include flag=1**	1	0	0			
34	**include flag=2**	1	1	0			
35							
36		**Exemption 1**			**Exemption 2**		
37	**Bill minus Roll**	**High**	**Middle**	**Low**	**High**	**Middle**	**Low**
38	2022	$ 104,635,688	$ 3,044,461	$ 2,602,023	$ 705,769,852	$ 16,151,886	$ 16,054,340
39	2023	$ 101,608,767	$ 2,962,726	$ 2,522,218	$ 704,094,107	$ 16,164,429	$ 16,066,552
40	2024	$ 98,387,398	$ 2,877,981	$ 2,438,877	$ 702,276,611	$ 16,170,345	$ 16,072,033
41	2025	$ 95,523,314	$ 2,805,362	$ 2,366,787	$ 700,623,497	$ 16,173,179	$ 16,076,423
42	2026	$ 92,602,255	$ 2,729,228	$ 2,292,922	$ 698,902,343	$ 16,175,216	$ 16,079,258
43	2027	$ 89,638,413	$ 2,650,850	$ 2,216,987	$ 697,099,324	$ 16,174,832	$ 16,080,390

	A	B	C	D	E	F	G
44							
45	**Impact on School**						
46		High		Middle		Low	
47		Cash	Recurring	Cash	Recurring	Cash	Recurring
48	2022-23	$0	$(0.56 M)	$0	$(0.02 M)	$0	$(0.01 M)
49	2023-24	$(0.64 M)	$(0.56 M)	$(0.02 M)	$(0.02 M)	$(0.02 M)	$(0.01 M)
50	2024-25	$(0.62 M)	$(0.56 M)	$(0.02 M)	$(0.02 M)	$(0.02 M)	$(0.01 M)
51	2025-26	$(0.60 M)	$(0.56 M)	$(0.02 M)	$(0.02 M)	$(0.01 M)	$(0.01 M)
52	2026-27	$(0.58 M)	$(0.56 M)	$(0.02 M)	$(0.02 M)	$(0.01 M)	$(0.01 M)
53							
54	**Impact on Non-School**						
55		High		Middle		Low	
56		Cash	Recurring	Cash	Recurring	Cash	Recurring
57	2022-23	$0	$(8.46 M)	$0	$(0.20 M)	$0	$(0.20 M)
58	2023-24	$(8.67 M)	$(8.46 M)	$(0.21 M)	$(0.20 M)	$(0.20 M)	$(0.20 M)
59	2024-25	$(8.61 M)	$(8.46 M)	$(0.20 M)	$(0.20 M)	$(0.20 M)	$(0.20 M)
60	2025-26	$(8.57 M)	$(8.46 M)	$(0.20 M)	$(0.20 M)	$(0.20 M)	$(0.20 M)
61	2026-27	$(8.52 M)	$(8.46 M)	$(0.20 M)	$(0.20 M)	$(0.20 M)	$(0.20 M)
62							
63	**Total Impact**						
64		High		Middle		Low	
65		Cash	Recurring	Cash	Recurring	Cash	Recurring
66	2022-23	$0	$(9.03 M)	$0	$(0.22 M)	$0	$(0.21 M)
67	2023-24	$(9.31 M)	$(9.03 M)	$(0.22 M)	$(0.22 M)	$(0.22 M)	$(0.21 M)
68	2024-25	$(9.23 M)	$(9.03 M)	$(0.22 M)	$(0.22 M)	$(0.21 M)	$(0.21 M)
69	2025-26	$(9.16 M)	$(9.03 M)	$(0.22 M)	$(0.22 M)	$(0.21 M)	$(0.21 M)
70	2026-27	$(9.10 M)	$(9.03 M)	$(0.22 M)	$(0.22 M)	$(0.21 M)	$(0.21 M)

REVENUE ESTIMATING CONFERENCE

Tax: Corporate Income tax
Issue: Car Rental or Leasing Credit
Bill Number(s): Proposed Language

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s):
Month/Year Impact Begins: Upon Becoming Law
Date of Analysis: 2/18/2022

Section 1: Narrative

a. Current Law: Current law does not provide for a credit for certain entities that engaged in 1031 exchange credits.

b. Proposed Change: creates section 220.197, Florida statutes, to read:

220.197 1031 exchange tax credit.—

(1) As used in this section, the term "NAICS" means those classifications contained in the North American Industry Classification System, as published in 2007 by the Office of Management and Budget, Executive Office of the President.

(2) A taxpayer is eligible for a $5 million credit against the tax imposed by this chapter for its 2018 taxable year if:

(a) The taxpayer is classified under NAICS industry group code 53211;

(b) The taxpayer deferred gains on the sale of personal property assets for federal income purposes under s. 1031 of the Internal Revenue Code during its taxable year beginning on or after August 1, 2016, and before August 1, 2017; and

(c) The taxpayer's final tax liability for its taxable year beginning on or after August 1, 2017, and before August 1, 2018, before application of the credit authorized by this section, is greater than $15 million and is at least 700 percent greater than its final tax liability for its taxable year beginning on or after August 1, 2016, and before August 1, 2017.

(3) This section operates retroactively to January 1, 2018.

Section 2: Description of Data and Sources

2018 CIT returns
Corporate Income tax additional information reporting

Section 3: Methodology (Include Assumptions and Attach Details)

CIT return information available with respect to the specified period in the bill of entities with a taxable year beginning on or after August 1, 2017, and before August 1, 2018 were obtained. This data was then merged with the additional reporting information required under section 220.27 to pick up NAICS code information that was required by that section. The file was sorted to identify those taxpayers that had more than $15 M in tax due. This group of taxpayers was examined to see if they met the NAICS code criteria and their most two recent tax returns were examined to see if they met either of the tests specified in statute.

Two taxpayers that would be considered in this industry met the over $15 million tax and percent increase test. One of which appeared to be in the proper NAICS codes to receive the credit. For the low, it was assumed only the one entity would qualify. For the middle, it was assumed that two entities would qualify. For the high, it was assumed that four entities would qualify.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	($20.0 M)		($10.0 M)		($5.0 M)	
2023-24						
2024-25						
2025-26						
2026-27						

List of affected Trust Funds: General Revenue Trust Fund

REVENUE ESTIMATING CONFERENCE

Tax: Corporate Income tax
Issue: Car Rental or Leasing Credit
Bill Number(s): Proposed Language

Section 5: Consensus Estimate (Adopted: 02/18/2022) The Conference adopted the middle estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(10.0)	0.0	0.0	0.0	0.0	0.0	(10.0)	0.0
2023-24	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2024-25	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE ESTIMATING CONFERENCE

Tax: Corporate Income Tax and Insurance Premium Tax
Issue: Florida Main Street Historic Preservation Tax Credits
Bill Number(s): CS/SB 1310

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Senator Rodriguez
Month/Year Impact Begins: Tax Year Beginning January 1, 2023
Date of Analysis: February 10, 2022

Section 1: Narrative

a. Current Law:

National Historic Register of Historic Places[1]

The National Historic Register of Historic Places, under the National Park Service, is "part of a national program to coordinate and support public and private efforts to identify, evaluate, and protect America's historic and archeological resources." The program reviews property nominations and lists eligible properties in the National Register; offers guidance on evaluating, documenting, and listing historic places, and helps qualified historic properties receive preservation benefits and incentives.

Properties listed in the National Register are eligible for federal historic preservation tax credits. A 20 percent income tax credit is available for the rehabilitation of historic, income-producing buildings that are determined by the Secretary of the Interior, through the National Park Service, to be certified historic structures. The National Park Service reports that each year, they approve "approximately 1200 projects, leveraging nearly $6 billion annually in private investment in the rehabilitation of historic buildings across the country." [2]

State Historic Preservation Officers maintain records of buildings listed in the National Register of Historic Places, as well as State and local districts that may qualify as registered historic districts. In Florida, there are more than 1,700 properties and districts listed on the National Register.[3] Nominations for properties in Florida are submitted to the National Park Service through the Florida Department of State's Division of Historical Resources, following review and recommendation by the Florida National Register Review Board.[4] There are 742 records of Florida projects having made applications for federal tax credits since 1995. The cumulative total of "Qualified Rehabilitation Expenses" – the value of items that can be written off by developers on their federal tax bill – for Florida projects over the most recent 5-year period (FY 2016-2020) is $73.6 million, resulting in $14.2 million in federal tax credits.[5]

An average of 20-25 nationally registered Florida property and district listings are added annually to Register. Most of the projects are large commercial developments.[6]

Florida Initiatives

Currently, Florida does not offer a similar program offering state tax credits to offset the costs of rehabilitating historic properties. However, federal tax credits – both historic preservation and New Markets Tax Credits – have been claimed for with projects funded through the now expired Florida New Markets Development Program. This "stacking" of credits enabled both Florida and Federal tax credits to be generated from the same Florida-based project, thereby increasing the incentives available to the funded projects.

The Historic Preservation Grant Program administered by the Division of Historical Resources in Florida Department of State offers grants for the preservation and protection of the state's historic and archaeological sites and properties. However, property owned by private individuals or for-profit corporations are ineligible for such grants.[7]

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[1] Senate Committee on Commerce and Tourism Staff Analysis for SB 1310, 1-14-22, @ 2022 S0131 CM (flsenate.gov)
[2] Tax Incentives—Technical Preservation Services, National Park Service (nps.gov) & about-tax-incentives-2012.pdf (nps.gov)
[3] National Register of Historic Places - Division of Historical Resources - Florida Department of State (myflorida.com) Districts contain multiple properties. While there are over 50,000 Florida properties in the Registry, most are residential and unlikely qualify for the federal tax credit, as they are not income producing properties.
[4] *Ibid.*
[5] Federal Tax Incentives for Rehabilitating Historic Buildings Annual Report for Fiscal Year 2020 (nps.gov)
[6] Bureau of Historic Preservation, Division of Historical Resources, Florida Department of State
[7] Section 267.0617(2), F.S.

Community Redevelopment Agencies

Part III of Chapter 163, F.S. authorizes counties and municipalities to create a community redevelopment agency (CRA), a dependent special district, to carry out redevelopment of designated slum or blighted areas. Funding for CRAs is generated through tax increment financing (TIF): the taxable value of property within the area is fixed at a certain date, and the annual increment increase in tax revenue to the county and municipality from the redevelopment area is deposited in a trust fund. These diverted property tax revenues are used to fund initiatives by the CRA, through grants and property tax refunds. Redevelopment may also be financed by revenue bonds issued by the county or municipality on behalf of the CRA.

CRA funds are used to pay administrative expenses related to redevelopment efforts; to acquire property; to pay for improvements to public infrastructure; for the development of affordable housing and community policing innovations; and to subsidize festivals and other community entertainment events. CRA funds have also been used to subsidize real-estate projects – retail, restaurants, hotel, residential, social service providers, etc.

Currently, there are 221 active CRAs in Florida.[8]

Main Street America[9]

Main Street America, a program under the National Main Street Center, is a network of grassroots organizations that "revitalizes older and historic commercial districts to build vibrant neighborhoods and thriving economies." The program offers community-based revitalization initiatives to transform downtowns. In order to be designated as either an affiliate or accredited member of Main Street America, a community must first become a member of the National Main Street Center and meet certain requirements. Main Street America has coordinating programs that are organized at the state, county, and city level that partner with the National Main Street Center to provide support and training to Main Street America communities.

Florida has two coordinating programs: Florida Main Street America located in Tallahassee and Orlando Main Street located in Orlando. Florida Main Street is administered by the Division of Historical Resources. Forty-five Florida Main Streets and 10 Orlando Main Streets have received technical assistance toward the goal of revitalizing historic downtowns and encouraging economic development.

b. Proposed Change:

CS/SB 1310 creates the Main Street Historic Tourism and Revitalization Act (Act), which provides a tax credit against Florida corporate income taxes and insurance premium taxes for qualified expenses incurred in the rehabilitation of a certified historic structure.

The tax credit may not exceed the amount of tax due after any other applicable tax credits and 20 percent of qualified expenses incurred in the rehabilitation of an income-producing, certified historic structure that has been approved by the National Park Service to receive the federal historic rehabilitation tax credit.[10] The credit is increased to 30 percent if a structure is located within an active Florida Main Street Program or the Orlando Main Streets program, provided that such program is a current member of Main Street America and meets accreditation standards.

To qualify for the credit, the applicant must document that:

- The rehabilitation is a certified rehabilitation;
- The structure is a certified historic structure, is income-producing, is located within the state, and was rehabilitated and placed into service on or after July 1, 2022;

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[8] Official List of Special Districts - FloridaJobs.org and https://redevelopment.net

[9] Senate Committee on Commerce and Tourism Staff Analysis for SB 1310, 1-14-22, 2022 S0131 CM (flsenate.gov) & Florida Main Street - Division of Historical Resources - Florida Department of State (myflorida.com)

[10] Paragraph 220.197(4)(b) of the bill conditions claiming of credits on submission of NPS Form 10-168c, signed by the National Park Service attesting that the completed rehabilitation meets the "Standards for Rehabilitation." This signed form qualifies the applicant for federal tax credits.

REVENUE ESTIMATING CONFERENCE

Tax: Corporate Income Tax and Insurance Premium Tax
Issue: Florida Main Street Historic Preservation Tax Credits
Bill Number(s): CS/SB 1310

- The taxpayer had an ownership interest in the certified historic structure in the year during which the certified historic structure was placed into service after the certified rehabilitation was complete; and
- The total amount of qualified expenses incurred in rehabilitating the certified historic structure exceeded $5,000.

Unused credits may be carried forward for a period up to 5 years. Unused credits may also be transferred or sold to other taxpayers, without limit.

The bill does not impose a cap on the amount of tax credits to be claimed, nor does it include a sunset date on tax credit eligibility. The tax credit is available beginning on or after January 1, 2023.

Section 2: Description of Data and Sources

National Park Service
Novoco.com
Dept. of State - Bureau of Historic Preservation
EDR Annual Incentives Reports

Section 3: Methodology (Include Assumptions and Attach Details)

The analysis reviewed ten years of annual reports available on the National Park Service's website. The reports list each state's final QRE and number of approved projects. These totals were compared to the state's cap limits (data available on novoco.com). States were grouped together by total state cap limitations by year (some states had multi-year caps; the per year cap was determined by calculating the total divided by the number of years). The comparison implies a correlation with increased state cap limits and increased QRE (based on their application for a federal credit). The no cap states average QRE is not the highest average but removing the lowest five states in the "no cap" category drives the average up to the highest average. Though Florida would be a "no cap" state, the proposed impact estimates that Florida will eventually average to be similar to high capped and states with no cap.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	$0.0	($48.7)	$0.0	($44.5)	$0.0	($40.2)
2023-24	($48.7)	($48.7)	($44.4)	($44.4)	($40.1)	($40.1)
2024-25	($48.7)	($48.7)	($45.1)	($45.1)	($41.4)	($41.4)
2025-26	($48.7)	($48.7)	($45.7)	($45.7)	($42.7)	($42.7)
2026-27	($48.7)	($48.7)	($46.2)	($46.2)	($43.7)	($43.7)

List of affected Trust Funds: Corporate Income and Insurance Premium Tax

Section 5: Consensus Estimate (Adopted: 02/18/2022) The Conference adopted the low estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	(40.2)	0.0	0.0	0.0	0.0	0.0	(40.2)
2023-24	(40.1)	(40.1)	0.0	0.0	0.0	0.0	(40.1)	(40.1)
2024-25	(41.4)	(41.4)	0.0	0.0	0.0	0.0	(41.4)	(41.4)
2025-26	(42.7)	(42.7)	0.0	0.0	0.0	0.0	(42.7)	(42.7)
2026-27	(43.7)	(43.7)	0.0	0.0	0.0	0.0	(43.7)	(43.7)

Average QRE per project (last 5 years)

States with No Cap

State	# of historic sites	State incentives	5 yr QRE avg/project
Utah	1889	20%, against income tax, at least $10,000 QRE, must be reside	$ 1,610,697.12
Kansas	1569	No cap, 25%	$ 3,282,122.55
Virginia	3312	$5m transaction cap, 25%	$ 3,347,434.83
Maryland	1589	$3m transaction	$ 3,434,666.11
Maine	1668	$5m per project, 25% spread over 4 years, no state cap	$ 4,579,989.27
North Carolina	3086	$4.5m per project, 15-25%, went into effect 1/1/2016	$ 5,181,990.27
Oklahoma	1395	No cap, 20%	$ 5,409,866.77
South Carolina	1627	$1m per building, 10%	$ 5,612,095.68
Wisconsin	2559	$3.5m per project	$ 6,930,724.18
New York	6322	$5m per project, 20%	$ 10,267,978.16
Minnesota	1764	no cap, match federal credit	$ 11,578,928.52
Texas	3444	no cap, 25%, passed HTC 2013	$ 14,889,354.10

States with Cap Greater than $50m

State	# of historic sites	State incentives	5 yr QRE avg/project
Louisiana	1493	$125m, $5m transaction, 25%	$ 2,878,992.24
Missouri	2424	$90m state cap, 25%	$ 4,660,075.94
Ohio	4138	$60m state cap, $5m state cap, 25%, credit appropriated each	$ 6,157,380.95
Massachusetts	4440	$55m state cap, 25%	$ 7,453,630.87

States with Cap Less Than $50m

State	# of historic sites	State incentives	5 yr QRE avg/project
Vermont	888	$2.4m state cap, 10-50%	$ 1,115,239.44
Mississippi	1498	$12m state cap, 25%	$ 1,695,029.20
Hawaii	371	$1m	$ 1,908,852.25
Arkansas	2792	$4m in 2021, then $8m, 25%	$ 2,200,235.70
West Virginia	1085	$30m state cap, $10m transaction cap, 25%	$ 2,472,943.89
Georgia	2194	$25m, $5m, 25%	$ 2,561,625.54
Montana	1239	no state cap	$ 2,574,382.60
Kentucky	3484	$5m state, 400k transaction	$ 2,701,169.72
Colorado	1610	$10m state cap, $1m transaction, 25-30%	$ 3,368,931.78
Nebraska	1148	$15m state cap, $1m transaction cap, 20%	$ 4,328,146.27
Indiana	2053	$250,000 annual cap	$ 4,415,569.69
Delaware	719	$8m state, 20%	$ 4,515,922.73
Alabama	1343	$20m state cap 2017-2027, 25%	$ 4,518,729.24
Iowa	2447	$45m, 25%	$ 5,414,625.83
Pennsylvania	3533	$5m state cap, $500,000 transaction, 25-30%	$ 7,649,150.62
Michigan	1982	$5m state cap, $2m per taxpayer, 25%	$ 8,818,390.48
Connecticut	1651	$31.7m state, $4.5m transaction	$ 11,466,366.01
Illinois	1933	rivers edge program ended 1/2018, runs 1/2019 thru 12/2023,	$ 21,958,516.46
New Jersey	1771	$50m cap, $4m transaction cap, 40% credit	$ 27,371,612.55

States with No State Incentive

State	# of historic sites	State incentives	5 yr QRE avg/project
Alaska	446		$ 69,000.00
Wyoming	579		$ 948,840.00
Nevada	388		$ 1,148,850.00
Florida	1870		$ 1,997,268.79
South Dakota	1379		$ 2,854,661.90
Idaho	1070		$ 4,347,943.38
Oregon	2089		$ 5,241,167.89
New Hampshire	811	property tax relief by local ordinance	$ 5,600,847.50
Arizona	1497		$ 6,838,335.13
Washington	1634		$ 10,201,397.62
Tennessee	2199		$ 11,308,632.36
California	2971	Not funded yet	$ 20,489,917.79

Other States

State	# of historic sites	State incentives	5 yr QRE avg/project
Rhode Island	813	$5m cap per project, cap subject to appropriation	$ 11,108,592.62

	Average 5 year QRE/Project	Average 5 year QRE/Project (remove min$max)
States with No Cap	$ 6,343,820.63	$ 5,962,579.64
States with Cap Less Than $50m	$ 6,371,338.95	$ 5,445,211.06
States with Cap Greater than $50m	$ 5,287,520.00	$ 5,408,728.44
States with No State Incentive	$ 5,920,571.86	$ 5,048,794.46

Average Number of Projects Per Year (last 5 years)

States with No Cap

State	# of historic sites	State incentives	5 yr avg. # of Projects/Year
Utah	1889	20%, income tax, at least $10,000 QRE, must be residential	4.8
Maine	1668	$5m per project, 25% spread over 4 years, no state cap	8.6
Minnesota	1764	no cap, match federal credit	12.8
Oklahoma	1395	No cap, 20%	13.6
South Carolina	1627	$1m per building, 10%	14.4
Kansas	1569	No cap, 25%	16.8
Texas	3444	no cap, 25%, passed HTC 2013	20.2
Wisconsin	2559	$3.5m per project	23.0
Maryland	1589	$3m transaction	37.8
North Carolina	3086	$4.5m per project, 15-25%, went into effect 1/1/2016	43.0
New York	6322	$5m per project, 20%	79.8
Virginia	3312	$5m transaction cap, 25%	91.2

States with Cap Greater than $50m

State	# of historic sites	State incentives	5 yr avg. # of Projects/Year
Massachusetts	4440	$55m state cap, 25%	41.0
Ohio	4138	$60m state cap, $5m state cap, 25%, credit appropriated each	84.0
Missouri	2424	$90m state cap, 25%	89.4
Louisiana	1493	$125m, $5m transaction, 25%	96.4

States with Cap Less Than $50m

State	# of historic sites	State incentives	5 yr avg. # of Projects/Year
Hawaii	371	$1m	1.5
Montana	1239	no state cap	2.7
Delaware	719	$8m state, 20%	2.8
Colorado	1610	$10m state cap, $1m transaction, 25-30%	4.4
New Jersey	1771	$50m cap, $4m transaction cap, 40% credit	5.0
West Virginia	1085	$30m state cap, $10m transaction cap, 25%	5.0
Nebraska	1148	$15m state cap, $1m transaction cap, 20%	7.2
Connecticut	1651	$31.7m state, $4.5m transaction	9.0
Alabama	1343	$20m state cap 2017-2027, 25%	9.4
Vermont	888	$2.4m state cap, 10-50%	10.2
Mississippi	1498	$12m state cap, 25%	12.2
Indiana	2053	$250,000 annual cap	13.6
Illinois	1933	rivers edge program ended 1/2018, runs 1/2019 thru 12/2023,	17.6
Arkansas	2792	$4m in 2021, then $8m, 25%	21.8
Michigan	1982	$5m state cap, $2m per taxpayer, 25%	22.8
Iowa	2447	$45m, 25%	28.6
Kentucky	3484	$5m state, 400k transaction	30.0
Georgia	2194	$25m, $5m, 25%	34.2
Pennsylvania	3533	$5m state cap, $500,000 transaction, 25-30%	49.0

States with No State Incentive

State	# of historic sites	State incentives	5 yr avg. # of Projects/Year
Alaska	446		1.0
Nevada	388		1.0
Wyoming	579		1.0
South Dakota	1379		1.4
Idaho	1070		1.5
New Hampshire	811	property tax relief by local ordinance	2.5
Arizona	1497		3.6
California	2971	Not funded yet	5.8
Florida	1870		7.0
Oregon	2089		7.0
Washington	1634		8.4
Tennessee	2199		9.8

Other States

State	# of historic sites	State incentives	5 yr avg. # of Projects/Year
Rhode Island	813	$5m cap per project, cap subject to appropriation	10.2

	Average 5 year Project Per year	Average 5 year Project Per Year (remove min$max)
States with No Cap	30.5	27.0
States with Cap Less Than $50m	15.1	13.9
States with Cap Greater than $50m	77.7	86.7
States with No State Incentive	4.2	3.9

Other States - Examples

(source: State Historic Tax Credits: Maximizing Preservation, Community, Revitalization, and Economic Impact, Prepared by the National Trust, 2018)

Wisconsin	Change from 5% HTC to 20% increased rehab development by 67% over next 3 years.		
Texas	First state in the nation without an income tax to enact tax credit, can be applied against franchise and insurance premium tax		
	Federal Historic Tax Credits		
	Before HTC (2010-2013) 17 projects for $31,632,836		
	After HTC (2014-2017) 33 projects for $81,805,317		
Maine	Before HTC (2001-2008) 16 projects for $32,009,571	$ 3,556,619	Avg. annual credit
	After HTC (2009-2015) 61 projects for $270,766,671	$ 38,680,953	

Based on the similarities between the tax structure and cap, use Texas as example of rampup.

	Annual QRE	Value in Credits (20%)			
					avg/year
2010	$ 72,633,892	$ 14,526,778			
2011	$ 21,124,993	$ 4,224,999			
2012	$ 87,900,045	$ 17,580,009			
2013	$ 33,802,168	$ 6,760,434	$ 43,092,220	2010-2013	$ 10,773,055
2014	$ 70,662,842	$ 14,132,568			
2015	$ 31,522,296	$ 6,304,459			
2016	$ 148,860,579	$ 29,772,116			
2017	$ 162,077,178	$ 32,415,436	$ 82,624,579	2014-2017	$ 20,656,145
2018	$ 560,139,549	$ 112,027,910			
2019	$ 259,586,977	$ 51,917,395			
2020	$ 404,697,645	$ 80,939,529	$ 277,300,270	2018-2020	$ 92,433,423

Other States after Effective, Amend Dates	3 years prior avg QRE	5 years after avg QRE	*difference*
Alabama	$ 35,320,766	$ 45,137,634	$ 9,816,868
Colorado	$ 17,944,999	$ 24,445,302	$ 6,500,303
Georgia	$ 32,753,026	$ 92,494,036	$ 59,741,010
Missouri	$ 342,579,803	$ 411,391,044	$ 68,811,242
Texas	$ 47,609,069	$ 194,652,489	$ 147,043,420
		average	$ 58,382,568
		average less min/max	$ 45,017,518

Other Factors that increase usage of tax credit

(source: State Historic Tax Credits: Maximizing Preservation, Community, Revitalization, and Economic Impact, Prepared by the National Trust, 2018)

Transferability	Refundability
Increased Percent of Credit	Minimum Investment
Uncapped Projects	Those who can claim the credit (private, commercial)
Additional Credits	Expand Taxes that may be Offset
	Carryforward Limits

Low		**Uncapped States (remove min&max)**
Avg. # of Projects		27
Avg. QRE of Projects		$ 5,962,580
		$ 40,247,413
	Average Credit	**25%**
	Florida	Growth*
Year 1 (FY 2023-24)	$ 40,086,423	**-0.4%**
Year 2 (FY 2024-25)	$ 41,449,361	**3.4%**
Year 3 (FY 2025-26)	$ 42,692,842	**3.0%**
Year 4 (FY 2026-27)	$ 43,717,470	**2.4%**
Year 5	$ 44,591,820	**2.0%**

* Total Construction Expenditures, FEEC December 2021

Middle	average low/high	
	average current year	$ 44,472,518
	Florida	Growth
Year 1 (FY 2023-24)	$ 44,392,023	**1106%**
Year 2 (FY 2024-25)	$ 45,073,492	**1.54%**
Year 3 (FY 2025-26)	$ 45,695,233	**1.38%**
Year 4 (FY 2026-27)	$ 46,207,547	**1.12%**
Year 5	$ 46,644,722	**0.95%**

High		
Average Credit	**25%**	
	FL current (5 yr. QRE avg.)	$ 14,720,421
	Value of a 25% credit	$ 3,680,105
	Florida	Other states Growth
Year 1 (FY 2023-24)	$ 48,697,623	**$ 45,017,518**
Year 2 (FY 2024-25)	$ 48,697,623	**$ 45,017,518**
Year 3 (FY 2025-26)	$ 48,697,623	**$ 45,017,518**
Year 4 (FY 2026-27)	$ 48,697,623	**$ 45,017,518**
Year 5	$ 48,697,623	**$ 45,017,518**

	Low cash	Low recurring	Middle cash	Middle recurring	High cash	High recurring
2022-23	$0.0	($40.2)	$0.0	($44.5)	$0.0	($48.7)
2023-24	($40.1)	($40.1)	($44.4)	($44.4)	($48.7)	($48.7)
2024-25	($41.4)	($41.4)	($45.1)	($45.1)	($48.7)	($48.7)
2025-26	($42.7)	($42.7)	($45.7)	($45.7)	($48.7)	($48.7)
2026-27	($43.7)	($43.7)	($46.2)	($46.2)	($48.7)	($48.7)

REVENUE ESTIMATING CONFERENCE

Tax: Various Taxes and Fees
Issue: Economic Development
Bill Number(s): CS/SB 800

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Sen. Albritton
Month/Year Impact Begins: July 1, 2022
Date of Analysis: February 17, 2022

Section 1: Narrative

a. Current Law:

Public Service Tax

Municipalities and charter counties may levy by ordinance a public service tax on the purchase of electricity, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, and water service. (Section 166.231(1), F.S.) The tax is levied only upon purchases within the municipality or within the charter county's unincorporated area and cannot exceed 10 percent of the payments received by the seller of the taxable item. Services competitive with those listed above, as defined by ordinance, can be taxed on a comparable base at the same rates; however, the tax rate on fuel oil cannot exceed 4 cents per gallon. (Section 166.231(2), F.S.) The tax proceeds are considered general revenue for the municipality or charter county.

Opportunity Zones

The Federal "Tax Cuts and Jobs Act of 2017" included a section creating the Opportunity Zones in designated low-income communities.[1] The Economic Innovation Group (EIG) describes Opportunity Zones as:

> "… a new community development program … to encourage long-term investments in low-income urban and rural communities nationwide. The Opportunity Zones program provides a tax incentive for investors to re-invest their unrealized capital gains into Opportunity Funds that are dedicated to investing into Opportunity Zones designated by the chief executives of every U.S. state and territory."[2]

To enable Florida to participate in this new program, then Governor Scott nominated population census tracts to be designated as Qualified Opportunity Zones (QOZs). To be eligible, such tracks had to be low-income communities (LICs) as defined in the Federal New Markets Tax Credit program, in accordance with the following parameters:

- The poverty rate for the tract is at least 20%;
- The tract is not located within a metropolitan area and the median family income does not exceed 80% of the statewide median family income, or
- The tract is located within a metropolitan area and the median family income for such tract does not exceed 80% of the greater of statewide median family income or the metropolitan area median family income.[3]

As of 2015, Florida had 1,335 tracts with poverty rates of at least 20 percent, or 31.4 percent of the total tracts in the state.[4] Only twenty-five percent of qualified census tracts within a state were eligible to be nominated and designated as QOZs. However, non-eligible population census tracts could qualify if the tract was contiguous with a low-income community that is designated as a QOZ, and the median family income of the tract did not exceed 125 percent of the median family income

[1] Public Law 115-97, Part IX, Subpart B, Sec. 13823. https://www.congress.gov/bill/115th-congress/house-bill/1/text

[2] http://eig.org/opportunityzones The Economic Innovation Group is the public policy organization that developed and promoted the Opportunity Zones concept, first filed as a bill in early 2017.

[3] 26 U.S. Code Section 45D(e). This law also provides that a census tract with a population of less than 2,000 is treated as a low-income community if it is within an empowerment zone under IRC §1391 and is contiguous to one or more low-income communities. For census tracts within high migration rural counties, the median family income cannot exceed 85% of the statewide median family income. In 2010, the GAO (10-334, 8) noted that 36 percent of the US population lives within 39 percent of the census tracks in the US that are considered low-income communities for the New Market Tax Credit program.
The Community Development Financial Institutions Fund provides an interactive website to identify current qualified low-income communities. https://www.cdfifund.gov/opportunity-zones
Also see https://www.irs.gov/pub/irs-drop/rp-18-16.pdf

[4] https://factfinder.census.gov/bkmk/table/1.0/en/ACS/15_5YR/S1701/0400000US12.14000 ????

of the low-income community with which the tract is contiguous. This exception was limited to no more than five percent of designated census tracts.

The Florida Department of Economic Opportunity provided this overview of Governor Scott's selection process in nominating census tracks for designation as QOZs:[5]

- The tax bill allowed 5% of tract nominations to be tracts that did not meet the low-income designation but were contiguous, or next to, other tracts that did meet the criteria. The Governor chose not to nominate contiguous tracts so that the areas with the most need could be designated.
- DEO staff used a combination of data and project requests to determine the Zones. A statistical model was created using census tract data and other economic indicators, such as poverty level, unemployment rates and population density. DEO used a proportional method of nominating tracts so that every county received at least one census tract nomination. Finally, DEO incorporated into the model requests from city and county governments, regional planning councils, nonprofits, investors, developers and others.
- DEO received requests for more than 1,200 census tracts, which is more than the 427 the state can nominate. Feedback was incorporated as much as possible, and balanced with the economic analysis. For example, a request in an area with very low unemployment may not have been chosen.

The Department of the Treasury approved Governor Scott's nomination of QOZs in June, 2018.[6] These 427 approved QOZs are now in place for a full 10-year period.[7] Staff associated with the Community Development Financial Institutions Fund (CDFI Fund) of the Department administer the program.

Qualified Opportunity Funds are the means through which deferred capital gains are invested. To qualify, each fund must hold at least 90 percent of its assets in QOZ property, which is defined as stock, partnership interest, or property of a QOZ trade or business. Investors in Opportunity Funds benefit in a number of ways. First, federal taxes on individual and corporate capital gains in stocks and mutual funds can be deferred while such gains are reinvested in an Opportunity Fund.[8] If the investment is maintained for 5 years, the taxable amount on the original capital gains is reduced by 10 percent. If maintained in the Opportunity Fund for 7 years, the taxable amount is reduced by 15 percent. If maintained for 10 years, gains on any appreciation of the investment in the Opportunity Fund are not taxed as capital gains.[9]

A 2018 GreenbergTraurig Advisory summarizes the collective benefits of this new federal program:

> The new tax reform legislation, the Tax Cuts and Jobs Act (TCJA), created a significant new economic development tool alongside a meaningful tax deferral and abatement mechanism, "qualified opportunity zones." The new provision provides a flexible deferral mechanism for short and long term capital gains for current investments in nearly all asset classes.…This program will provide businesses, projects, and commercial property in eligible low-income census tracts attractive financing and what could amount to a substantial long-term subsidy for economic development. The provision will also provide opportunities for investors, individual and corporate, to defer current capital gains, significantly increase basis in their current investments, and abate all future capital gains on the investment. Sophisticated fund managers should be able to find complex structures and entity planning to optimize return for investors and maximize subsidy for low-income businesses and property investment. Due to the broad base of potential investors and eligible projects, property, and transactions, this program has the ability

[5] http://www.floridajobs.org/docs/default-source/communicationsfiles/fl-opportunity-zones-faq.pdf
[6] http://www.floridajobs.org/docs/default-source/communicationsfiles/treasury-irs-designation-letter-fl.pdf?sfvrsn=2 These approved QOZs may be viewed at https://eig.org/opportunityzones The Federal regulations regarding the designation of QOZs is 26 USC 1400Z-1.
[7] Opportunity Zones Program - FloridaJobs.org Recent research indicates there are seven to 10 Qualified Opportunity Zones in Florida with active investments. OZ Activity Map - Economic Innovation Group (eig.org). In addition, there may be 25 Qualified Opportunity Zones with an investment objective that specifically identifies Florida as a target market, with a cumulative fund size of $4.3 billion. List of Florida Opportunity Zones & OZ Funds - OpportunityDb
[8] Normally, the proceeds from the sale of those assets would be taxed as a capital gain, at a maximum federal rate of 20 percent plus and net investment income tax of 3.8%.
[9] For examples of investment benefit scenarios, see http://eig.org/wp-content/uploads/2018/02/Opportunity-Zones-Fact-Sheet.pdf

to provide substantial returns to investors, administrative opportunities for funds, and subsidy for eligible projects and businesses.[10]

Sales Tax on Electrical Energy
Unless a specific exemption is specified in Chapter 212, s. 212.05, F.S., provides it is the legislative intent that every person is exercising a taxable privilege that engages in the business of selling tangible personal property in this state. For exercising such a privilege, a tax is levied on each taxable transaction or incident. The retail sale of electrical power or energy in the State of Florida is subject to sales tax. The incidence of the tax is on "charges for electrical power or energy," and the tax rate for such sales is 4.35 percent (see s. 212.05(1)(e)1.c. F.S.). The sales of electricity to residential customers is specifically exempt from sales and use tax under s. 212.08(7)(j), F.S.

Qualified Target Industry Tax Refund Program
The Qualified Target Industry Tax Refund Program (QTI), established in 1995, was intended to encourage the creation of high-wage jobs (115 percent or more of the area or statewide annual wage) in targeted industries, with awards ranging from $3,000 - $13,500 per job. The targeted industries, as designated by Enterprise Florida, Inc., and the Department of Economic Opportunity (DEO), include: aviation and aerospace, clean technology, defense and homeland security, financial and professional services, headquarters, information technology, life sciences, logistics and distribution, and manufacturing. Unless waived by the DEO, the city or county government in which the project is located must provide 20 percent of the award.

QTI was a grant program, subject to annual appropriation. Grants were contingent upon the verified creation of new jobs and taxes paid by the business in an amount equal to the grant in: corporate income taxes, insurance premium taxes, sales and use taxes, intangible personal property taxes, excise taxes on documents, ad valorem taxes, or state communications services taxes. Each QTI project had a performance-based contract, which outlined specific milestones that must be achieved and verified by the state prior to payment of the grant, distributed over four or more years.

The program sunset in 2020. However, tax refund agreements in effect before June 30, 2020 continued in effect through the terms of the agreement.

Programs Addressing Rural Economic Development
The Legislature has enacted a number of programs to facilitate economic development in rural areas of the state. These include:

- Regional Rural Development Grant Program;
- Rural Economic Development Initiative (REDI);
- Rural Community Development Revolving Loan Fund; and
- Rural Infrastructure Fund.

Funding for these programs is provided primarily through annual appropriation.

b. Proposed Change:
CS/SB 800 proposes to expand the tax exemptions and refunds to qualified businesses in rural communities located within ~~a~~ federal Opportunity Zones. It also amends provisions for number of programs that facilitate economic development in rural areas of the state.

Section 1 amends s. 166.231, F.S., to authorize municipalities and charter counties to exempt, by ordinance, qualified businesses in rural communities located within Federal Opportunity Zones (*as defined in section 2*) from "not less than 100 percent" of levied public service taxes on electrical energy, natural gas or propane.

Section 2 creates s. 212.02(3), F.S. to define "Opportunity zone" as a population census track designated as a federal Qualified Opportunity Zone and located in a rural community as defined in s. 288.0656(2)(e), F.S., which is:

[10]*Also see* http://www.governing.com/topics/urban/gov-federal-empowerment-zones.html , 2/19/19 and https://www.theatlantic.com/ideas/archive/2018/07/how-do-we-help-this-place/565862/

1. A county with a population of 75,000 or fewer.
2. A county with a population of 125,000 or fewer which is contiguous to a county with a population of 75,000 or fewer.
3. A municipality within a county described in subparagraph 1. or subparagraph 2.
4. An unincorporated federal enterprise community or an incorporated rural city with a population of 25,000 or fewer and an employment base focused on traditional agricultural or resource-based industries, located in a county not defined as rural, which has at least three or more of the economic distress factors identified in paragraph (c) and verified by the department.

This is the initial qualification for the tax exemptions proposed in sections 1 and 3 of the bill.

Section 3 amends s. 212.08(35), F.S., to create a sales and use tax exemption of between $500 and $7,500 for building materials used in the rehabilitation of real property located in an Opportunity Zone in a rural community. "Rehabilitation of real property" means the reconstruction, renovation, restoration, rehabilitation, construction, or expansion of improvements to real property. The exemption inures through a refund of previously paid taxes. Absent documentation of actual costs of building materials and taxes paid, the cost of the building materials "is deemed to be an amount equal to 40 percent of the increase in assessed value for ad valorem tax purposes."

Section 3 also creates s. 212.08(19), F.S., to grant a 50 percent sales and use tax exemption on electrical energy, natural gas and propane used by a qualified business in an Opportunity Zone in a rural community, provided the municipality or charter county has exempted the business from the Public Service Tax. Qualified businesses are eligible for the exemption for five years. Qualified Businesses are businesses that: 1) occupy a new structure (qualified by not having electrical service before), 2) newly occupy a remodeled, renovated or rehabbed structure where the power has been turned off or not connected for at least three previous billing cycles unless used for the remodeling, renovation or rehabilitation, or 3) occupy a new, remodeled, rebuilt, renovated, or rehabilitated structure for which an opportunity zone refund on building materials has been granted.

Section 4 amends s. 288.018, F.S., to reduce the non-state resource match requirement from 25 to 15 percent for the Regional Rural Development Grant Program.

Section 5 amends s. 288.065 (2), F.S., which governs the Rural Community Development Revolving Loan Fund. Currently, loan recipients are required to repay principal and interest to the fund, except that recipients may retain repayments if such repayments are dedicated and matched to fund regionally based economic development organization representing the Rural Area of Opportunity. This provision removes the match requirement.

Section 6 amends s. 288.0655, F.S., which governs the Rural Infrastructure Fund. The bill authorizes the DEO to award grants for up to 75 percent, rather than 50 percent, of the total infrastructure cost, or up to 100 percent of the total infrastructure project cost for a project that is located in a rural community or a rural area of opportunity and that is also located in a fiscally constrained county. The bill also authorizes the DEO to award grants of up to $300,000 for infrastructure feasibility studies, design and engineering activities, or other infrastructure planning and preparation activities. The bill specifies that certain grants relating to the identification and preclearance review of land do not require local matches.

Section 7 creates the Rural Opportunity Tax Refund program, which largely replicates the now sunset Qualified Target Industry Tax Refund Program, but limits the program to businesses in a rural community, defined as a county having a population of 75,000 or less; a county having a population of 125,000 or less which is contiguous to a county having a population of 75,000 or less; or a municipality within a these counties.

Section 8 amends s. 288.095, F.S., to include the Rural Opportunity Tax Refund program in the statutory list of programs funded through the Economic Development Trust Fund in DEO.

Section 9 provides an effective date of July 1, 2022.

REVENUE ESTIMATING CONFERENCE

Tax: Various Taxes and Fees
Issue: Economic Development
Bill Number(s): CS/SB 800

The tax provisions in the CS differ from the bill as filed in the following ways:

- Revises the definition for "opportunity zone" to restrict the provisions of the bill to opportunity zones located in rural communities;
- Expands the bill's sales tax exemption for energy to include natural gas and propane; and
- Removes provisions related to the Rural Jobs Tax Credit.

Section 2: Description of Data and Sources

The Department of Economic Opportunity
GIS Data
DOR historical credit/exemption data
Building Investment Growth Rate
DEO Annual Enterprise Zone Reports, Application for eligibility for rural job tax credit program
Sources as footnoted
DFS Local Government Revenue Data

Section 3: Methodology (Include Assumptions and Attach Details)

The analysis focuses on sections 1 and 3 of the bill. Sections 4-7 are subject to annual appropriation, and therefore, have no revenue impact.

Sections 1 & 3 bear some similarity to the sunset Enterprise Zone program. The Enterprise Zone program sunset December 31, 2015, although the Legislature extended state incentives under certain conditions until December 31, 2018. The Enterprise Zone state incentives included a sales tax refund on the purchase of building materials and business equipment. The amount of the refund is the lesser of 97 percent of the sales taxes paid or $5,000, or, if 20 percent or more of the business's employees reside in an enterprise zone, the lesser of 97 percent of the taxes paid or $10,000. There was also a sales tax exemption of 50 percent for electrical energy used in an enterprise zone, if the municipality in which the business was located passed an ordinance to exempt the municipal utility taxes on such business. The methodology to determine Sections 1 & 3 are attached.

For the CS change limiting the incentive to businesses within rural Opportunity Zones, the analysis uses DEO's list of designated rural areas to exclude unqualified counties. There may be a few small areas that fall under number 4 in the definition of rural community which were excluded from the eligible census tracts as they are not in a statutorily defined rural county. The forecast may be slightly understated.

For the CS change that adds natural gas and propane to the exemption, the analysis looks at the most recent year of municipal revenue on electricity, natural gas and propane. This information is reported by the locals to Department of Financial Services. The proportion of natural gas and propane revenues to electric revenue is calculated and then used to grow the exemption for electricity forecast.

The CPI forecast has been updated.

Section 4: Proposed Fiscal Impact

Sections 1 & 3 – Opportunity Zones

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0	0	($5.4)	($21.8)	0	0
2023-24	0	0	($10.9)	($21.8)	0	0
2024-25	0	0	($16.3)	($21.8)	0	0
2025-26	0	0	($21.8)	($21.8)	0	0
2026-27	0	0	($21.8)	($21.8)	0	0

List of affected Trust Funds: Local Taxes, Sales Tax, Gross Receipts

REVENUE ESTIMATING CONFERENCE

Tax: Various Taxes and Fees
Issue: Economic Development
Bill Number(s): CS/SB 800

Section 5: Consensus Estimate (Adopted: 02/18/2022): The Conference adopted the middle estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(2.5)	(9.7)	(0.6)	(2.2)	(0.1)	(0.3)	(0.2)	(0.9)
2023-24	(4.9)	(9.7)	(1.1)	(2.2)	(0.2)	(0.3)	(0.5)	(0.9)
2024-25	(7.3)	(9.7)	(1.7)	(2.2)	(0.2)	(0.3)	(0.7)	(0.9)
2025-26	(9.7)	(9.7)	(2.2)	(2.2)	(0.3)	(0.3)	(0.9)	(0.9)
2026-27	(9.7)	(9.7)	(2.2)	(2.2)	(0.3)	(0.3)	(0.9)	(0.9)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(0.4)	(1.6)	(2.8)	(11.4)	(5.9)	(23.3)
2023-24	(0.8)	(1.6)	(5.7)	(11.4)	(11.7)	(23.3)
2024-25	(1.2)	(1.6)	(8.6)	(11.4)	(17.6)	(23.3)
2025-26	(1.6)	(1.6)	(11.4)	(11.4)	(23.3)	(23.3)
2026-27	(1.6)	(1.6)	(11.4)	(11.4)	(23.3)	(23.3)

Comparison between Opportunity Zone and Enterprise Zone

	Opportunity Zones in a *Rural Community*	Enterprise Zone (based on DEO 2015 EZ annual report)
Number of Zones	472	65
Corresponding Miles	***4,358.4***	1,497.0

History of Building Material Refunds (Post condo law change)		Section 9 of ch. 2010-147, L.O.F., removed the eligibility of condominium parcels or property, as defined in s. 718.103, F.S., for the sales tax exemption for building materials, pursuant to s. 212.08(5)(g), F.S.
FY 2010-11	$13,590,376	
FY 2011-12	$632,604	
FY 2012-13	$652,728	
FY 2013-14	$1,194,130	
FY 2014-15	$1,368,183	
FY 2015-16 through 2017-18	$1,728,008	(post sunset)

Incentives	**Opportunity Zone**	**Enterprise Zone**	**FY 2014/15 EZ Incentives**
Building Materials Refund	A refund is available for sales taxes paid on the purchase of building materials used to rehabilitate real property located in a zone that may not exceed the lesser of 97% of sales tax paid or $7,500. The minimum refund is $500.	A refund may not exceed the lesser of 97% of the sales tax paid on the cost of the building materials used in the rehabilitation of real property or $5,000. If at least 20 percent of the employees of the business are residents of an enterprise zone, the amount of refund may not exceed $10,000.	$ 1,368,183
Electricity Energy Exemption	Sales tax exemption of 50 percent for electrical energy used in an enterprise zone, if the municipality in which the business is located has passed an ordinance	Sales tax exemption of 50 percent for electrical energy used in an enterprise zone, if the municipality in which the business is located has passed an ordinance	$ 1,971,189
	Public Service Tax exemption for electrical energy used in an oppportunity zone, if the municipality in which the business is located has passed an ordinance	A municipality may by ordinance exempt not less than 50 percent of the tax imposed under this section on purchasers of electrical energy who are determined to be eligible for the exemption provided by s. 212.08(15) by the Department of Revenue	Not Available

	Average EZ incentive/mile	Grown by CPI for FY 2022/23
Building Materials Refund	$913.95	***$1,120.55***
Electric Energy Exemption	$1,316.76	

Assumptions for Opportunity Zones

Building Materials Refund	Average EZ incentive/mile (current dollars) $1,120.55	Increase from $5,000 to $7,500 (most EZ refunds capped at $5,000) $1,680.83
Building Materials Refund Average * Total ***rural*** OZ miles		***$7,325,767.94***

Electric Energy Exemption	Average Sales EZ incentive/mile $1,316.76	10% Public Service Tax/mile $1,894.62	
	4.35% Sales Tax	(2.6% GRT) (Trust)	10% PST (Local)
	$824.16	$492.60	$1,894.62
Electric Exemption * Total OZ miles	$3,592,030.35	$2,146,960.67	$8,257,541.04

Natural Gas/Propane Exemption			
Electricity Base exempted in enterprise zones	$ 56,724,863	(Avg. SUT exemption/mile divided by 6.95% divided by # of EZ miles divided by 50%)	
	Gas/Propane	Electricity	Proportion to electricity
LFY 2019 Reported Municipal Public Service Tax Revenues by Product or Utility Category	$29,100,968	$863,342,569	***3.37%***
	Gas/Propane Base that would be exempt in EZ's	Divided by EZ miles * OZ miles	
	$ 1,912,043	$ 5,566,792	
	4.35% Sales Tax	(2.6% GRT) (Trust)	10% PST (Local)
50% exempt	$121,078	$72,368	$278,340

	Ramp up	**State Sales Tax**	**Trust**	**Local**
2022-23	25%	$2,759,719	$554,832	$2,133,970
2023-24	50%	$5,519,438	$1,109,664	$4,267,940
2024-25	75%	$8,279,157	$1,664,497	$6,401,910
2025-26	100%	$11,038,876	$2,219,329	$8,535,881
2026-27	100%	$11,038,876	$2,219,329	$8,535,881

REVENUE ESTIMATING CONFERENCE

Tax: Various Taxes
Issue: Strong Families Tax Credit
Bill Number(s): Proposed Language

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Senator Rodrigues
Month/Year Impact Begins: Bill Effective Date is 07/01/2022
Date of Analysis: February 16, 2022

Section 1: Narrative

a. Current Law:

The *Florida Tax Credit Scholarship Program* (FTC) was established in 2001 through the provision of tax credits to corporate income taxpayers that contribute money to nonprofit Scholarship-Funding Organizations (SFOs). The SFOs award scholarships to students, with the greatest benefit going to families with limited financial resources. In 2009, the program was expanded to provide credits against the insurance premium tax. In 2010, the program was expanded again to provide tax credits against severance taxes on oil and gas production, self-accrued sales tax liabilities of direct pay permit holders, and alcoholic beverage taxes on beer, wine, and spirits. The applicable authorizing statutes are:

- s. 211.0251, F.S., for Severance Taxes on oil and gas
- s. 212.1831, F.S., for Sales and Use Taxes due from direct pay permit holders
- s. 220.1875, F.S., for Corporate Income Tax
- s. 561.1211, F.S., for Beverage Taxes on malt, wine, and liquor
- s. 624.51055, F.S., for Insurance Premium Tax

For Fiscal Year 2020-21, the maximum allocation of credits authorized under the FTC program is $873.6 million. The Revenue Estimating Conference assumes that the annual cap will remain at this level throughout the forecast by projecting that the approved annual credits stay below the 90 percent threshold needed to achieve the next increment of 25 percent growth. The current projections start at $730.4 million in Fiscal Year 2020-21 and gradually increase to $764.6 million in Fiscal Year 2025-26, achieving only 87.5 percent of the effective cap at the end of the forecast. The Fiscal Year 2020-21 level is likely atypically suppressed due to the economic effects of the pandemic.

More recently, CS/HB 7055 became law on March 12, 2018 (Ch. 2018-6, L.O.F.). Section 3 of the bill created s. 212.1832, Florida Statutes, entitled “Credit for Contributions to the Hope Scholarship Program.” The program’s intent is to give the purchaser of a motor vehicle “…a credit of 100 percent of an eligible contribution made to an eligible nonprofit scholarship-funding organization under s. 1002.40 against any tax imposed by the state and collected from the purchaser by a dealer, designated agent, or private tag agent as a result of the purchase or acquisition of a motor vehicle on or after October 1, 2018.” The credit may not exceed the state tax that is actually imposed and is further limited to a maximum of $105 per motor vehicle. On behalf of the purchaser, the dealer, designated agent, or private tag agent makes the actual contribution to the SFO and applies the credit as part of its submission of taxes to the state. The current credit estimates range from $68.3 million in Fiscal Year 2020-21 to $72.8 million in Fiscal Year 2025-26.

In addition, CS/HB 7055 established a second new program designated as the “Credit for Contributions to Eligible Nonprofit Scholarship Funding Organizations.” Any tenant or person occupying, using, or entitled to the use of any property for which the rental or license fee is subject to taxation under s. 212.031, F.S., may receive a credit against the tax imposed under that section that is equal to his or her monetary contribution to an SFO. Total credits are capped at $57.5 million per year on a first come, first-served basis. The tenant must apply to the Department of Revenue for the desired allocation of credits, by dealer if multiple locations and landlords are involved. The program has had low participation, with comments by interested parties indicating that the program is cumbersome to use. The current credit estimates range from $0.7 million in Fiscal Year 2020-21 to $2.2 million in Fiscal Year 2025-26.

Finally, the associated reduction in tax revenue caused by the application of any of the credits described above must be apportioned in its entirety to the General Revenue Fund.

In 2021, Ch. 2021-31, L.O.F. created the Strong Families Tax Credit, which provides a credit for 100% of an eligible contribution to an eligible charitable organization under s. 402.62, F.S., beginning January 1, 2022. The eligible

REVENUE ESTIMATING CONFERENCE

Tax: Various Taxes
Issue: Strong Families Tax Credit
Bill Number(s): Proposed Language

organizations provide services focused on child welfare and well-being. It authorizes tax credits dollar-for-dollar up to $5 million annually against certain tax liabilities:

- s. 211.02 or s. 211.025 F.S., for Severance Taxes on oil and gas
- s. 212.183, F.S., for Sales and Use Taxes due from direct pay permit holders
- s. 220.13, F.S., for Corporate Income Tax
- s. 561.1211, F.S., for Beverage Taxes on malt, wine, and liquor
- s. 624.51055, F.S., for Insurance Premium Tax

Businesses applied to DOR beginning October 1, 2021, for an allocation of tax credit. The taxpayer must specify in the application each tax, a taxpayer may apply for a credit to be used for a prior taxable year before the date the taxpayer is required to file a return for that year pursuant to s. 220.222, F.S. For purposes of s. 624.51056, F.S., a taxpayer may apply for a credit to be used for a prior taxable year before the date the taxpayer is required to file a return for that year pursuant to s. 624.509, F.S., or s. 624.5092, F.S. The DOR is required to approve the tax credits on a first-come, first serve basis and must obtain the approval of the Division prior to approving an alcoholic beverage tax credit under s. 561.1212, F.S.

Currently, only $12,500 has been approved for the Strong Families Tax Credit for FY 2021-22, which has been applied for as credits against Severance Tax on Oil.

b. Proposed Change: The bill increases the annual cap to $10 million beginning in FY 2022-23.

Section 2: Description of Data and Sources

DOR credit reporting
Review of Beverage Tax Return data

Section 3: Methodology (Include Assumptions and Attach Details)

Only $12,500 of the current $5 million cap has been approved. A review of Beverage Tax individual returns (and use of SFO credits) excludes the assumption Beverage taxpayers who use the credit are capped as they have remaining liabilities. It's unclear why the credit hasn't been taken advantage of yet. The cash impact delays full usage of the credit until 2024-25. This assumes the original $5 million will be approved within the next two years as well.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23			0	($5.0m)		
2023-24			0	($5.0m)		
2024-25			($5.0m)	($5.0m)		
2025-26			($5.0m)	($5.0m)		
2026-27			($5.0m)	($5.0m)		

List of affected Trust Funds: Beverage, Severance, Corporate and Insurance Premium Tax

Section 5: Consensus Estimate (Adopted: 02/18/2022): The Conference adopted the proposed estimate except for the first two years' cash, in which they adopted negative indeterminate in FY 2022-23 and ($5.0m) in FY 2023-24.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(**)	(5.0)	0.0	0.0	0.0	0.0	(**)	(5.0)
2023-24	(5.0)	(5.0)	0.0	0.0	0.0	0.0	(5.0)	(5.0)
2024-25	(5.0)	(5.0)	0.0	0.0	0.0	0.0	(5.0)	(5.0)
2025-26	(5.0)	(5.0)	0.0	0.0	0.0	0.0	(5.0)	(5.0)
2026-27	(5.0)	(5.0)	0.0	0.0	0.0	0.0	(5.0)	(5.0)

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax, Corporate Income Tax, Insurance Premium Tax
Issue: Community Contribution Tax Credit
Bill Number(s): Proposed Language

☑ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s):
Month/Year Impact Begins: July 1st, 2022
Date of Analysis: February 18th, 2022

Section 1: Narrative

a. **Current Law**: The current law caps the credits available at $10.5M for projects that provide housing opportunities for persons with special needs as defined in S.420.0004 or homeownership opportunities as defined in s.420.9071 and $3.5M for all other projects. A total of $14M in credit is currently available.

b. **Proposed Change**: The proposed language increases the credit available for projects that provide housing opportunities for persons with special needs as defined in S.420.0004 or homeownership opportunities as defined in s.420.9071 from #10.M to $14.5M and the credit available for all other projects from $3.5M to $4.5M. The language raises the total cap from $14M to $19M.

Section 2: Description of Data and Sources

Section 3: Methodology (Include Assumptions and Attach Details)

It is assumed that all credit available is awarded. Therefore, the impact is the increase in cap, or $5M. Over the past 3 years approximately 92.9% of the credit is used against Sales and Use Tax liability, 5.6% is used against Corporate Income Tax liability, and 1.5% is used against Insurance Premium Tax liability.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23			($5.0M)	($5.0M)		
2023-24			($5.0M)	($5.0M)		
2024-25			($5.0M)	($5.0M)		
2025-26			($5.0M)	($5.0M)		
2026-27			($5.0M)	($5.0M)		

List of affected Trust Funds: SUT, CIT and IPT

Section 5: Consensus Estimate (Adopted: 02/18/2022): The Conference adopted the proposed estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(4.0)	(4.0)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.3)	(0.3)
2023-24	(4.0)	(4.0)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.3)	(0.3)
2024-25	(4.0)	(4.0)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.3)	(0.3)
2025-26	(4.0)	(4.0)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.3)	(0.3)
2026-27	(4.0)	(4.0)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.3)	(0.3)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(0.6)	(0.6)	(1.0)	(1.0)	(5.0)	(5.0)
2023-24	(0.6)	(0.6)	(1.0)	(1.0)	(5.0)	(5.0)
2024-25	(0.6)	(0.6)	(1.0)	(1.0)	(5.0)	(5.0)
2025-26	(0.6)	(0.6)	(1.0)	(1.0)	(5.0)	(5.0)
2026-27	(0.6)	(0.6)	(1.0)	(1.0)	(5.0)	(5.0)