

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Aircraft - Limit on Sales Tax

Bill Number(s): [HB 711](#)

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Representative Overdorf

Month/Year Impact Begins: July 1, 2023

Date(s) Conference Reviewed: 02/17/2023

Section 1: Narrative

a. Current Law:

Currently there is no maximum amount of tax that must be paid on aircraft.

b. Proposed Change:

(5) Notwithstanding any other provision of this chapter, the maximum amount of tax imposed under this chapter and collected on each sale or use of a boat or aircraft in this state may not exceed \$18,000 and on each repair of a boat in this state may not exceed \$60,000.

Section 2: Description of Data and Sources

2022-23 DOR Discovery and Voluntary Disclosure data

2021 kind code 27 data SUT Tax Roll

August 2022 GR conference for Other Durables

Industry Data

Section 3: Methodology (Include Assumptions and Attach Details)

Using Kind code 27 tax data collected from the SUT tax roll as a starting point we used a 45% reduction factor as previously used in conferences to account for non-sales or lease activity within the kind code. Discovery and Voluntary Disclosure data provided by DOR was added onto the annual data in order to get a tax base which is then reduced by a percentage equal to the average tax paid on an aircraft today compared to the tax paid with the 18k cap. The middle uses an average price per plane built using D&VD data which resulted in a reduction of 84.9% in tax paid when comparing to the new cap, while the low uses Industry research to come up with an average price per plane resulting in a 69.8% reduction in tax paid with the new cap. The starting year is grown by the Other Durables rates from the August 2022 GR conference. The base is then multiplied by 6% to get to the Impact.

The kind code data is primarily composed of payments from leasing arrangements. For prior estimates on this issue, it has been assumed that plane purchases may be delayed to take advantage of a tax rate differential. In the case of lease arrangements there should be less ability and/or motivation to shift travel plans to effectively make use of a tax rate discount. For this reason, the cash value for the first year is equal to 11 months of activity.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			\$(21.0 M)	\$(22.9 M)	\$(17.3 M)	\$(18.9 M)
2024-25			\$(23.4 M)	\$(23.4 M)	\$(19.2 M)	\$(19.2 M)
2025-26			\$(23.7 M)	\$(23.7 M)	\$(19.5 M)	\$(19.5 M)
2026-27			\$(23.6 M)	\$(23.6 M)	\$(19.4 M)	\$(19.4 M)
2027-28			\$(23.8 M)	\$(23.8 M)	\$(19.6 M)	\$(19.6 M)

Revenue Distribution: Sales and Use Tax Fund

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Section 5: Consensus Estimate (Adopted: 02/17/2023): The Conference adopted the low estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(15.3)	(16.7)	(Insignificant)	(Insignificant)	(0.5)	(0.6)	(1.5)	(1.6)
2024-25	(17.0)	(17.0)	(Insignificant)	(Insignificant)	(0.6)	(0.6)	(1.6)	(1.6)
2025-26	(17.3)	(17.3)	(Insignificant)	(Insignificant)	(0.6)	(0.6)	(1.7)	(1.7)
2026-27	(17.1)	(17.1)	(Insignificant)	(Insignificant)	(0.6)	(0.6)	(1.6)	(1.6)
2027-28	(17.4)	(17.4)	(Insignificant)	(Insignificant)	(0.6)	(0.6)	(1.7)	(1.7)

	6% Sub-Total		Add: Local Option		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(17.3)	(18.9)	(2.1)	(2.3)	(19.4)	(21.2)
2024-25	(19.2)	(19.2)	(2.3)	(2.3)	(21.5)	(21.5)
2025-26	(19.6)	(19.6)	(2.4)	(2.4)	(21.9)	(21.9)
2026-27	(19.3)	(19.3)	(2.3)	(2.3)	(21.7)	(21.7)
2027-28	(19.7)	(19.7)	(2.4)	(2.4)	(22.0)	(22.0)

	A	B	C	D	E
1	Annual Sales Tax Data Kind Code 27				
2	Fiscal Year		Sales Tax Collected	Taxable Sales	
3	2020-21		\$ 22,597,420	\$ 340,864,170	
4	2021-22		\$ 21,753,598	\$ 283,964,123	
5	Reduction Factor (Non-Sales or Lease %)			45%	
6	2021-22 Tax collected (C4*1-D5)			\$ 11,964,479	
7					
8	Historic Discovery Data				
9	Year	Liability Amount (Voluntary Disclosure)	Liability Amount (Discovery)	Liability (Total)	
10	2015-16	\$ 2,311,163	\$ 8,462,067	\$ 10,773,230	
11	2016-17	\$ 6,589,063	\$ 6,285,061	\$ 12,874,123	
12	2017-18	\$ 6,095,203	\$ 4,959,697	\$ 11,054,900	
13	2018-19	\$ 8,156,652	\$ 9,935,705	\$ 18,092,357	
14	2019-20	\$ 8,822,102	\$ 7,949,600	\$ 16,771,702	
15	2020-21	\$ 7,040,882	\$ 5,899,881	\$ 12,940,764	
16	2021-22	\$ 10,878,714	\$ 14,728,259	\$ 25,606,973	
17	2022-23	\$ 3,604,975	\$ 9,025,975	\$ 12,630,950	
18	average of 3 complete years	\$ 7,174,857	\$ 9,884,705	\$ 17,059,562	
19					
20	Historic Discovery Data (Converted to Tax Base)				
21	Year	Liability Amount (Voluntary Disclosure)	Liability Amount (Discovery)	Liability (Total)	
22	2015-16	\$ 38,519,378	\$ 141,034,454	\$ 179,553,832	
23	2016-17	\$ 109,817,709	\$ 104,751,015	\$ 214,568,724	
24	2017-18	\$ 101,586,725	\$ 82,661,609	\$ 184,248,333	
25	2018-19	\$ 135,944,198	\$ 165,595,089	\$ 301,539,287	
26	2019-20	\$ 147,035,035	\$ 132,493,333	\$ 279,528,369	
27	2020-21	\$ 117,348,041	\$ 98,331,355	\$ 215,679,396	
28	2021-22	\$ 181,311,903	\$ 245,470,975	\$ 426,782,878	
29	2022-23	\$ 60,082,912	\$ 150,432,923	\$ 210,515,835	
30	average of 3 complete years	\$ 119,580,952	\$ 164,745,084	\$ 284,326,036	
36					
37	Tax Base numbers used below				
38		Growth rate for Other Durables	kind code 27 base	3 Year average of Voluntary Disclosure data	3 Year average of Discovery data
39	2021-22		\$ 199,407,978	\$ 119,580,952	\$ 164,745,084
40	2022-23	-4.7%	\$ 190,035,803	\$ 113,960,647	\$ 157,002,065
41	2023-24	-2.3%	\$ 185,664,979	\$ 111,339,552	\$ 153,391,018
42	2024-25	1.8%	\$ 189,006,949	\$ 113,343,664	\$ 156,152,056
43	2025-26	1.3%	\$ 191,464,039	\$ 114,817,132	\$ 158,182,033
44	2026-27	-0.2%	\$ 191,081,111	\$ 114,587,498	\$ 157,865,669
45	2027-28	0.8%	\$ 192,609,760	\$ 115,504,198	\$ 159,128,594
46					

	A	B	C	D	E
47	Per Department of Revenue Discovery data (Tax Value > \$18,000)				
48	average price per plane		\$ 1,989,134		
49	Current Tax Paid		\$ 119,348		
50	Tax under proposed law		\$ 18,000		
51	% reduction in tax		-84.9%		
52	Industry data sales figures and MSRP				
53	Weighted Average price Per plane		\$ 993,811		
54	Current Tax Paid		\$ 59,629		
55	Tax under proposed law		\$ 18,000		
56	% reduction in tax		-69.8%		
57					
58					
59		Tax Base Totals		Tax Collection 6%	
60		Middle	Low	Middle	Low
61	2023-24	\$ (382,467,170)	\$ (314,435,419)	\$ (22,948,030)	\$ (18,866,125)
62	2024-25	\$ (389,351,579)	\$ (320,095,257)	\$ (23,361,095)	\$ (19,205,715)
63	2025-26	\$ (394,413,150)	\$ (324,256,495)	\$ (23,664,789)	\$ (19,455,390)
64	2026-27	\$ (393,624,323)	\$ (323,607,982)	\$ (23,617,459)	\$ (19,416,479)
65	2027-28	\$ (396,773,318)	\$ (326,196,846)	\$ (23,806,399)	\$ (19,571,811)
66					
67					
68	Proposed Revenue Impact				
69		Middle		Low	
70	Year	Cash	Recurring	Cash	Recurring
71	2023-24	\$ (21.0 M)	\$ (22.9 M)	\$ (17.3 M)	\$ (18.9 M)
72	2024-25	\$ (23.4 M)	\$ (23.4 M)	\$ (19.2 M)	\$ (19.2 M)
73	2025-26	\$ (23.7 M)	\$ (23.7 M)	\$ (19.5 M)	\$ (19.5 M)
74	2026-27	\$ (23.6 M)	\$ (23.6 M)	\$ (19.4 M)	\$ (19.4 M)
75	2027-28	\$ (23.8 M)	\$ (23.8 M)	\$ (19.6 M)	\$ (19.6 M)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Affordable Housing Property Tax Exemption (missing middle)

Bill Number(s): [SB 102 Section 8 – Paragraphs 196.1978 \(3\)\(a\)-\(o\) F.S.](#)

☐ **Entire Bill**

☒ **Partial Bill:** Section 8 – Missing Middle

Sponsor(s): Senator Calatayud

Month/Year Impact Begins: January 2024

Date(s) Conference Reviewed: February 3, 2023; February 10, 2023; February 17, 2023

Section 1: Narrative

a. Current Law: No current law.

b. Proposed Change:

Effective January 1, 2024, subsection (3) is added to 196.1978 F.S. and is paraphrased below:

(3) (a) As used in this subsection, the term:

1. “Affordable housing” means housing for which monthly rents, including taxes, insurance, and utilities, do not exceed 30 percent of:

a. 120% of the median annual AGI for households within this state, within the MSA, or, if not within a MSA, the county in which the person or family resides, whichever is greater, if housing houses natural persons or families whose income is between 80 and 120% of such median AGI; or

b. 80% of the median annual AGI for households within this state, within the MSA, or, if not within a MSA, the county in which the person or family resides, whichever is greater, if housing houses natural persons or families whose income is does not exceed 80% of such median AGI.

2. “Corporation” means the Florida Housing Finance Corporation.

3. “Newly constructed” means substantially completed within 5 years before the applicant’s first submission of a request for certification or application for this exemption.

4. “Substantially completed” has the same meaning as in s. 192.042 (1).

(b) Notwithstanding ss. 196.195 and 196.196, portions of property in a multifamily project are considered property used for a charitable purpose and are eligible to receive an ad valorem property tax exemption if such portions:

1. Provide affordable housing as in subparagraph (a) 1.; and

2. Are within a newly constructed multifamily project that contains more than 70 units dedicated to housing as in subparagraph (a) 1.; and

3. Are rented for an amount that does not exceed the amount as specified by the Fair Market Rents published by the US Dept of Housing and Urban Development most recently adopted by the corporation or 90% of the fair market value rent as determined by a rental market study meeting the requirements of paragraph (m), whichever is less.

(c) If a unit that in the previous year qualified for the exemption under this subsection and was occupied by a tenant is vacant on January 1, the vacant unit is eligible for the exemption if the use of the unit is restricted to providing affordable housing that would otherwise meet the requirements of this subsection and a reasonable effort is made to lease the unit to eligible persons or families.

(d) 1. Qualified property used to house natural persons or families whose annual household income is within the range specified in sub-subparagraph (a) 1.a. must receive an ad valorem property exemption of 75% of the assessed value.

2. for those in the range in (a) 1.b., they are completely exempt.

(e) To receive an exemption under this subsection, a property owner must submit an application by March 1, accompanied by a certification notice from the corporation to the property appraiser.

(f) To receive a certification notice, a property owner must submit a request to the corporation for certification on a form provided by the corporation which includes all of the following:

1. The most recently completed rental market study meeting the requirements of paragraph (m).

2. A list of the units for which the property owner seeks an exemption.

3. The rent amount received by the property owner for each unit for which the property owner seeks an exemption. If a unit is vacant and qualifies for an exemption under paragraph (c), the property owner must provide evidence of the published rent amount for each vacant unit.

4. A sworn statement from the applicant restricting the property for a period of 3+ years to housing persons or families who meet the income limitations of this subsection.

(g)-(j) There are procedures for procuring this exemption, and penalties for doing so under false pretenses.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Affordable Housing Property Tax Exemption (missing middle)

Bill Number(s): [SB 102 Section 8 – Paragraphs 196.1978 \(3\)\(a\)-\(o\) F.S.](#)

(k) Units subject to an agreement with the corporation pursuant to chapter 420 recorded in the property's county's official records to provide housing to those meeting the extremely-low-income, very-low-income, or low-income limits specified in s. 420.0004 are not eligible for this exemption.

(l) Property receiving an exemption pursuant to s. 196.1979 is not eligible for this exemption.

(m) A rental market study as required by paragraph (f) must be done by an independent, certified general appraiser within 3 years before the application identify the fair market value rent of each unit for which the owner seeks an exemption.

(n) The corporation may adopt rules to implement this section.

(o) This subsection first applies to the 2024 tax roll and is repealed December 31, 2059.

Section 2: Description of Data and Sources

- 2022F Real Property (NAL) Roll data
- Apartment Pricing Market Research:
 - Various apartment websites and Apartments.com
 - Individual links can be found in accompanying spreadsheet
- Conversations with FHFC's Office of Multifamily Development
- Florida Housing Finance Corporation (FHFC) properties: Florida Housing Data Clearinghouse—Assisted Housing Inventory Property List (Sheet 2)
 - <http://flhousingdata.shimberg.ufl.edu/assisted-housing-inventory/results?nid=1>
- FY 2022 Fair Market Rent [FMR]: U.S. Department of Housing and Urban Development [HUD] query tool
 - https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2022_code/2022state_summary.odn
- Median Household Income by County: Florida Health Charts
 - <https://www.flhealthcharts.gov/ChartsReports/rdPage.aspx?rdReport=NonVitalIndRateOnly.DataViewer&cid=293>
- Median Income and Income Distribution: 2021 ACS 1-Year Estimates Table S1901
 - <https://data.census.gov/table?q=household+income+in+florida&tid=ACSST1Y2021.S1901>
- Rental Rate Information: Smart Asset: "How Much Should I Charge for Rent?"
 - <https://smartasset.com/mortgage/how-much-you-should-charge-for-rent#:~:text=The%20amount%20of%20rent%20you,%242%2C000%20and%20%242%2C750%20each%20month.>
- Residential Non-homestead Taxable Value Growth Rates: August 2022 Ad Valorem Revenue Estimating Conference (AV REC)
 - <http://edr.state.fl.us/Content/conferences/advalorem/index.cfm>

Section 3: Methodology (Include Assumptions and Attach Details)

Step 1: Identify Eligible Parcels

The 2022 Final (2022F) NAL roll was used to identify 1,027 parcels that had been built (Actual Year Built) between 2017 and 2021 with more than 70 residential units. As of the publishing date of the 2022F NAL roll, only one parcel with at least 70 units was recorded as having been built that year (as opposed to the average of 205 built in prior years). The 2017 data was used as a proxy for the 2022 data. The following DOR Use Codes are included in the analysis:

- 03 (Multi-family - 10 units or more)
- 06 (Retirement Homes not eligible for exemption)
- 12 (Mixed use - store and office or store and residential combination)

Step 2: Estimate Market Value and Rental Rates

For each parcel, the just value (JV) was increased by 15% to determine the market value (MV). The MV was divided by the number of residential units to get a per-unit MV. According to Smart Asset, "the rents that landlords charge fall between 0.8% and 1.1% of the home's value," so the MV/unit was multiplied by 1.0% for the low estimate, 0.8% for the middle, and 0.6% in the high to calculate the monthly rent for each unit.

53 properties' current rental rates were identified through market research and were compared to their parcels' just and market values. This information is included on the "Market Cap Info" sheet in the attached spreadsheet. While the information on the Real Property Roll does not give information regarding bedroom counts

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per unit, comparing the advertised rental rates and just values give some insight regarding the market capitalization rate of such properties.

Step 3: Estimate New Rental Rates

(3) (b) 3. states, in part:

“...portions of property in a multifamily project are...eligible to receive an ad valorem property tax exemption if such portions...[a]re rented for an amount that does not exceed the amount as specified by the Fair Market Rents published by the United States Department of Housing and Urban Development most recently adopted by the corporation or 90 percent of the fair market value rent as determined by a rental market study...whichever is less.”

Each property’s new rental rates were calculated two ways, and compared to see which would be the lesser:

1. HUD releases FMRs based on the county or MSA and number of bedrooms in the unit (0-4 bedrooms). Informal market research showed the highest prevalence of two- and three-bedroom units. The FMR used for comparison is a weighted average of the different bedroom (br) prices for each county. The current weighting is 0% 0-br, 0% 1-br, 50% 2-br, 50% 3-br, and 0% 4-br. These weights can be changed in rows 29-33 on the analysis tab of the spreadsheet.
2. It is assumed that the current high, middle, and low rental rates are the current fair market value rents. These values were reduced to 90% for comparisons, and we will call this value the “reduced rate.”

Each unit’s reduced rate was compared to the county’s weighted FMR price to determine which would be less, and would therefore be their “new rental rate” to receive the exemption.

Step 4: Determine Exemption Rate Eligibility

Florida Health Charts data was used to determine the 2021 median household income for each Florida county. The proposed bill states that the eligible rental range should be calculated based on the “median annual adjusted gross income [(AGI)] for households within this state, within the metropolitan statistical area [or] within the county in which the person or family resides, **whichever is greater...**” (lines 651-655 and 660-664) each county was examined to determine whether the state’s AGI or the county’s AGI was higher, and the higher value was used for each parcel. 30% of 80% and 120% of these median incomes were calculated for the respective area

Each parcel’s new monthly rental rate was then compared to these values. If the monthly rent would be between 30% of 80% and 120%, the entire parcel would be 75% exempt, and they were grouped into “Pool 1.” If the monthly rent would be less than 30% of 80% of the area median AGI, the entire parcel would be 100% exempt, and they were grouped into “Pool 2.”

If every property in the analysis lowered their rent into the applicable range, the impact would be in the billions of dollars. The high estimate (low rent prices) would have 364 properties (97,533 units) in Pool 1 (75% exempt) and 460 properties (107,194 units) in Pool 2 (100% exempt). The low estimate (high rent prices) would have 531 properties (138,019 units) in Pool 1 (75% exempt) and 293 properties (66,708 units) in Pool 2 (100% exempt). This is an unlikely scenario. Therefore, a cost/benefit analysis is implemented in the next step.

Step 5: Cost/Benefit Analysis

It is assumed that property owners would only seek this exemption if the exemption value would outweigh the income they would forgo by lowering their rents into the applicable ranges. The new rental rates were compared to the original estimated rental rates, and the difference was multiplied by 12 to annualize the number, to represent the forgone rent for the year.

Using the 2022F taxable value non-school district amount per unit, and each county’s millage rates, the estimated tax burden per unit was calculated. This estimated tax burden, and its associated exemption value (75% or 100% of the remaining non-school district taxable value, respectively) was compared to the annual forgone rent to determine if it would be worth it to a property owner to lower their rent to the eligible range. For the low, middle, and high estimates, it is assumed that the cost of conducting the survey is \$0, as market research indicates that many realtors will provide this service at no cost. However, the cost can be changed in row 77 of the attached spreadsheet. An example is provided on the “Decision Matrix” tab of the attached spreadsheet.

Step 6: Calculate Tax Impact

The remaining taxable value for each parcel was then multiplied by the statewide aggregate millage rate to determine the tax impact. Those in Pool 1 were then multiplied by 75% to find the amount that would be exempted.

Step 7: Account for Parcels with Florida Housing Finance Corporation (FHFC) Contracts

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Paragraph (3) (k) (lines 765-770) indicate that units with an existing agreement with “the corporation” (FHFC) are not eligible for this exemption. Florida Housing Data Clearinghouse’s Assisted Housing Inventory Property List (sheet 2) was used to identify properties built in 2017-2020 with greater than 70 units that have existing agreements with FHFC. 2021 data was not yet available. Of the 1,027 properties initially identified on the NAL Roll, 39 were found to have such FHFC agreements, representing of 0.6% of the eligible pool’s School District Taxable Value (TV_SD) and Non-school District Taxable Value (TV_NSD).

The amounts calculated in Step 6 were reduced by this 0.7% to account for properties with FHFC agreements for all properties built 2017-2021.

Step 8: Unit Participation Estimate

Thus far in the analysis, it is assumed that eligible properties would seek the exemption for 100% of their units. However, property owners may consider seeking certification and applying for this exemption for only a portion of their units. To account for this, the high estimate assumes 100% of each property’s units would seek and receive the exemption. The middle assumes 95% participation and the low assumes 90%.

Step 9: Apply Growth Rates and Forecast Impact

Residential Non-Homestead Taxable Value Growth Rates from the August 2022 Ad Valorem Revenue Estimating Conference were applied to grow the 2021 impact through the forecast period. A cohort concept has been included to represent new batches of qualifying properties entering the market each year. The additional cohort is equal to one-fifth of the 2022-23 year as this represents the most recent 5 years’ worth of qualifying properties.

Assumptions:

- It is assumed that people will behave rationally and only rent units that are within the designated rental rate ranges (i.e. a household with 80% of the median household income would only rent a unit that is up to 30% of their income).
- It is assumed that property owners would only seek this exemption if the exemption value would outweigh the income they would forgo by lowering their rents into the applicable ranges.
- It is assumed that parcels built in 2017 are an appropriate proxy for those built in 2022.
- It is also assumed that the current high, middle, and low rental rates are the current fair market value rents.
- Finally, it is assumed that the term “monthly rents” [line 648] is intended to indicate “annual rents.”

Additional Information:

Paragraph (3) (f) lists four pieces of information that must be provided to FHFC to receive certification for this exemption:

1. A completed rental market study
2. A list of units for which the owner is seeking exemption
3. The rent amount received for each unit for which the owner is seeking exemption
4. A sworn statement restricting the property for affordable housing for at least 3 years

This list does not include verification of the renter’s income. Based on discussions with FHFC’s Office of Multifamily Development, FHFC has no current plan to verify this aspect of the requirements. As long as the property is more than 70 units, was built in the last five years, submits the required paperwork, and is not listed in the FHFC portfolio, they would have no reason to deny the certification.

Subparagraphs (3) (a) 1. and 2. state that there are two qualifications for eligibility:

1. The income of the renters be within a specific range AND
2. The rental rate be no more than 30% of that specific range

Using the statewide AGI of \$63,000 as an example:

Income Requirement	Income Range	Annual Rent Range	Exemption
80-120% of AGI	\$50,400-\$75,600	\$15,120-\$22,680	75%
<80% of AGI	< \$50,400	< \$15,120	100%

Theoretically, a unit that rents for \$15,000 annually housing a household that makes \$80,000 would not be eligible for this exemption. However, due to FHFC’s planned process, in conjunction with assumed natural self-selection, it is assumed that all properties estimated to meet the rental rate ranges will seek and receive this exemption.

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Bill Number(s): [SB 102 Section 8 – Paragraphs 196.1978 \(3\)\(a\)-\(o\) F.S.](#)

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	\$0	\$(425.7 M)	\$0	\$(86.2 M)	\$0	\$(34.3 M)
2024-25	\$(525.1 M)	\$(525.1 M)	\$(106.4 M)	\$(106.4 M)	\$(45.0 M)	\$(45.0 M)
2025-26	\$(623.9 M)	\$(623.9 M)	\$(126.4 M)	\$(126.4 M)	\$(55.8 M)	\$(55.8 M)
2026-27	\$(723.1 M)	\$(723.1 M)	\$(146.5 M)	\$(146.5 M)	\$(66.8 M)	\$(66.8 M)
2027-28	\$(823.9 M)	\$(823.9 M)	\$(166.9 M)	\$(166.9 M)	\$(78.0 M)	\$(78.0 M)

Revenue Distribution: Ad Valorem

Section 5: Consensus Estimate (Adopted: 02/17/2023): The Conference adopted the middle estimate and used the 6th year recurring impact for all years' recurring.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	(66.0)	0.0	(117.1)	0.0	(183.1)
2024-25	(38.3)	(66.0)	(68.1)	(117.1)	(106.4)	(183.1)
2025-26	(45.5)	(66.0)	(80.9)	(117.1)	(126.4)	(183.1)
2026-27	(52.8)	(66.0)	(93.7)	(117.1)	(146.5)	(183.1)
2027-28	(60.1)	(66.0)	(106.8)	(117.1)	(166.9)	(183.1)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	0.0	0.0	0.0	0.0	(183.1)	0.0	(183.1)
2024-25	0.0	0.0	0.0	0.0	(106.4)	(183.1)	(106.4)	(183.1)
2025-26	0.0	0.0	0.0	0.0	(126.4)	(183.1)	(126.4)	(183.1)
2026-27	0.0	0.0	0.0	0.0	(146.5)	(183.1)	(146.5)	(183.1)
2027-28	0.0	0.0	0.0	0.0	(166.9)	(183.1)	(166.9)	(183.1)

	A	B	C	D	E	F	G
1							
2	Step 1: Identify Eligible Parcels						
3	DOR Use Codes:	003 (Multi-family - 10 units or more), 006 (Retirement Homes not eligible for exemption), or 012 (Mixed use - store and office or store and residential combination)					
4	Number of Residential Units:	> 70					
5	Actual Year Built	2017-2021					
6		Actual Year Built	Count	School District Taxable Value (TV_SD)	Non-School District Taxable Value (TV_NSD)		
7		2017 (proxy for 2022)	157	\$ 7,165,007,608	\$ 6,558,440,939		
8		2018	147	\$ 7,628,586,759	\$ 6,795,887,889		
9		2019	162	\$ 8,188,323,704	\$ 7,510,320,226		
10		2020	193	\$ 11,062,182,567	\$ 10,314,261,519		
11		2021	202	\$ 10,604,561,440	\$ 10,582,800,258		
12		Sum	861	44,648,662,078	41,761,710,831		
13		Source: 2022F NAL Roll					
14							
15	Step 2: Estimate Market Value and Current Rental Rates						
16	Just Value to Market Value Increase						
17		15%					
18							
19	Rental Rate of Market Value						
20			High	Middle	Low		
21			0.6%	0.8%	1.0%		
22			Source: Smart Asset				
23							
24							
25	Step 3: Estimating New Rental Rate						
26	a) HUD's FMR Estimate						
27	Fair Market Rent weighted by Bedrooms						
28			High	Middle	Low		
29		0	0%	0%	0%		
30		1	0%	0%	0%		
31		2	50%	50%	50%		
32		3	50%	50%	50%		
33		4	0%	0%	0%		
34		Sum	100%	100%	100%		
35							
36	b) Fair Market Value Rent						
37	90% of the Fair Market Rent						
38	Lines 691-693 of bill language						
39		90%					
40							
41	c) Which is less?						
42		Properties Count	High	Middle	Low		
43		Weighted FMR	301	600	695		
44		Fair Market Value Rent	726	427	332		
45		Sum	1,027	1,027	1,027		
46							

	A	B	C	D	E	F	G
47							
48	Step 4: Determine Exemption Rate Eligibility						
49	Pool 1: (3) (a) 1. a.= 75% Exempt						
50	Parcels with New Rent 30% of 80-120%						
51			High	Middle	Low		
52		Parcels	364	497	531		
53		Units	97,533	130,645	138,019		
54		TV_SD	\$ 26,707,135,426	\$ 32,920,856,379	\$ 33,913,445,537		
55		TV_NSD	\$ 25,063,791,206	\$ 30,803,063,453	\$ 31,717,871,856		
56		Source: 2022F NAL Roll					
57							
58	Pool 2: (3) (a) 1. b.= 100% Exempt						
59	Parcels with New Rent 30% of < 80%						
60			High	Middle	Low		
61		Parcels	460	327	293		
62		Units	107,194	74,082	66,708		
63		TV_SD	\$ 17,941,526,652	\$ 11,727,805,699	\$ 10,735,216,541		
64		TV_NSD	\$ 16,697,919,625	\$ 10,958,647,378	\$ 10,043,838,975		
65		Source: 2022F NAL Roll					
66							
67							
68	Step 5: Cost/Benefit Analysis						
69	Additional Information						
70			High	Middle	Low		
71		Total	\$ 3,310,841	7,051,459	11,668,573		
72		Avg/Property	\$ 3,224	\$ 6,866	\$ 11,362		
73		Avg/Unit	\$ 14	30	\$ 50		
74							
75	Survey Cost						
76			High	Middle	Low		
77			\$ -	\$ -	\$ -		
78							
79	Pool 1: (3) (a) 1. a.= 75% Exempt						
80	(Rent Forgone + Survey Cost) < Tax Burden						
81			High	Middle	Low		
82		Parcels	207	41	4		
83		Units	56,755	9,996	966		
84		TV_SD	\$ 13,668,924,967	\$ 1,859,056,482	\$ 153,800,480		
85		TV_NSD	\$ 12,970,134,598	\$ 1,818,904,394	\$ 153,800,480		
86							
87							
88	Pool 2: (3) (a) 1. b.= 100% Exempt						
89	(Rent Forgone + Survey Cost) < Tax Burden						
90			High	Middle	Low		
91		Parcels	336	165	110		
92		Units	75,306	33,319	22,341		
93		TV_SD	\$ 10,452,341,528	\$ 2,956,825,008	\$ 1,530,948,821		
94		TV_NSD	\$ 9,785,050,190	\$ 2,833,568,814	\$ 1,491,663,040		

	A	B	C	D	E	F	G
95							
96	Step 6: Calculate Tax Impact						
97	Statewide Aggregate Millage Rates						
98		School District	5.9581				
99		Non-School District	10.5827				
100							
101	Pool 1: (3) (a) 1. a.= 75% Exempt						
102	2022 Taxes Owed						
103			High	Middle	Low		
104		School District	\$ 81,440,822	\$ 11,076,444	\$ 916,359		
105		Non-School District	\$ 137,259,043	\$ 19,248,920	\$ 1,627,624		
106							
107	Pool 1: (3) (a) 1. a.= 75% Exempt						
108	2022 Impact						
109		75%	High	Middle	Low		
110		School District	\$ 61,080,616	\$ 8,307,333	\$ 687,269		
111		Non-School District	\$ 102,944,283	\$ 14,436,690	\$ 1,220,718		
112							
113	Pool 2: (3) (a) 1. b.= 100% Exempt						
114	2022 Impact						
115			High	Middle	Low		
116		School District	\$ 62,276,096	\$ 17,617,059	\$ 9,121,546		
117		Non-School District	\$ 103,552,251	\$ 29,986,809	\$ 15,785,822		
118							
119	2022 Total Impact						
120			High	Middle	Low		
121		School District	\$ 123,356,712	\$ 25,924,392	\$ 9,808,815		
122		Non-School District	\$ 206,496,533	\$ 44,423,498	\$ 17,006,541		
123							

	A	B	C	D	E	F	G
124							
125	Step 7: Account for Parcels with Florida Housing Finance Corporation (FHFC) Agreements						
126		Actual Year Built	Count	Agreement with FHFC	Remaining	FHFC %	
127		2017 (proxy for 2022)	157	2	155	1.3%	
128		2018	147	11	136	7.5%	
129		2019	162	14	148	8.6%	
130		2020	193	10	183	5.2%	
131		2021	202	14	188		
132		Sources: 2022F NAL Roll and Shimburg Report		Note: shading indicates estimate	average:	7.1%	
133							
134	School District Taxable Value						
135		Actual Year Built	All	Agreement with FHFC	Remaining	FHFC Percent	
136		2017 (proxy for 2022)	\$ 7,165,007,608	\$ 5,149,281	\$ 7,159,858,327	0.1%	
137		2018	\$ 7,628,586,759	\$ 47,399,752	\$ 7,581,187,007	0.6%	
138		2019	\$ 8,188,323,704	\$ 74,918,330	\$ 8,113,405,374	0.9%	
139		2020	\$ 11,062,182,567	\$ 56,007,601	\$ 11,006,174,966	0.5%	
140		2021	\$ 10,604,561,440	\$ 72,202,314	\$ 10,532,359,126		
141		Sources: 2022F NAL Roll and Shimburg Report		Note: shading indicates estimate	average:	0.7%	
142							
143	Non-School District Taxable Value						
144		Actual Year Built	All	Agreement with FHFC	Remaining	FHFC Percent	
145		2017 (proxy for 2022)	\$ 6,558,440,939	\$ 5,117,164	\$ 6,553,323,775	0.1%	
146		2018	\$ 6,795,887,889	\$ 42,156,904	\$ 6,753,730,985	0.6%	
147		2019	\$ 7,510,320,226	\$ 71,649,825	\$ 7,438,670,401	1.0%	
148		2020	\$ 10,314,261,519	\$ 41,976,237	\$ 10,272,285,282	0.4%	
149		2021	\$ 10,582,800,258	\$ 69,893,068	\$ 10,512,907,190		
150		Sources: 2022F NAL Roll and Shimburg Report		Note: shading indicates estimate	average:	0.7%	
151							
152	Percent of Value to Remove for FHFC Parcels						
153		0.7%					
154							
155	2022 Total Impact						
156		% Exempt	High	Middle	Low		
157		School District	\$ 122,542,015	\$ 25,753,177	\$ 9,744,034		
158		Non-School District	\$ 205,132,747	\$ 44,130,108	\$ 16,894,223		
159							
160							
161	Step 8: Unit Participation Estimate						
162			High	Middle	Low		
163			100%	95%	90%		
164							
165	2022 Total Impact						
166		% Exempt	High	Middle	Low		
167		School District	\$ 122,542,015	\$ 24,465,518	\$ 8,769,630		
168		Non-School District	\$ 205,132,747	\$ 41,923,602	\$ 15,204,800		
169							

	A	B	C	D	E	F	G
170							
171	Step 9: Apply Growth Rates and Forecast Impact						
172	Residential Non-Homestead Taxable Value Growth Rates						
173		2022	\$ 894,790				
174		2023	\$ 991,827	10.8%			
175		2024	\$ 1,084,463	9.3%			
176		2025	\$ 1,161,755	7.1%			
177		2026	\$ 1,229,861	5.9%			
178		2027	\$ 1,292,598	5.1%			
179		2028	\$ 1,353,781	4.7%			
180		Source: Aug 2022 AV REC					
181							
182	Impact: School District						
183	Year	High		Middle		Low	
184		Cash	Recurring	Cash	Recurring	Cash	Recurring
185	2022-2023	\$0	\$(122.5 M)	\$0	\$(24.5 M)	\$0	\$(8.8 M)
186	2023-2024	\$0	\$(160.3 M)	\$0	\$(32.0 M)	\$0	\$(14.6 M)
187	2024-2025	\$(199.8 M)	\$(199.8 M)	\$(39.9 M)	\$(39.9 M)	\$(20.9 M)	\$(20.9 M)
188	2025-2026	\$(238.6 M)	\$(238.6 M)	\$(47.6 M)	\$(47.6 M)	\$(27.3 M)	\$(27.3 M)
189	2026-2027	\$(277.1 M)	\$(277.1 M)	\$(55.3 M)	\$(55.3 M)	\$(33.7 M)	\$(33.7 M)
190	2027-2028	\$(315.7 M)	\$(315.7 M)	\$(63.0 M)	\$(63.0 M)	\$(40.4 M)	\$(40.4 M)
191				\$(70.9 M)	\$(70.9 M)		
192							
193	Impact: Non-School District						
194	Year	High		Middle		Low	
195		Cash	Recurring	Cash	Recurring	Cash	Recurring
196	2022-2023	\$0	\$(205.1 M)	\$0	\$(41.9 M)	\$0	\$(15.2 M)
197	2023-2024	\$0	\$(265.3 M)	\$0	\$(54.2 M)	\$0	\$(19.7 M)
198	2024-2025	\$(325.3 M)	\$(325.3 M)	\$(66.5 M)	\$(66.5 M)	\$(24.1 M)	\$(24.1 M)
199	2025-2026	\$(385.3 M)	\$(385.3 M)	\$(78.8 M)	\$(78.8 M)	\$(28.6 M)	\$(28.6 M)
200	2026-2027	\$(446.0 M)	\$(446.0 M)	\$(91.2 M)	\$(91.2 M)	\$(33.1 M)	\$(33.1 M)
201	2027-2028	\$(508.2 M)	\$(508.2 M)	\$(103.9 M)	\$(103.9 M)	\$(37.7 M)	\$(37.7 M)
202				\$(112.2 M)	\$(112.2 M)		
203	Total Impact						
204	Year	High		Middle		Low	
205		Cash	Recurring	Cash	Recurring	Cash	Recurring
206	2022-2023	\$0	\$(327.7 M)	\$0	\$(66.4 M)	\$0	\$(24.0 M)
207	2023-2024	\$0	\$(425.7 M)	\$0	\$(86.2 M)	\$0	\$(34.3 M)
208	2024-2025	\$(525.1 M)	\$(525.1 M)	\$(106.4 M)	\$(106.4 M)	\$(45.0 M)	\$(45.0 M)
209	2025-2026	\$(623.9 M)	\$(623.9 M)	\$(126.4 M)	\$(126.4 M)	\$(55.8 M)	\$(55.8 M)
210	2026-2027	\$(723.1 M)	\$(723.1 M)	\$(146.5 M)	\$(146.5 M)	\$(66.8 M)	\$(66.8 M)
211	2027-2028	\$(823.9 M)	\$(823.9 M)	\$(166.9 M)	\$(166.9 M)	\$(78.0 M)	\$(78.0 M)
212			6th year recurring	\$(183.1 M)	\$(183.1 M)		

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
1	Parcel #	County	Just Value	Market Value (JV*1.15)	Units	MV/Unit	Monthly Rent (MV/unit*0.08)	Reduced Rate (rent*0.9)	FMR 2bed	FMR 3bed	Weighted FMR	Lower of the two	Monthly forgone rent	Annual Forgone Rent	Survey Cost	Taxable Value	Millage Rate	Tax Burden	Would it be worth it?
2	1	Baker	\$ 100,000	\$ 115,000	7	\$ 16,429	\$ 1,314	\$ 1,183	\$ 812	\$ 1,091	\$ 952	\$ 952	\$ 363	\$ 4,353	\$ -	\$ 90,000	14.9565	\$ 1,346	0
3	2	Baker	\$ 100,000	\$ 115,000	8	\$ 14,375	\$ 1,150	\$ 1,035	\$ 812	\$ 1,091	\$ 952	\$ 952	\$ 199	\$ 2,382	\$ -	\$ 90,000	14.9565	\$ 1,346	0
4	3	Baker	\$ 100,000	\$ 115,000	9	\$ 12,778	\$ 1,022	\$ 920	\$ 812	\$ 1,091	\$ 952	\$ 920	\$ 102	\$ 1,227	\$ -	\$ 90,000	14.9565	\$ 1,346	1
5	4	Baker	\$ 100,000	\$ 115,000	10	\$ 11,500	\$ 920	\$ 828	\$ 812	\$ 1,091	\$ 952	\$ 828	\$ 92	\$ 1,104	\$ -	\$ 90,000	14.9565	\$ 1,346	1
6	5	Baker	\$ 100,000	\$ 115,000	11	\$ 10,455	\$ 836	\$ 753	\$ 812	\$ 1,091	\$ 952	\$ 753	\$ 84	\$ 1,004	\$ -	\$ 90,000	14.9565	\$ 1,346	1
7																			
8	6	Baker	\$ 100,000	\$ 115,000	10	\$ 11,500	\$ 920	\$ 828	\$ 812	\$ 1,091	\$ 952	\$ 828	\$ 92	\$ 1,104	\$ -	\$ 90,000	14.9565	\$ 1,346	1
9	7	Baker	\$ 110,000	\$ 126,500	10	\$ 12,650	\$ 1,012	\$ 911	\$ 812	\$ 1,091	\$ 952	\$ 911	\$ 101	\$ 1,214	\$ -	\$ 99,000	14.9565	\$ 1,481	1
10	8	Baker	\$ 120,000	\$ 138,000	10	\$ 13,800	\$ 1,104	\$ 994	\$ 812	\$ 1,091	\$ 952	\$ 952	\$ 153	\$ 1,830	\$ -	\$ 108,000	14.9565	\$ 1,615	0
11	9	Baker	\$ 130,000	\$ 149,500	10	\$ 14,950	\$ 1,196	\$ 1,076	\$ 812	\$ 1,091	\$ 952	\$ 952	\$ 245	\$ 2,934	\$ -	\$ 117,000	14.9565	\$ 1,750	0
12	10	Baker	\$ 140,000	\$ 161,000	10	\$ 16,100	\$ 1,288	\$ 1,159	\$ 812	\$ 1,091	\$ 952	\$ 952	\$ 337	\$ 4,038	\$ -	\$ 126,000	14.9565	\$ 1,885	0
13																			
14	11	Broward	\$ 200,000	\$ 230,000	7	\$ 32,857	\$ 2,629	\$ 2,366	\$ 1,556	\$ 2,207	\$ 1,882	\$ 1,882	\$ 747	\$ 8,965	\$ -	\$ 180,000	19.7256	\$ 3,551	0
15	12	Broward	\$ 200,000	\$ 230,000	8	\$ 28,750	\$ 2,300	\$ 2,070	\$ 1,556	\$ 2,207	\$ 1,882	\$ 1,882	\$ 419	\$ 5,022	\$ -	\$ 180,000	19.7256	\$ 3,551	0
16	13	Broward	\$ 200,000	\$ 230,000	9	\$ 25,556	\$ 2,044	\$ 1,840	\$ 1,556	\$ 2,207	\$ 1,882	\$ 1,840	\$ 204	\$ 2,453	\$ -	\$ 180,000	19.7256	\$ 3,551	1
17	14	Broward	\$ 200,000	\$ 230,000	10	\$ 23,000	\$ 1,840	\$ 1,656	\$ 1,556	\$ 2,207	\$ 1,882	\$ 1,656	\$ 184	\$ 2,208	\$ -	\$ 180,000	19.7256	\$ 3,551	1
18	15	Broward	\$ 200,000	\$ 230,000	11	\$ 20,909	\$ 1,673	\$ 1,505	\$ 1,556	\$ 2,207	\$ 1,882	\$ 1,505	\$ 167	\$ 2,007	\$ -	\$ 180,000	19.7256	\$ 3,551	1
19																			
20	16	Broward	\$ 100,000	\$ 115,000	10	\$ 11,500	\$ 920	\$ 828	\$ 1,556	\$ 2,207	\$ 1,882	\$ 828	\$ 92	\$ 1,104	\$ -	\$ 90,000	19.7256	\$ 1,775	1
21	17	Broward	\$ 150,000	\$ 172,500	10	\$ 17,250	\$ 1,380	\$ 1,242	\$ 1,556	\$ 2,207	\$ 1,882	\$ 1,242	\$ 138	\$ 1,656	\$ -	\$ 135,000	19.7256	\$ 2,663	1
22	18	Broward	\$ 200,000	\$ 230,000	10	\$ 23,000	\$ 1,840	\$ 1,656	\$ 1,556	\$ 2,207	\$ 1,882	\$ 1,656	\$ 184	\$ 2,208	\$ -	\$ 180,000	19.7256	\$ 3,551	1
23	19	Broward	\$ 250,000	\$ 287,500	10	\$ 28,750	\$ 2,300	\$ 2,070	\$ 1,556	\$ 2,207	\$ 1,882	\$ 1,882	\$ 419	\$ 5,022	\$ -	\$ 225,000	19.7256	\$ 4,438	0
24	20	Broward	\$ 300,000	\$ 345,000	10	\$ 34,500	\$ 2,760	\$ 2,484	\$ 1,556	\$ 2,207	\$ 1,882	\$ 1,882	\$ 879	\$ 10,542	\$ -	\$ 270,000	19.7256	\$ 5,326	0

	A	B	C	D	E	F	G	H	I	J	K
1	Source: Florida Health Chart's Median Household Income, Dollars, 2021										
2	https://www.flhealthcharts.gov/ChartsReports/rdPage.aspx?rdReport=NonVitalIndRateOnly.DataViewer&cid=293										
3											
4	CO_NO	County	Dollars (\$)	AGI to Use	80%	30% of 80%	Monthly	120%	30% of 120%	Monthly	Millage Rates
5		Florida	61,777		\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	16.5404
6	11	Alachua	53,314	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	20.7765
7	12	Baker	63,860	63,860	\$ 51,088	\$ 15,326	\$ 1,277	\$ 76,632	\$ 22,990	\$ 1,916	14.9565
8	13	Bay	60,473	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	11.8808
9	14	Bradford	48,803	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	16.8316
10	15	Brevard	63,632	63,632	\$ 50,906	\$ 15,272	\$ 1,273	\$ 76,358	\$ 22,908	\$ 1,909	14.5923
11	16	Broward	64,522	64,522	\$ 51,618	\$ 15,485	\$ 1,290	\$ 77,426	\$ 23,228	\$ 1,936	19.7256
12	17	Calhoun	38,098	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	15.7433
13	18	Charlotte	57,887	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	16.2885
14	19	Citrus	48,664	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	15.1214
15	20	Clay	74,059	74,059	\$ 59,247	\$ 17,774	\$ 1,481	\$ 88,871	\$ 26,661	\$ 2,222	15.4710
16	21	Collier	75,543	75,543	\$ 60,434	\$ 18,130	\$ 1,511	\$ 90,652	\$ 27,195	\$ 2,266	10.5791
17	22	Columbia	47,750	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	15.0041
18	23	Miami-Dade	57,815	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	18.6253
19	24	DeSoto	39,945	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	16.6847
20	25	Dixie	44,287	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	19.7969
21	26	Duval	59,541	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	17.0679
22	27	Escambia	56,605	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	14.1623
23	28	Flagler	62,305	62,305	\$ 49,844	\$ 14,953	\$ 1,246	\$ 74,766	\$ 22,430	\$ 1,869	17.7911
24	29	Franklin	52,679	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	11.3423
25	30	Gadsden	42,661	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	16.3590
26	31	Gilchrist	50,983	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	15.9496
27	32	Glades	38,088	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	18.3705
28	33	Gulf	53,812	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	13.8546
29	34	Hamilton	39,346	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	16.7459
30	35	Hardee	41,395	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	15.3091
31	36	Hendry	38,843	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	17.7003
32	37	Hernando	53,301	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	15.9620
33	38	Highlands	46,895	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	15.0460
34	39	Hillsborough	64,164	64,164	\$ 51,331	\$ 15,399	\$ 1,283	\$ 76,997	\$ 23,099	\$ 1,925	18.2044
35	40	Holmes	41,809	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	15.0721
36	41	Indian River	61,594	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	14.0775
37	42	Jackson	43,416	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	13.1692
38	43	Jefferson	53,080	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	14.5291
39	44	Lafayette	56,458	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	16.3515

	A	B	C	D	E	F	G	H	I	J	K
40	CO_NO	County	Dollars (\$)	61,777	\$ 49,422	30% of 80%	Monthly	\$ 74,132	30% of 120%	Monthly	
41	45	Lake	60,013	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	15.9720
42	46	Lee	63,235	63,235	\$ 50,588	\$ 15,176	\$ 1,265	\$ 75,882	\$ 22,765	\$ 1,897	14.4523
43	47	Leon	57,359	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	17.4732
44	48	Levy	43,029	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	16.5509
45	49	Liberty	42,438	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	15.2034
46	50	Madison	39,503	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	16.6074
47	51	Manatee	64,964	64,964	\$ 51,971	\$ 15,591	\$ 1,299	\$ 77,957	\$ 23,387	\$ 1,949	15.1747
48	52	Marion	50,808	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	21.4094
49	53	Martin	69,769	69,769	\$ 55,815	\$ 16,745	\$ 1,395	\$ 83,723	\$ 25,117	\$ 2,093	16.9348
50	54	Monroe	73,153	73,153	\$ 58,522	\$ 17,557	\$ 1,463	\$ 87,784	\$ 26,335	\$ 2,195	8.3019
51	55	Nassau	77,504	77,504	\$ 62,003	\$ 18,601	\$ 1,550	\$ 93,005	\$ 27,901	\$ 2,325	16.0050
52	56	Okaloosa	67,390	67,390	\$ 53,912	\$ 16,174	\$ 1,348	\$ 80,868	\$ 24,260	\$ 2,022	12.5079
53	57	Okeechobee	47,020	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	14.8531
54	58	Orange	65,784	65,784	\$ 52,627	\$ 15,788	\$ 1,316	\$ 78,941	\$ 23,682	\$ 1,974	16.1846
55	59	Osceola	58,513	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	15.0746
56	60	Palm Beach	68,874	68,874	\$ 55,099	\$ 16,530	\$ 1,377	\$ 82,649	\$ 24,795	\$ 2,066	18.1309
57	61	Pasco	58,084	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	16.1144
58	62	Pinellas	60,451	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	18.4945
59	63	Polk	55,099	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	15.6570
60	64	Putnam	39,975	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	16.9446
61	65	St. Johns	88,794	88,794	\$ 71,035	\$ 21,311	\$ 1,776	\$ 106,553	\$ 31,966	\$ 2,664	13.3486
62	66	St. Lucie	59,807	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	22.0009
63	67	Santa Rosa	77,260	77,260	\$ 61,808	\$ 18,542	\$ 1,545	\$ 92,712	\$ 27,814	\$ 2,318	12.4798
64	68	Sarasota	69,490	69,490	\$ 55,592	\$ 16,678	\$ 1,390	\$ 83,388	\$ 25,016	\$ 2,085	12.9711
65	69	Seminole	73,002	73,002	\$ 58,402	\$ 17,520	\$ 1,460	\$ 87,602	\$ 26,281	\$ 2,190	14.8441
66	70	Sumter	63,323	63,323	\$ 50,658	\$ 15,198	\$ 1,266	\$ 75,988	\$ 22,796	\$ 1,900	11.2177
67	71	Suwannee	47,218	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	16.1105
68	72	Taylor	43,563	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	15.4050
69	73	Union	55,463	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	16.8358
70	74	Volusia	56,786	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	17.9893
71	75	Wakulla	72,941	72,941	\$ 58,353	\$ 17,506	\$ 1,459	\$ 87,529	\$ 26,259	\$ 2,188	13.8926
72	76	Walton	68,111	68,111	\$ 54,489	\$ 16,347	\$ 1,362	\$ 81,733	\$ 24,520	\$ 2,043	9.3517
73	77	Washington	41,806	61,777	\$ 49,422	\$ 14,826	\$ 1,236	\$ 74,132	\$ 22,240	\$ 1,853	14.9464

	A	B	C	D	E	F
1						
2	Monthly Rent (MV/Unit)					
3		Studio	1-br	2-br	3-br	4-br
4	1st Quartile	0.52%	0.59%	0.72%	0.86%	0.90%
5	Median	0.66%	0.83%	0.96%	1.15%	4.19%
6	3rd Quartile	1.68%	1.21%	1.47%	1.74%	6.55%
7						
8	County #	Avg Studio	Avg 1br	Avg 2br	Avg 3br	Avg 4br
9	11	0.35%	0.42%	0.33%	0.29%	0.25%
10	13		0.82%	0.96%	1.18%	
11	15		0.92%	0.99%	0.87%	
12	16	3.87%	1.28%	1.62%	2.32%	6.55%
13	18	1.69%	1.96%	2.28%	2.69%	
14	20			0.77%	0.82%	0.90%
15	21			0.73%	0.96%	
16	23	0.66%	0.76%	1.03%	1.41%	7.28%
17	26		0.59%	0.66%		
18	27		0.88%	1.21%		
19	33			1.80%	2.06%	
20	37		1.60%		2.24%	
21	39	0.51%	1.07%	1.35%	0.99%	
22	41		1.97%	2.24%	2.67%	
23	45	1.68%	2.05%	2.56%	3.62%	4.19%
24	46	0.83%	0.80%	0.91%	1.15%	
25	47		0.42%	0.46%	0.28%	
26	51		1.00%	0.62%		
27	53		1.41%	1.77%	2.37%	
28	55		0.91%	1.06%	1.40%	
29	56		0.73%	0.87%	1.27%	
30	58	0.52%	0.56%	0.72%	0.85%	
31	59		0.84%	1.09%	0.83%	
32	60	0.65%	0.61%	0.86%		
33	61		0.58%	0.67%	0.92%	
34	62		0.55%	0.68%	1.02%	
35	63		0.62%	0.75%	0.92%	
36	65		0.97%	1.17%	1.43%	
37	66			1.55%		
38	67		0.40%	0.48%	0.55%	
39	68		0.65%	0.77%	1.37%	
40	69		0.45%	0.62%	0.68%	
41	74		1.39%	1.63%		
42	76		1.25%	1.47%		
44	Grand Total	0.93%	0.89%	1.07%	1.35%	3.83%
45						
46	Counts					

	A	B	C	D	E	F
47	County #	Count of Studio	Count of 1br	Count of 2br	Count of 3br	Count of 4br
48	11	1	1	1	1	1
49	13		2	2	2	
50	15		2	2	1	
51	16	1	5	5	4	1
52	18	1	1	1	1	
53	20			1	1	1
54	21			1	1	
55	23	4	7	6	4	1
56	26		1	1		
57	27		2	1		
58	33			1	1	
59	37		1		1	
60	39	2	4	4	3	
61	41		1	1	1	
62	45	1	1	1	1	1
63	46	2	3	4	4	
64	47		2	2	1	
65	51		1	1		
66	53		1	1	1	
67	55		2	2	2	
68	56		2	2	1	
69	58	3	5	6	4	
70	59		2	2	1	
71	60	2	3	3		
72	61		1	1	1	
73	62		2	2	2	
74	63		2	2	2	
75	65		2	2	2	
76	66			1		
77	67		1	1	1	
78	68		3	3	2	
79	69		1	1	1	
80	74		2	2		
81	76		1	1		
83	Grand Total	17	64	67	47	5

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Ad Valorem Tax Exemption for Nonprofit Homes for the Aged

Bill Number(s): HB 127/SB 566

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Representative Smith

Month/Year Impact Begins: January 1, 2024

Date(s) Conference Reviewed: February 3rd (Pulled), February 17th, 2023

Section 1: Narrative

a. Current Law: Section 196.1975, Florida Statutes reads (in part):

Nonprofit homes for the aged are exempt to the extent that they meet the following criteria: 1) The applicant must be a corporation not for profit pursuant to chapter 617 or a Florida limited partnership, the sole general partner of which is a corporation not for profit pursuant to chapter 617, and the corporation not for profit must have been exempt as of January 1 of the year for which exemption from ad valorem property taxes is requested from federal income taxation by having qualified as an exempt charitable organization under the provisions of s. 501(c)(3) of the Internal Revenue Code of 1954 or of the corresponding section of a subsequently enacted federal revenue act.

Significant court case – Lakeland Highlands Road Facility, LLC v. Marsha Faux
Circuit Court – 10th Judicial Circuit case 2015-CA-1733

Trial court found that Lakeland Highlands did not qualify for the exemption under 196.1975 as it was not a corporation not for profit or a Florida limited partnership, the sole general partner of which is a corporation not for profit as Lakeland Highlands ownership structure was that of a limited partnership the sole general partner of which was a limited liability company.

b. Proposed Change: Revises subsection 196.1975 (1) to read: “The applicant must be a corporation not for profit under ~~pursuant to~~ chapter 617 or a Florida limited partnership, the sole general partner of which is a corporation not for profit under ~~pursuant to~~ chapter 617 or an entity wholly owned by a corporation not for profit under chapter 617, and the corporation not for profit must have been exempt as of January 1 of the year for which exemption from ad valorem property taxes is requested from federal income taxation by having qualified as an exempt charitable organization under ~~the provisions of~~ s. 501(c)(3) of the Internal Revenue Code of 1954 or of the corresponding section of a subsequently enacted federal revenue act.”

Section 2: Description of Data and Sources

Informal Online Research (SunBiz, Google, and County Property Appraiser websites)

[Agency for Health Care Administration](#)

Florida Housing Data ClearingHouse, [Assisted Housing Inventory](#)

August 3rd, 2022, [Ad Valorem Assessment Estimating Conference](#) (AV REC)

Non-Residential Growth Rates

2022 Final Tax Roll Data

Ownership Classification from [SunBiz](#)

Section 3: Methodology (Include Assumptions and Attach Details)

3 Methods for Identifying Eligible Parcels

There were 3 methods used for identifying eligible parcels for the analysis. Additional methods may yield unaccounted-for parcels.

1. Informal Internet Research

The informal research identified two potential parcels, both of which were matched to the 2022 Final Tax Roll Data, and one of which had remaining taxable value after exemptions.

2. Agency for Health Care Administration (AHCA)

The Facility Finder was used to identify about 6,200 Assisted Living Facilities (ALFs) and about 2,700 Nursing homes in Florida. Of these, about 7,700 (about 5,700 ALFs and 2,000 Nursing Homes) were for-profit. 1,076 (842 ALFs and 234 Nursing Homes) were manually examined via SunBiz to look for non-profit ownership structure. Four ALFs and zero Nursing Homes were identified as having non-profit ownership structure. Two had remaining taxable value. Based on these findings it is assumed that only ALFs would fall into this impact pool.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Ad Valorem Tax Exemption for Nonprofit Homes for the Aged

Bill Number(s): HB 127/SB 566

3. Assisted Housing Inventory from the Florida Housing Data ClearingHouse

The Assisted Housing Inventory was subset into only those parcels which were for-profit and marked as the targeted population served as “Elderly,” resulting in 62 remaining parcels. Of those 62, all were examined and 12 were successfully identified as eligible. 9 of the 12 parcels were matched to the 2022 Final Tax Roll Data. Of the 9 matched, two had remaining taxable value.

Estimating Impact

For the low estimate, it is assumed that only those 5 parcels with remaining taxable value would be affected by the change. For the informal research data, the single parcel with remaining taxable value had \$4.3 million School District (SD) and \$4.2 million Non-School District (NSD) in taxable value. For the AHCA data, the two parcels with remaining taxable value had \$209 million SD and \$183 million NSD. For the ClearingHouse data, the two parcels with remaining taxable value had \$1.2 million SD and \$1.0 million NSD. The SD and NSD taxable value of all the parcels totaled \$214 million and \$188 million, respectively. In 2022, the total school district taxes were \$1.3 million and the total non-school district taxes were \$2.9 million. In total, the combined taxes were \$3.3 million.

For the middle estimate, it was assumed that there is a gross up factor. This is because through the previous methods, some parcels were not examined and/or not able to be matched to the roll. Grossing up the taxable value for the remaining parcels will more accurately reflect the total taxable value for the parcels that were unable to be examined or matched in addition to those parcels that were. For the informal research data, it is not grossed up by any factor because all the parcels were examined, and all the eligible parcels were matched to the roll. For the AHCA data, to account for additional, non-examined ALFs, the remaining taxable value is grossed up by the inverse of parcels examined. ($5,753/842=683\%$). After being grossed up, the parcels had \$1.42 billion SD and \$1.25 billion NSD taxable value. For the ClearingHouse data, only 9 of the 12 eligible parcels were matched to the roll. To account for the unmatched eligible parcels, the remaining taxable value is grossed up by the inverse of parcels matched: ($12/9=133\%$). After being grossed up, the parcels had \$1.6 million SD and \$1.4 million NSD taxable value. Additionally, it is assumed that the gross up factor accounts for all the missed parcels from the previous methods, and thus the multiplier is set to one. The SD and NSD taxable value of all parcels totaled \$1.43 billion and \$1.26 billion, respectively. In 2022, the total school district taxes were \$8.5 million, and the non-school district taxes were \$13.3 million in 2022. Total combined taxes were \$21.8 million in 2022.

For the high estimate, it was assumed that there is an identical gross up factor as the middle estimate. However, the high estimate assumes that the gross up factor is not exhaustive and there remains unidentified eligible parcels. Thus, the high estimate is four times the middle estimate to account for any additional parcels not accounted by the middle or low estimate. For the informal research data, the single parcel’s remaining taxable value was quadrupled to \$17.1 million SD and \$17.0 million NSD in taxable value. For the AHCA data, the two parcels’ remaining taxable value were quadrupled to \$5.7 billion SD and \$5.0 billion NSD. For the ClearingHouse data, the two parcels’ remaining taxable were quadrupled to \$6.4 million SD and \$5.5 million NSD. The SD and NSD taxable value of all the parcels totaled \$5.72 billion and \$5.02 billion, respectively. In 2022, the total school district taxes were \$34.1 million and the total non-school district taxes were \$53.1 million. In total, the combined taxes were \$87 million.

The residential non-homestead taxable value growth rates from the most recent AV REC were used to grow the estimate through the impact period, and the 2022F statewide aggregate millage rates were applied to derive the impact.

Section 4: Proposed Fiscal Impact

Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
23-24	\$0	\$(96.7 M)	\$0	\$(24.2 M)	\$0	\$(3.6 M)
24-25	\$(105.7 M)	\$(105.7 M)	\$(26.4 M)	\$(26.4 M)	\$(4.0 M)	\$(4.0 M)
25-26	\$(113.3 M)	\$(113.3 M)	\$(28.3 M)	\$(28.3 M)	\$(4.2 M)	\$(4.2 M)
26-27	\$(119.9 M)	\$(119.9 M)	\$(30.0 M)	\$(30.0 M)	\$(4.5 M)	\$(4.5 M)
27-28	\$(126.0 M)	\$(126.0 M)	\$(31.5 M)	\$(31.5 M)	\$(4.7 M)	\$(4.7 M)

Revenue Distribution: Ad Valorem

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Ad Valorem Tax Exemption for Nonprofit Homes for the Aged

Bill Number(s): HB 127/SB 566

Section 5: Consensus Estimate (Adopted: 02/17/2023): The Conference adopted double the low estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	(2.6)	0.0	(4.6)	0.0	(7.2)
2024-25	(2.8)	(2.8)	(5.1)	(5.1)	(7.9)	(7.9)
2025-26	(3.1)	(3.1)	(5.4)	(5.4)	(8.5)	(8.5)
2026-27	(3.2)	(3.2)	(5.8)	(5.8)	(9.0)	(9.0)
2027-28	(3.4)	(3.4)	(6.0)	(6.0)	(9.4)	(9.4)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	0.0	0.0	0.0	0.0	(7.2)	0.0	(7.2)
2024-25	0.0	0.0	0.0	0.0	(7.9)	(7.9)	(7.9)	(7.9)
2025-26	0.0	0.0	0.0	0.0	(8.5)	(8.5)	(8.5)	(8.5)
2026-27	0.0	0.0	0.0	0.0	(9.0)	(9.0)	(9.0)	(9.0)
2027-28	0.0	0.0	0.0	0.0	(9.4)	(9.4)	(9.4)	(9.4)

	A	B	C	D	E	F	G	H
1								
2		Source	Total Pool	Examined	Identified as Eligible	Matched to Roll	Parcels With Remaining TV	
3		AHCA	5753	842	4	4	2	
4		Florida ClearingHouse	62	62	12	9	2	
5		Informal Research	2	2	2	2	1	
6		SUM	5817	906	18	15	5	
7								
8		Low						
9		Multiplier	Gross - Up	Source				
10		1	100%	AHCA				
11		1	100%	ClearingHouse				
12		1	100%	Informal Research				
13								
14		Middle						
15		Multiplier	Gross - Up	Total Pool/Identified	Examined/Matched	Source		
16		1	683%	5753	842	AHCA		
17		1	133%	12	9	ClearingHouse		
18		1	100%	2	2	Informal Research		
19								
20		High						
21		Multiplier	Gross - Up	Total Pool/Identified	Examined/Matched	Source		
22		4	683%	5753	842	AHCA		
23		4	133%	12	9	ClearingHouse		
24		4	100%	2	2	Informal Research		
25								
26								
27		Millage Rates						
28			School	5.9581				
29			Non-School	10.5823				
30								
31								
32								

	A	B	C	D	E	F	G	H
33								
34		Residential Non-Homestead Taxable Value Growth Rate						
35		Year	Rate					
36		2023	10.84%					
37		2024	9.34%					
38		2025	7.13%					
39		2026	5.86%					
40		2027	5.10%					
41		2028	4.73%					
42		Source: Aug 2022 AV REC						
43								
44								
45		Taxable Value						
46		Source	Low		Midde		High	
47			School	Non-School	School	Non-School	School	Non-School
48		AHCA	\$ 208,542,153	\$ 182,899,238	\$ 1,424,872,929	\$ 1,249,666,646	\$ 5,699,491,716	\$ 4,998,666,585
49		Florida ClearingHouse	\$ 1,205,692	\$ 1,027,506	\$ 1,607,589	\$ 1,370,008	\$ 6,430,357	\$ 5,480,032
50		Informal Research	\$ 4,271,468	\$ 4,239,351	\$ 4,239,351	\$ 4,239,351	\$ 17,085,872	\$ 16,957,404
51		SUM	\$ 214,019,313	\$ 188,166,095	\$ 1,430,719,869	\$ 1,255,276,005	\$ 5,723,007,945	\$ 5,021,104,021
52								
53								
54		Taxes						
55		Year	Low		Middle		High	
56			School	Non-School	School	Non-School	School	Non-School
57		2022	\$ 1,275,148	\$ 1,991,230	\$ 8,524,372	\$ 13,283,707	\$ 34,098,254	\$ 53,134,829
58		2023	\$ 1,413,375	\$ 2,207,079	\$ 9,448,414	\$ 14,723,661	\$ 37,794,504	\$ 58,894,645
59		2024	\$ 1,545,384	\$ 2,413,221	\$ 10,330,896	\$ 16,098,851	\$ 41,324,511	\$ 64,395,404
60		2025	\$ 1,655,570	\$ 2,585,283	\$ 11,067,489	\$ 17,246,699	\$ 44,270,949	\$ 68,986,797
61		2026	\$ 1,752,586	\$ 2,736,781	\$ 11,716,044	\$ 18,257,356	\$ 46,865,226	\$ 73,029,423
62		2027	\$ 1,841,968	\$ 2,876,357	\$ 12,313,562	\$ 19,188,481	\$ 49,255,353	\$ 76,753,924
63								
64								

	A	B	C	D	E	F	G	H
65								
66		Total Taxes						
67		Year	Low	Middle	High			
68			Total Taxes	Total Taxes	Total Taxes			
69		2022	\$ 3,266,379	\$ 21,808,079	\$ 87,233,083			
70		2023	\$ 3,620,454	\$ 24,172,075	\$ 96,689,149			
71		2024	\$ 3,958,604	\$ 26,429,747	\$ 105,719,915			
72		2025	\$ 4,240,853	\$ 28,314,188	\$ 113,257,745			
73		2026	\$ 4,489,367	\$ 29,973,399	\$ 119,894,649			
74		2027	\$ 4,718,325	\$ 31,502,043	\$ 126,009,276			
75								
76								
77		Impact: School District						
78		Year	High		Middle		Low	
79			Cash	Recurring	Cash	Recurring	Cash	Recurring
80		23-24	\$0	\$(37.8 M)	\$0	\$(9.4 M)	\$0	\$(1.4 M)
81		24-25	\$(41.3 M)	\$(41.3 M)	\$(10.3 M)	\$(10.3 M)	\$(1.5 M)	\$(1.5 M)
82		25-26	\$(44.3 M)	\$(44.3 M)	\$(11.1 M)	\$(11.1 M)	\$(1.7 M)	\$(1.7 M)
83		26-27	\$(46.9 M)	\$(46.9 M)	\$(11.7 M)	\$(11.7 M)	\$(1.8 M)	\$(1.8 M)
84		27-28	\$(49.3 M)	\$(49.3 M)	\$(12.3 M)	\$(12.3 M)	\$(1.8 M)	\$(1.8 M)
85								
86								
87		Impact: Non-School District						
88		Year	High		Middle		Low	
89			Cash	Recurring	Cash	Recurring	Cash	Recurring
90		23-24	\$0	\$(58.9 M)	\$0	\$(14.7 M)	\$0	\$(2.2 M)
91		24-25	\$(64.4 M)	\$(64.4 M)	\$(16.1 M)	\$(16.1 M)	\$(2.4 M)	\$(2.4 M)
92		25-26	\$(69.0 M)	\$(69.0 M)	\$(17.2 M)	\$(17.2 M)	\$(2.6 M)	\$(2.6 M)
93		26-27	\$(73.0 M)	\$(73.0 M)	\$(18.3 M)	\$(18.3 M)	\$(2.7 M)	\$(2.7 M)
94		27-28	\$(76.8 M)	\$(76.8 M)	\$(19.2 M)	\$(19.2 M)	\$(2.9 M)	\$(2.9 M)
95								
96								

	A	B	C	D	E	F	G	H
97								
98		Total Impact						
99		Year	High		Middle		Low	
100			Cash	Recurring	Cash	Recurring	Cash	Recurring
101		23-24	\$0	\$(96.7 M)	\$0	\$(24.2 M)	\$0	\$(3.6 M)
102		24-25	\$(105.7 M)	\$(105.7 M)	\$(26.4 M)	\$(26.4 M)	\$(4.0 M)	\$(4.0 M)
103		25-26	\$(113.3 M)	\$(113.3 M)	\$(28.3 M)	\$(28.3 M)	\$(4.2 M)	\$(4.2 M)
104		26-27	\$(119.9 M)	\$(119.9 M)	\$(30.0 M)	\$(30.0 M)	\$(4.5 M)	\$(4.5 M)
105		27-28	\$(126.0 M)	\$(126.0 M)	\$(31.5 M)	\$(31.5 M)	\$(4.7 M)	\$(4.7 M)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Valuation of Timeshare Units

Bill Number(s): HB 451/SB 1450

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Representative Fine

Month/Year Impact Begins: July 1, 2023

Date(s) Conference Reviewed: February 17, 2023

Section 1: Narrative

a. Current Law: Section 192.037, F.S., currently states in part:

(10) In making his or her assessment of timeshare real property, the property appraiser shall look first to the resale market.

(11) If there is an inadequate number of resales to provide a basis for arriving at value conclusions, then the property appraiser shall deduct from the original purchase price "usual and reasonable fees and costs of the sale." For purposes of this subsection, "usual and reasonable fees and costs of the sale" for timeshare real property shall include all marketing costs, atypical financing costs, and those costs attributable to the right of a timeshare unit owner or user to participate in an exchange network of resorts. For timeshare real property, such "usual and reasonable fees and costs of the sale" shall be presumed to be 50 percent of the original purchase price; provided, however, such presumption shall be rebuttable.

(12) Subsections (10) and (11) apply to fee and non-fee timeshare real property.

b. Proposed Change: The existing subsection 192.037(12) becomes 192.037(13) and a new 192.037(12) is inserted stating: "In all tax appeals regarding timeshare units in which the taxpayer asserts that there are an adequate number of resales to provide a basis for arriving at value conclusions, the number of resales shall be considered adequate when a reasonable number of resales are provided by the taxpayer and supported by the most recent standards adopted by the Uniform Standards of Professional Appraisal Practice. This methodology meets the requirement of just valuation of all real estate located in this state, including timeshare units, as recognized by and provided in s. 4, Art. VII of the State Constitution."

Section 2: Description of Data and Sources

2022 Millage and Taxes Levied Report, 2022 Final Data Book published by Property Tax Oversight

2022 Final Real Property Assessment Rolls, NAL data

Results of the Ad Valorem Estimating Conference, August 3, 2022

Consolidated Case Nos: 2012-CA-1293-OC

Consolidated Case Nos: 2016-CA-1006-OC

DBPR List of Registered Time Shares

Section 3: Methodology (Include Assumptions and Attach Details)

The cases referenced above highlight that the resale market does not appear robust enough to use as the basis of an appraisal. The property appraiser's office involved in both cases argued that the more appropriate method of valuation is to look to developer sales as the original purchase price. There is a significant difference between the resale value and the purchase price valuation. Based on the above court cases, the resale price valuation method results in values that are between 75% or 40% lower than the purchase price method.

The proposed change directs the property appraiser to defer to the taxpayer for determination of whether the number of resales is adequate. The proposed change does not provide a lower bound on what constitutes an adequate number. One resale might be an adequate number under the proposed change. It appears that the taxpayer could select whichever resale(s) generates the most advantageous valuation.

Timeshare properties are not assigned a unique use code in the NAL (real property) tax roll. Property appraisers were contacted around the state and we have aggregated their reported time share data. Two counties (Orange and Osceola) represent the majority (>80%) of timeshare properties by assessed value. Each provided a list of parcel numbers for timeshare properties in their county. These parcel identification numbers were then matched with the 2022 Final NAL tax roll and the school and non-school assessed values were extracted.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Valuation of Timeshare Units

Bill Number(s): HB 451/SB 1450

Total 2022 Final school assessed value for the properties is \$15,995,513,794 and non-school assessed value is \$15,177,368,665. Future year estimates were derived by using the August 2022 Ad Valorem Assessment Estimating Conference Non-Residential Assessed Values.

The high, medium, and low forecasts were derived from using recent court decisions to determine the most common reduction claimed when small numbers of resale transactions were used to protest the current property appraiser's assessments. These changes ranged from a forty percent reduction (low) to nearly seventy-five percent (high). The middle is presented as a 60% reduction.

Because the bill represents a first year drop in assessed value, it is very unlikely that any differential would remain in the first year. There is potential, however, for differential to appear in future years. To account for this, assessed values are adjusted down by the statewide share of assessed value over taxable value for school and non-school values for the known timeshare properties. The 2022 effective statewide millage rates are applied to the difference between the current law estimated assessed value and the high/middle/low estimated assessed value to determine the tax impact of the bill. The effective date is July 1, 2023 and assessment appeals can be filed until 25 days after TRIM notices are mailed (generally) in mid-August. It is expected that owners will have just over two months to appeal and we assume all of the current timeshare owners will appeal in the first year.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	\$(208.2 M)	\$(208.2 M)	\$(166.6 M)	\$(166.6 M)	\$(111.0 M)	\$(111.0 M)
2024-25	\$(223.4 M)	\$(223.4 M)	\$(178.7 M)	\$(178.7 M)	\$(119.1 M)	\$(119.1 M)
2025-26	\$(238.2 M)	\$(238.2 M)	\$(190.5 M)	\$(190.5 M)	\$(127.0 M)	\$(127.0 M)
2026-27	\$(253.0 M)	\$(253.0 M)	\$(202.4 M)	\$(202.4 M)	\$(134.9 M)	\$(134.9 M)
2027-28	\$(267.4 M)	\$(267.4 M)	\$(213.9 M)	\$(213.9 M)	\$(142.6 M)	\$(142.6 M)

Revenue Distribution: Ad Valorem

Section 5: Consensus Estimate (Adopted: 02/17/2023): The Conference adopted the high estimate because the Uniform Standard of Professional Appraisal Practice provides minimal guidance regarding the adequate number of resales.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(77.5)	(77.5)	(130.7)	(130.7)	(208.2)	(208.2)
2024-25	(83.2)	(83.2)	(140.2)	(140.2)	(223.4)	(223.4)
2025-26	(88.7)	(88.7)	(149.5)	(149.5)	(238.2)	(238.2)
2026-27	(94.2)	(94.2)	(158.8)	(158.8)	(253.0)	(253.0)
2027-28	(99.6)	(99.6)	(167.8)	(167.8)	(267.4)	(267.4)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	0.0	0.0	0.0	(208.2)	(208.2)	(208.2)	(208.2)
2024-25	0.0	0.0	0.0	0.0	(223.4)	(223.4)	(223.4)	(223.4)
2025-26	0.0	0.0	0.0	0.0	(238.2)	(238.2)	(238.2)	(238.2)
2026-27	0.0	0.0	0.0	0.0	(253.0)	(253.0)	(253.0)	(253.0)
2027-28	0.0	0.0	0.0	0.0	(267.4)	(267.4)	(267.4)	(267.4)

	A	B	C	D	E	F	G
1	Part 1: Underlying Data						
2	2022 Aggregate Millage Rates						
3	School	5.96					
4	Non-School	10.58					
5							
6	Non-residential Assessed Values - Conference Results						
7	Roll Year	Total	Growth Rates				
8	2022	904,485,797,795					
9	2023	981,089,743,207	8.47%				
10	2024	1,052,628,788,950	7.29%				
11	2025	1,122,403,470,939	6.63%				
12	2026	1,192,153,607,892	6.21%				
13	2027	1,259,916,760,600	5.68%				
14	2028	1,329,997,247,952	5.56%				
15							
16	Part 2: Assessed Value of Timeshares on the 2022 Final Roll						
17	Timeshare Assessed Value in Select Areas						
18	County	School	Non-School				
19	Orange	\$ 9,926,816,544	\$ 9,305,743,276				
20	Osceola	\$ 2,923,513,505	\$ 2,888,006,600				
21	Statewide	\$ 15,995,513,794	\$ 15,177,368,665				
22	Top 2, Percent of Total	80.3%	80.3%				
23							
24	Part 3: Impact Assumptions and Assessed Value Forecast						
25	Assumption	High	Middle	Low			
26	Reduction Factor	75%	60%	40%			
27							
28	Forecast of School Assessed Values of Timeshares						
29	Roll Year	Current Law	Proposed Language				
30			High	Middle	Low		
31	2023	\$ 17,350,227,675	\$ 4,337,556,919	\$ 6,940,091,070	\$ 10,410,136,605		
32	2024	\$ 18,615,370,584	\$ 4,653,842,646	\$ 7,446,148,233	\$ 11,169,222,350		
33	2025	\$ 19,849,311,339	\$ 4,962,327,835	\$ 7,939,724,535	\$ 11,909,586,803		
34	2026	\$ 21,082,818,023	\$ 5,270,704,506	\$ 8,433,127,209	\$ 12,649,690,814		
35	2027	\$ 22,281,185,589	\$ 5,570,296,397	\$ 8,912,474,236	\$ 13,368,711,354		
36	2028	\$ 23,520,534,405	\$ 5,880,133,601	\$ 9,408,213,762	\$ 14,112,320,643		
37							
38	Forecast of Non-School Assessed Values of Timeshares						
39	Roll Year	Current Law	Proposed Language				
40			High	Middle	Low		
41	2023	\$ 16,462,791,082	\$ 4,115,697,771	\$ 6,585,116,433	\$ 9,877,674,649		
42	2024	\$ 17,663,223,940	\$ 4,415,805,985	\$ 7,065,289,576	\$ 10,597,934,364		
43	2025	\$ 18,834,050,585	\$ 4,708,512,646	\$ 7,533,620,234	\$ 11,300,430,351		
44	2026	\$ 20,004,465,362	\$ 5,001,116,340	\$ 8,001,786,145	\$ 12,002,679,217		
45	2027	\$ 21,141,538,330	\$ 5,285,384,582	\$ 8,456,615,332	\$ 12,684,922,998		
46	2028	\$ 22,317,496,422	\$ 5,579,374,105	\$ 8,926,998,569	\$ 13,390,497,853		
47							
48	Statewide Taxable Value Share of Assessed Value - Timeshare Parcels						
49	School	99.999%					
50	Non-School	99.998%					
51							

	A	B	C	D	E	F	G
52	Part 4: Impact						
53	Impact on School Tax Collections						
54	Roll Year	Proposed Language					
55		High	Middle	Low			
56	2023	\$ (77,530,049)	\$ (62,024,039)	\$ (41,349,359)			
57	2024	\$ (83,183,380)	\$ (66,546,704)	\$ (44,364,469)			
58	2025	\$ (88,697,284)	\$ (70,957,827)	\$ (47,305,218)			
59	2026	\$ (94,209,248)	\$ (75,367,399)	\$ (50,244,932)			
60	2027	\$ (99,564,192)	\$ (79,651,354)	\$ (53,100,902)			
61	2028	\$ (105,102,262)	\$ (84,081,810)	\$ (56,054,540)			
62							
63	Impact on Non-School Tax Collections						
64	Roll Year	Proposed Language					
65		High	Middle	Low			
66	2023	\$ (130,662,066)	\$ (104,529,653)	\$ (69,686,435)			
67	2024	\$ (140,189,675)	\$ (112,151,740)	\$ (74,767,827)			
68	2025	\$ (149,482,305)	\$ (119,585,844)	\$ (79,723,896)			
69	2026	\$ (158,771,666)	\$ (127,017,333)	\$ (84,678,222)			
70	2027	\$ (167,796,400)	\$ (134,237,120)	\$ (89,491,413)			
71	2028	\$ (177,129,757)	\$ (141,703,806)	\$ (94,469,204)			
72							
73	Assumption for First Year Cash -Effective Date July 1, 2023						
74	Year 1 Cash Denominator		1				
75							
76	Impact on School						
77		High		Middle		Low	
78		Cash	Recurring	Cash	Recurring	Cash	Recurring
79	2023-24	\$(77.5 M)	\$(77.5 M)	\$(62.0 M)	\$(62.0 M)	\$(41.3 M)	\$(41.3 M)
80	2024-25	\$(83.2 M)	\$(83.2 M)	\$(66.5 M)	\$(66.5 M)	\$(44.4 M)	\$(44.4 M)
81	2025-26	\$(88.7 M)	\$(88.7 M)	\$(71.0 M)	\$(71.0 M)	\$(47.3 M)	\$(47.3 M)
82	2026-27	\$(94.2 M)	\$(94.2 M)	\$(75.4 M)	\$(75.4 M)	\$(50.2 M)	\$(50.2 M)
83	2027-28	\$(99.6 M)	\$(99.6 M)	\$(79.7 M)	\$(79.7 M)	\$(53.1 M)	\$(53.1 M)
84							
85	Impact on Non-School						
86		High		Middle		Low	
87		Cash	Recurring	Cash	Recurring	Cash	Recurring
88	2023-24	\$(130.7 M)	\$(130.7 M)	\$(104.5 M)	\$(104.5 M)	\$(69.7 M)	\$(69.7 M)
89	2024-25	\$(140.2 M)	\$(140.2 M)	\$(112.2 M)	\$(112.2 M)	\$(74.8 M)	\$(74.8 M)
90	2025-26	\$(149.5 M)	\$(149.5 M)	\$(119.6 M)	\$(119.6 M)	\$(79.7 M)	\$(79.7 M)
91	2026-27	\$(158.8 M)	\$(158.8 M)	\$(127.0 M)	\$(127.0 M)	\$(84.7 M)	\$(84.7 M)
92	2027-28	\$(167.8 M)	\$(167.8 M)	\$(134.2 M)	\$(134.2 M)	\$(89.5 M)	\$(89.5 M)
93							
94	Total Impact						
95		High		Middle		Low	
96		Cash	Recurring	Cash	Recurring	Cash	Recurring
97	2023-24	\$(208.2 M)	\$(208.2 M)	\$(166.6 M)	\$(166.6 M)	\$(111.0 M)	\$(111.0 M)
98	2024-25	\$(223.4 M)	\$(223.4 M)	\$(178.7 M)	\$(178.7 M)	\$(119.1 M)	\$(119.1 M)
99	2025-26	\$(238.2 M)	\$(238.2 M)	\$(190.5 M)	\$(190.5 M)	\$(127.0 M)	\$(127.0 M)
100	2026-27	\$(253.0 M)	\$(253.0 M)	\$(202.4 M)	\$(202.4 M)	\$(134.9 M)	\$(134.9 M)
101	2027-28	\$(267.4 M)	\$(267.4 M)	\$(213.9 M)	\$(213.9 M)	\$(142.6 M)	\$(142.6 M)

	A	B	C	D	E	F	G
1	2022 Roll Match from 2022 Analysis Parcel IDs						
2	Row Labels	Parcel Count on NAL	Just Value	Assessed Value School District	Assessed Value Non-School District	Taxable Value School District	Taxable Value Non-School District
3	Orange	71	9,926,816,544	9,926,816,544	9,305,743,276	9,926,816,544	9,305,743,276
4	Osceola	297	2,923,513,505	2,923,513,505	2,888,006,600	2,923,513,505	2,888,006,600
5	Palm Beach	17	424,790,054	424,790,054	395,391,055	424,790,054	395,391,055
6	Volusia	49	388,871,838	388,871,838	388,871,838	388,871,838	388,871,838
7	Broward	43	327,220,560	327,220,560	327,220,560	327,220,560	327,220,560
8	Pinellas	25	289,005,000	289,005,000	253,147,187	289,005,000	253,147,187
9	Monroe	39	239,486,897	239,486,897	231,621,957	239,486,897	231,621,957
10	Lee	38	234,755,152	234,755,152	216,211,362	234,755,152	216,211,362
11	Lake	9	216,886,686	216,886,686	206,678,729	216,886,686	206,678,729
12	Bay	1,104	191,266,294	190,866,643	163,178,694	190,643,256	162,805,307
13	Brevard	18	138,106,570	138,106,570	137,019,840	138,106,570	137,019,840
14	Collier	619	124,981,603	124,981,603	122,370,577	124,981,603	122,370,577
15	Miami-Dade	5	102,796,903	102,796,903	85,847,778	102,796,903	85,847,778
16	Okaloosa	494	86,182,756	86,182,756	80,661,180	86,182,756	80,661,180
17	Indian River	286	83,991,759	83,991,759	83,991,759	83,991,759	83,991,759
18	Sarasota	12	83,943,200	83,943,200	83,548,100	83,943,200	83,548,100
19	St Johns	8	69,239,480	69,239,480	69,239,480	69,239,480	69,239,480
20	Walton	8	60,429,296	60,429,296	60,429,296	60,429,296	60,429,296
21	St. Lucie	5	24,574,600	24,574,600	22,762,250	24,574,600	22,762,250
22	Manatee	10	15,709,752	15,709,752	15,709,752	15,709,752	15,709,752
23	Polk	1	15,635,156	15,635,156	15,582,412	15,635,156	15,582,412
24	Flagler	4	10,346,400	10,346,400	10,346,400	10,346,400	10,346,400
25	Charlotte	4	6,097,559	6,097,559	2,671,034	6,097,559	2,671,034
26	Martin	1	5,739,200	5,739,200	5,739,200	5,739,200	5,739,200
27	Escambia	1	3,300,305	3,300,305	3,156,816	3,300,305	3,156,816
28	Highlands	28	1,111,800	1,111,800	1,111,800	1,111,800	1,111,800
29	Levy	1	1,062,983	1,062,983	1,062,983	1,062,983	1,062,983
30	Pasco	1	51,593	51,593	46,750	51,593	46,750
31	Grand Total	3,198	15,995,913,445	15,995,513,794	15,177,368,665	15,995,290,407	15,176,995,278

REVENUE ESTIMATING CONFERENCE

Revenue Source: Article V Fees

Issue: Clerk of Courts – Fines, Fees, and Court Costs – Cash Bonds

Bill Number(s): HB 65 and SB 582

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Representative Andrade and Senator Grall

Month/Year Impact Begins: 07/01/2023

Date(s) Conference Reviewed: 02/17/2023

Section 1: Narrative

- a. Current Law:** Section 903.286, F.S. states that from the return of a cash bond posted by a person other than a bail bond agent, the clerk of court shall withhold sufficient funds to pay any unpaid costs of prosecution, costs of representation, court fees, court costs, and criminal penalties.
- b. Proposed Change:** Section 903.286, F.S. is revised so that from the return of a cash bond posted by a defendant or his/her spouse, the clerk of court shall withhold sufficient funds to pay any unpaid costs of prosecution, costs of representation, court fees, court costs, and criminal penalties.

Section 2: Description of Data and Sources

Email and phone contact with Office of State Courts Administrator (OSCA) and Clerks of Court Operations Corporation (CCOC) staff
HB 0065 Bill Analysis prepared by Florida Court Clerks and Comptrollers (FCCC)

Section 3: Methodology (Include Assumptions and Attach Details)

There would be an indeterminate negative impact to a variety of fines and fees if the clerks no longer withhold amounts owed from cash bond returns except for defendants and defendant's spouses. The potential fees impacted are wide ranging and indeterminate, but likely to fall heaviest on Clerk's trust funds and GR. The statewide amount currently collected from returned cash bonds is unknown; however, the amount is likely to be comfortably over \$100,000. If these amounts owed are to be collected similar to other obligations without deducting from cash bail bonds, the overall collections are likely to be lower. According to FCCC, the statewide fifteen month collection rate for felony cases is about nine percent. Therefore, the high scenario is negative indeterminate. The low scenario is zero impact because the bill does not change the fee or amount owed, only method of collection is changed.

Section 4: Proposed Fiscal Impact

GR, TRUST, LOCAL	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(**)	(**)			0.0	0.0
2024-25	(**)	(**)			0.0	0.0
2025-26	(**)	(**)			0.0	0.0
2026-27	(**)	(**)			0.0	0.0
2027-28	(**)	(**)			0.0	0.0

Revenue Distribution:

General Revenue Fund, various other state and local trust funds

Section 5: Consensus Estimate (Adopted: 02/17/2023): The Conference adopted the high estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2024-25	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2025-26	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2026-27	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2027-28	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Veteran's Disability Property Tax Exemption Transfer

Bill Number(s): SB 672 & HB 717

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Senator Avila & Representative Amnesty

Month/Year Impact Begins: July 2023

Date(s) Conference Reviewed: February 17, 2023

Section 1: Narrative

- a. **Current Law:** Section 196.081, F.S., provide certain homestead benefits to disabled veterans and the surviving spouses of certain veterans and first responders. The relevant pieces are paraphrased below:
- 196.081(1)(b) indicates that permanently disable veterans and their surviving spouses that are eligible for the exemption under (1)(a) **may** receive a refund of prorated ad valorem taxes paid upon the purchase of a new homestead. This does not apply if the new homestead is acquired in November or December.
 - 196.081(3) indicates that surviving spouses of permanently disabled veterans retain the exemption so long as they live in the homestead and do not remarry. Upon moving, the surviving spouse **may** retain the exemption up to the amount that it was on the original homestead, so long as they do not remarry.
 - 196.081(4)(b) indicates that surviving spouses of veterans who died from service-connected causes while on active duty retain the exemption so long as they live in the homestead and do not remarry. Upon moving, the surviving spouse **may** retain the exemption up to the amount that it was on the original homestead, so long as they do not remarry.
 - 196.081(6)(b) indicates that surviving spouses of first responders who died in the line of duty retain the exemption so long as they live in the homestead and do not remarry. Upon moving, the surviving spouse **may** retain the exemption up to the amount that it was on the original homestead, so long as they do not remarry.
- b. **Proposed Change:** Each “may” in the four subsections and paragraphs identified above become “shall”.

Section 2: Description of Data and Sources

Discussion with Property Appraisers, Property Tax Oversight, and representatives of local governments

Section 3: Methodology (Include Assumptions and Attach Details)

Under the current law, each instance of “may” refers to the eligible property owner having the ability to either apply for a refund or transfer an exemption. It is not expected that an eligible property owner that, for whatever reason, chooses not to transfer their exemption today will behave differently if the statutes indicate that they “shall” do it rather than they “may” do it. There is no reason to believe that any property appraiser today is attempting to interpret the “may” as their own discretion as to whether or not eligible individuals receive their refunds or transfer their exemptions. As a result, there is no impact expected due to the proposed language.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			\$0	\$0		
2024-25			\$0	\$0		
2025-26			\$0	\$0		
2026-27			\$0	\$0		
2027-28			\$0	\$0		

Revenue Distribution: Ad Valorem

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Veteran's Disability Property Tax Exemption Transfer

Bill Number(s): SB 672 & HB 717

Section 5: Consensus Estimate (Adopted: 02/17/2023): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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
2027-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales Tax

Issue: Sales Tax Paid Up-Front on Leased Vehicles

Bill Number(s): SB 396

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Senator Rodriguez

Month/Year Impact Begins: 07/01/2023

Date(s) Conference Reviewed: 02/17/2023

Section 1: Narrative

- a. Current Law:** Section 212.05(1)(c)1, F.S. states that the tax imposed by this chapter does not apply to the lease or rental of a commercial motor vehicle as defined in s. 316.003(13)(a) to one lessee or rentee, for a period of not less than 12 months when tax was paid on the purchase price of such vehicle by the lessor.
- b. Proposed Change:** Section 212.05(1)(c)1, F.S. is revised so that the tax imposed by this chapter does not apply to the lease or rental of a commercial motor vehicle as defined in s. 316.003(13)(a) to one lessee or rentee, or of a motor vehicle as defined in s. 316.003 which is to be used primarily in the trade or established business of the lessee or rentee, for a period of not less than 12 months when tax was paid on the purchase price of such vehicle by the lessor.

Section 2: Description of Data and Sources

July 2022 Highway Safety REC and Conference History

Phone and email contact with DHSMV staff

Section 3: Methodology (Include Assumptions and Attach Details)

The Department of Highway Safety provided the number of vehicles currently titled with a use code of "long term lease" or "lease" with an active registration. This number was next grown by the \$1 title security fee growth rates from the most recent Highway Safety REC. Based upon the fiscal year 2021-22 percentage share of registrations under 10,000 pounds, it is assumed that 85.86% of leased vehicles are under 10,000 pounds. The percentage of new titles, as represented by \$1 title security fee forecasted transactions, was divided by active registrations, calculated by added annual and biennial forecasted transactions for the STTF registration surcharge. The result is an assumed new leased vehicles under 10,000 pounds ranging from 430,488 in FY 2022-23 to 434,489 in FY 2027-28.

We begin by establishing 3 model leased vehicles. The purchase price of the vehicles is constant among all three transactions, but each vehicle is being leased for a different term of months. Setting the duration of the leases allows us to calculate vehicle total depreciation, and by extension, the vehicle's residual value after the lease is up. We then set "Interest Rate/fees share" to a constant value for all three vehicles (They are alike in all ways except the term of their lease). "Interest Rate/fees share" is an expanded interest rate, it includes all fees that will be charged to the lessee during the lease but is treated the same as an APR. With that last component, we can calculate the monthly payment for each lease. We then calculate the sales tax due with that payment (6% of the payment) and multiply that by the number of payments (the term of the lease) to arrive at the total sales tax due by this second method of accounting. "Tax Paid Difference" then shows how much money is saved by paying tax on the initial purchase price instead of paying it every month.

To expand these single transactions into impacts representing statewide activity, we first need to calculate how much more or less tax is being paid on these model leases in each fiscal year. The results are in the "Difference" table of the attached spreadsheet. In this table, the pattern defines the impact – a "Front Loading" of sales tax that results in more tax collected in the initial year of a lease, but less tax collected in the remaining years. We then establish three long run tables, each predicated on the assumptions of an above model lease. Using the data from the Department of Highway Safety, we identify the number of leased vehicles in each fiscal year. We then assume a small participation rate – the percent of all leased vehicles which will be leased in this manner. Assuming that all the participating leased vehicles have lease agreements that match our model transaction, we can see how these leases behave in the aggregate. Due to the front-loading of the sales tax, the state does not see any losses until the final year of the lease.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales Tax

Issue: Sales Tax Paid Up-Front on Leased Vehicles

Bill Number(s): SB 396

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	33.26	(6.98)	11.11	(1.30)	11.13	(0.07)
2024-25	25.44	(6.98)	8.53	(1.30)	8.58	(0.07)
2025-26	17.50	(6.98)	5.91	(1.30)	5.98	(0.07)
2026-27	9.56	(6.98)	3.29	(1.30)	3.39	(0.07)
2027-28	1.68	(6.98)	0.68	(1.30)	0.81	(0.07)
2028-29	(6.28)		(1.29)		(0.06)	
2029-30	(6.98)		(1.30)		(0.07)	

Revenue Distribution: Sales Tax

Section 5: Consensus Estimate (Adopted: 02/17/2023): The Conference adopted the middle estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	9.8	(1.2)	Insignificant	(Insignificant)	0.3	(Insignificant)	0.9	(0.1)
2024-25	7.5	(1.2)	Insignificant	(Insignificant)	0.3	(Insignificant)	0.7	(0.1)
2025-26	5.2	(1.2)	Insignificant	(Insignificant)	0.2	(Insignificant)	0.5	(0.1)
2026-27	2.9	(1.2)	Insignificant	(Insignificant)	0.1	(Insignificant)	0.3	(0.1)
2027-28	0.6	(1.2)	Insignificant	(Insignificant)	Insignificant	(Insignificant)	0.1	(0.1)

	6% Sub-Total		Add: Local Option		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	11.0	(1.3)	1.3	(0.2)	12.4	(1.5)
2024-25	8.5	(1.3)	1.0	(0.2)	9.5	(1.5)
2025-26	5.9	(1.3)	0.7	(0.2)	6.6	(1.5)
2026-27	3.3	(1.3)	0.4	(0.2)	3.7	(1.5)
2027-28	0.7	(1.3)	0.1	(0.2)	0.8	(1.5)

	A	B	C	D	E	F	G	H	I	J	K
1	Term	Description									
2	<i>Term</i>	Expected length of Vehicle lease									
3	<i>Residual Value</i>	Value at end of lease less Depreciation									
4	<i>Depreciation expense</i>	Percent of depreciation by lease term									
5	<i>Interest Rate/ fees share</i>	% additional amount of interest and other fees on top of base payment									
6	<i>Monthly Base Payment</i>	Payment without interest (Depreciation Cost)									
7	<i>Monthly Payment with Interest</i>	Payment with interest									
8	<i>Sales Tax on Monthly Payment</i>	6% Sales Tax on monthly payment with interest									
9	<i>Total Sales Tax on Lease</i>	Total Amount of Sales Tax Paid on the Lease									
10											
11		High	Middle	Low		Purchase Price Calculation					
12	Purchase Price	\$ 52,076	\$ 52,076	\$ 52,076		Apr-21		\$ 45,000			
13	Sales tax paid on purchase price	\$ 3,125	\$ 3,125	\$ 3,125							
14	Term (months)	72	68	63		CPI Consumer New Motor Vehicles					
15	Depreciation expense	68%	65%	62%		2021 Q2		106.2			
16	Residual value	16,664	18,053	19,789		2023 Q1		122.9			
17	Interest Rate/ fees share	20.0%	20.0%	20.0%							
18	Monthly Base Payments	\$ 492	\$ 500	\$ 512		Feb-23		\$ 52,076			
19	Monthly Payment w/ Interest	\$ 848	\$ 840	\$ 832							
20	Sales Tax on Monthly Payment	\$ 50.9	\$ 50.4	\$ 49.9							
21	Total Sales Tax on Lease	\$ 3,664	\$ 3,427	\$ 3,144							
22	Tax Paid Difference	\$ (540)	\$ (303)	\$ (19)							
23											
24	Sales Tax Paid on Monthly Lease Payments and at End of Lease					Lease months					
25		High	Middle	Low		High	Middle	Low			
26	FY 2023-24	\$ 560	\$ 554	\$ 549		11	11	11			
27	FY 2024-25	\$ 611	\$ 605	\$ 599		12	12	12			
28	FY 2025-26	\$ 611	\$ 605	\$ 599		12	12	12			
29	FY 2026-27	\$ 611	\$ 605	\$ 599		12	12	12			
30	FY 2027-28	\$ 611	\$ 605	\$ 599		12	12	12			
31	FY 2028-29	\$ 611	\$ 454	\$ 200		12	9	4			
32	FY 2029-30	\$ 51	\$ -	\$ -		1	-	-			
33		\$ 3,664	\$ 3,427	\$ 3,144		72	68	63			
34											
35	Sales Tax Paid on Purchase Price Up-Front and at End of Lease Less Refund										
36		High	Middle	Low							
37	FY 2023-24	\$ 3,125	\$ 3,125	\$ 3,125							
38	FY 2024-25	\$ -	\$ -	\$ -							
39	FY 2025-26	\$ -	\$ -	\$ -							
40	FY 2026-27	\$ -	\$ -	\$ -							
41	FY 2027-28	\$ -	\$ -	\$ -							
42											
43	Difference										
44		High	Middle	Low							
45	FY 2023-24	\$ 2,565	\$ 2,570	\$ 2,576							
46	FY 2024-25	\$ (611)	\$ (605)	\$ (599)							
47	FY 2025-26	\$ (611)	\$ (605)	\$ (599)							
48	FY 2026-27	\$ (611)	\$ (605)	\$ (599)							
49	FY 2027-28	\$ (611)	\$ (605)	\$ (599)							
50	FY 2028-29	\$ (611)	\$ (454)	\$ (200)							
51	FY 2029-30	\$ (51)	\$ -	\$ -							
52	Total	\$ (540)	\$ (303)	\$ (19)							

	A	B	C	D	E	F	G	H	I	J	K
53											
54	Potential Impact - High (millions)	Lease Vehicles	3.0%	Leases							
55		< 10k lbs		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
56	FY 2023-24	432,279	12,968	33.3							33.3
57	FY 2024-25	433,516	13,005	(7.9)	33.4						25.4
58	FY 2025-26	433,636	13,009	(7.9)	(7.9)	33.4					17.5
59	FY 2026-27	433,645	13,009	(7.9)	(7.9)	(7.9)	33.4				9.6
60	FY 2027-28	434,489	13,035	(7.9)	(7.9)	(7.9)	(7.9)	33.4			1.7
61	FY 2028-29	434,489	13,035	(7.9)	(7.9)	(7.9)	(7.9)	(8.0)	33.4		(6.3)
62	FY 2029-30	434,489	13,035	(0.7)	(7.9)	(7.9)	(7.9)	(8.0)	(8.0)	33.4	(7.0)
63	FY 2030-31				(0.7)	(7.9)	(7.9)	(8.0)	(8.0)	(8.0)	
64	FY 2031-32					(0.7)	(7.9)	(8.0)	(8.0)	(8.0)	
65	FY 2032-33						(0.7)	(8.0)	(8.0)	(8.0)	
66	FY 2033-34							(0.7)	(8.0)	(8.0)	
67									(0.7)	(8.0)	
68										(0.7)	
69											
70	Potential Impact - Middle (millions)	Lease Vehicles	1.0%	Leases							
71		< 10k lbs		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
72	FY 2023-24	432,279	4,323	11.1							11.1
73	FY 2024-25	433,516	4,335	(2.6)	11.1						8.5
74	FY 2025-26	433,636	4,336	(2.6)	(2.6)	11.1					5.9
75	FY 2026-27	433,645	4,336	(2.6)	(2.6)	(2.6)	11.1				3.3
76	FY 2027-28	434,489	4,345	(2.6)	(2.6)	(2.6)	(2.6)	11.2			0.7
77	FY 2028-29	434,489	4,345	(2.0)	(2.6)	(2.6)	(2.6)	(2.6)	11.2		(1.3)
78	FY 2029-30	434,489	4,345		(2.0)	(2.6)	(2.6)	(2.6)	(2.6)	11.2	(1.3)
79	FY 2030-31					(2.0)	(2.6)	(2.6)	(2.6)	(2.6)	
80	FY 2031-32						(2.0)	(2.6)	(2.6)	(2.6)	
81	FY 2032-33							(2.0)	(2.6)	(2.6)	
82	FY 2033-34								(2.0)	(2.6)	
83										(2.0)	
84											
85	Potential Impact - Low (millions)	Lease Vehicles	1.0%	Leases							
86		< 10k lbs		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
87	FY 2023-24	432,279	4,323	11.1							11.1
88	FY 2024-25	433,516	4,335	(2.6)	11.2						8.6
89	FY 2025-26	433,636	4,336	(2.6)	(2.6)	11.2					6.0
90	FY 2026-27	433,645	4,336	(2.6)	(2.6)	(2.6)	11.2				3.4
91	FY 2027-28	434,489	4,345	(2.6)	(2.6)	(2.6)	(2.6)	11.2			0.8
92	FY 2028-29	434,489	4,345	(0.9)	(2.6)	(2.6)	(2.6)	(2.6)	11.2		(0.1)
93	FY 2029-30	434,489	4,345		(0.9)	(2.6)	(2.6)	(2.6)	(2.6)	11.2	(0.1)
94	FY 2030-31					(0.9)	(2.6)	(2.6)	(2.6)	(2.6)	
95	FY 2031-32						(0.9)	(2.6)	(2.6)	(2.6)	
96	FY 2032-33							(0.9)	(2.6)	(2.6)	
97	FY 2033-34								(0.9)	(2.6)	
98										(0.9)	
99											
100	Fiscal Year	High		Middle		Low					
101		Cash	Recurring	Cash	Recurring	Cash	Recurring				
102	2023-2024	\$ 33.26 M	\$ (6.98 M)	\$ 11.11 M	\$ (1.30 M)	\$ 11.13 M	\$ (0.07 M)				
103	2024-2025	\$ 25.44 M	\$ (6.98 M)	\$ 8.53 M	\$ (1.30 M)	\$ 8.58 M	\$ (0.07 M)				
104	2025-2026	\$ 17.50 M	\$ (6.98 M)	\$ 5.91 M	\$ (1.30 M)	\$ 5.98 M	\$ (0.07 M)				
105	2026-2027	\$ 9.56 M	\$ (6.98 M)	\$ 3.29 M	\$ (1.30 M)	\$ 3.39 M	\$ (0.07 M)				
106	2027-2028	\$ 1.68 M	\$ (6.98 M)	\$ 0.68 M	\$ (1.30 M)	\$ 0.81 M	\$ (0.07 M)				
107	2028-2029	\$ (6.28 M)		\$ (1.29 M)		\$ (0.06 M)					
108	2029-2030	\$ (6.98 M)		\$ (1.30 M)		\$ (0.07 M)					

	A	B	C	D	E	F	G
1	Florida Leased Vehicles						
2		Titles \$1 Security Fee			Leased Vehicles		
3		Revenue	Growth Rates		Total	Under 10k lbs	New
4	FY 2022-2023	\$ 6.6			1,817,051	1,560,211	430,488
5	FY 2023-2024	\$ 6.6	0.98%		1,834,768	1,575,423	432,279
6	FY 2024-2025	\$ 6.7	0.65%		1,846,682	1,585,653	433,516
7	FY 2025-2026	\$ 6.7	0.41%		1,854,226	1,592,131	433,636
8	FY 2026-2027	\$ 6.7	0.32%		1,860,087	1,597,163	433,645
9	FY 2027-2028	\$ 6.7	0.38%		1,867,209	1,603,279	434,489
10							
11							
12	Heavy Trucks and Passenger Cars Under 10,000 lbs (2021-22 data)						
13	Private Autos	12,766,599					
14	Heavy Trucks	1,682,326					
15	Other Vehicles	2,943,654					
16	Total	17,392,579					
17	Under 10,000 lbs	14,934,136					
18	Percent of Total	85.86%					
19	Note: total does not include For-Hire because no weight data						
20							
21	New Titles % of Active Regs						
22		New Titles (\$1 Security Fee)	STTF Surcharge (FY #)	STTF Surcharge (PY Bien)	STTF Surcharge (Total)	New Titles % of Active Regs	
23	FY 2022-2023	6,514,267	19,363,869	4,245,682	23,609,551	27.59%	
24	FY 2023-2024	6,577,761	19,630,621	4,341,750	23,972,370	27.44%	
25	FY 2024-2025	6,620,474	19,834,116	4,381,292	24,215,408	27.34%	
26	FY 2025-2026	6,647,519	19,965,258	4,441,648	24,406,906	27.24%	
27	FY 2026-2027	6,668,531	20,073,273	4,487,691	24,560,964	27.15%	
28	FY 2027-2028	6,694,066	20,183,947	4,517,363	24,701,310	27.10%	

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Skilled Worker Tool Holiday - 7 Days

Bill Number(s): [Governor's Proposed Language](#)

☐ **Entire Bill**

☒ **Partial Bill:** Section 14

Sponsor(s): N/A

Month/Year Impact Begins: 07/2023

Date(s) Conference Reviewed: 02/17/2023

Section 1: Narrative

- a. **Current Law:** F.S. 212 – Sales and Use Tax, In 2022, the Florida Legislature passed a 7-day “Tool Time” exemption for tools and equipment commonly used in skilled trades
- b. **Proposed Change:** The tax levied under chapter 212, Florida Statutes, may not be collected during the period from September 2, 2023, 11 through September 8, 2023, on the retail sale of
 - (a) Hand tools selling for \$50 or less.
 - (b) Power tools selling for \$300 or less.
 - (c) Power tool batteries selling for \$150 or less.
 - (d) Work gloves selling for \$25 or less.
 - (e) Safety glasses selling for \$50 or less.
 - (f) Protective coveralls selling for \$50 or less.
 - (g) Work boots selling for \$175 or less.
 - (h) Tool belts selling for \$100 or less
 - (i) Duffle/tote bags selling for \$50 or less.
 - (j) Tool boxes selling for \$75 or less.
 - (k) Tool boxes for vehicles selling for \$300 or less per item
 - (l) Industry textbooks and code books selling for \$125 or less per item
 - (m) Electrical Voltage and testing equipment selling for \$100 or less per item
 - (n) LED Flashlights selling for \$50 per less item
 - (o) Shop lights selling for \$100 or less per item
 - (p) Handheld pipe cutters, drain opening tools and plumbing inspection equipment selling for \$150 or less pet item

Section 2: Description of Data and Sources

IBIS World Reports

Market Research

Consumer Expenditure Survey

Section 3: Methodology (Include Assumptions and Attach Details)

The analysis relied on IBIS World Reports to get an estimate of the revenue generated by Worker Tools at both Home Improvement Stores and Hardware Stores in the state of Florida. Market Research on prominent Home Improvement and Hardware Store websites was used to get an estimate of the percentage of tools that will qualify for the sales tax exemption. . The low, middle, and high represent the expected number of weeks of purchases that will occur during the holiday

In addition, the analysis looked at other purchases and industries that may qualify for the tax exemption. The industries were chosen due to having categories that offer hand tools and may qualify for the exemption. The US Consumer Expenditure survey was chosen to estimate annual Florida household purchases of these products. The low, middle, and high represent the expected number of weeks of purchases that will occur during the holiday

The high, middle and low was grown by a CPI Inflation due to the numbers being a year older. Last Year, The Conference adopted the middle impact or 8 weeks of purchases for “Other”, home improvement, hardware and auto part stores and 2 weeks of purchases on Amazon incentivized to purchase during the sales tax holiday.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Skilled Worker Tool Holiday - 7 Days

Bill Number(s): [Governor's Proposed Language](#)

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(\$19.6m)		(\$11.2m)		(\$8.4m)	
2024-25						
2025-26						
2026-27						
2027-28						

Revenue Distribution: Sales and Use Tax

Section 5: Consensus Estimate (Adopted: 02/17/2023): The Conference adopted the middle estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(9.9)	0.0	(Insignificant)	0.0	(0.3)	0.0	(1.0)	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
2027-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	6% Sub-Total		Add: Local Option		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(11.2)	0.0	(1.4)	0.0	(12.6)	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
2027-28	0.0	0.0	0.0	0.0	0.0	0.0

CPI Growth in NonDurables Less Food	4.4%
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Home Improvement Stores				
Est. Home Improvement Store Revenue (2021) Source: IBIS				\$241,894,800,000
Est. Home Improvement Store Revenue - Florida				\$15,239,372,400
Percentage of Revenue Associated with Hardware, Tools, Plumbing, and Electrical Supplies	24%			
Estimate of Tools, Tool Accessories	6%			
Estimate Tool Revenue - Home Improvement Store				\$914,362,344
Qualified Tools	28.0%			\$256,021,456
Number of Weeks Worth of Purchases	Low	Middle	High	
	4	8	16	
	\$19,693,958	\$39,387,916	\$78,775,833	

Hardware Stores				
Est. Home Improvement Store Revenue (2021) Source: IBIS				\$29,753,060,400
Est. Home Improvement Store Revenue - Florida				\$1,487,653,020
Percentage of Revenue Associated with Hardware Tools, Hand Tools, Accessories	12%			
Estimate Tool and Tool Accessories Revenue - Hardware Store				\$182,981,321
Qualified Tools	28%			\$51,234,770
Number of Weeks Worth of Purchases	Low	Middle	High	
	4	8	16	
	\$3,941,136	\$7,882,272	\$15,764,545	

Amazon Market Place				
Amazon Total Sales of Tools and Other Home Improvement Items				\$6,862,500
Est. Home Improvement Store Revenue - Florida				\$432,337
Percentage of Revenue Associated with Hardware, Tools, Plumbing, and Electrical Supplies	24%			
Estimate of Tools, Tool Accessories	6%			
Estimate Tool Revenue - Home Improvement Store				\$25,940
Qualified Tools	28%			\$7,263

Number of Weeks Worth of Purchases	Low	Middle	High	
	1	2	4	
	\$140	\$279	\$559	

Auto Parts Stores				
Est. Home Improvement Store Revenue (2021) Source: IBIS				\$68,695,200,000
Est. Home Improvement Store Revenue - Florida				\$3,434,760,000
Percentage of Revenue Associated with Hardware Tools, Hand Tools, Accessories	6%			
Estimate Tool and Tool Accessories Revenue - Hardware Store				\$206,085,600
Qualified Tools	25%			\$51,521,400
Number of Weeks Worth of Purchases	Low	Middle	High	
	4	8	16	
	\$3,963,185	\$7,926,369	\$15,852,738	

Total Qualified Tool Purchases	\$27,598,419	\$55,196,837	\$110,393,675
Sales and Use Tax (6%)	\$1,655,905	\$3,311,810	\$6,623,620

Total	Low	Middle	High
	\$2,789,006	\$5,578,012	\$13,988,777

Additional Sales Tax Not Included	\$5,578,012
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Total	Low	Middle	High
	\$8,367,018	\$11,156,024	\$19,566,789

Additional Sales Tax Impact		
Total Florida Households (2023)		8,957,563

Tableware, Kitchenware	\$	22.27
Expected Annual Expenditures:	\$	199,471,671
Qualified Expenditures:		13%

Total Expenditures on Qualified Kitchenware		26,596,223	
Number of Weeks Worth of Purchases	Low	Middle	High
	4	8	26
	\$2,045,863	\$4,091,727	\$13,298,111

Lawn and Garden Equipment		93,94956
Expected Annual Expenditures:	\$	841,559,103
Qualified Expenditures:		25%

Total Expenditures on Qualified Lawncare		210,389,776	
Number of Weeks Worth of Purchases	Low	Middle	High
	4	8	26
	\$16,183,829	\$32,367,658	\$105,194,888

Toys, games, arts and crafts, and tricycles*		113,2218
Craft Supplies (By Product Revenue, Source: Ibis))		14.00%
Expected Annual Expenditures:	\$	141,986,797
Qualified Expenditures:		6.0%

Total Expenditures on Qualified Hobbies		8,519,208	
Number of Weeks Worth of Purchases	Low	Middle	High
	4	8	26
	\$655,324	\$1,310,647	\$4,259,604

Total Qualified Tool Purchases	\$18,885,016	\$37,770,032	\$122,752,603
Sales and Use Tax (6%)	\$1,133,101	\$2,266,202	\$7,365,156

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Freedom Summer – Identical to HB 7071 S45 (2022) – Admissions, “First of” Retail Sales incl. Pool Supplies, except Duration

Bill Number(s): Proposed Language – Governor, Section 13

☐ **Entire Bill** N/A

☒ **Partial Bill:** Section 13

Sponsor(s): N/A

Month/Year Impact Begins: Sales Tax Holiday Dates: 5/29/2023 to 9/4/2023, Collections Affected: June 2023-October 2023

Date Conference Reviewed: 2/17/2023

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 retail sales of the listed items.
- b. **Proposed Change:** During the period of May 29, 2023 to September 4, 2023, 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, sports equipment, and residential pool supplies between May 29, 2023 and September 4, 2023 .

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.

The tax exemptions do not apply to sales within a theme park or entertainment complex as defined in s. 509.013(9), Florida Statutes, within a public lodging establishment as defined in s. 509.013(4), Florida Statutes, or within an airport as defined in s. 330.27(2), Florida Statutes.

Expenditure Type	Description
Boating and water activity supplies	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Camping lanterns and flashlights (\$30 - first) • Sleeping bags, portable hammocks, and camping stoves and collapsible camping chairs (\$50 - first) • Tents (\$200 - first)
Fishing supplies	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Sunscreen or insect repellent (\$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	<ul style="list-style-type: none"> • Any item used in individual or team sports, not including clothing or footwear (\$40 - first)
Residential pool supplies	<ul style="list-style-type: none"> • 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

Revenue Source: Sales and Use Tax

Issue: Freedom Summer – Identical to HB 7071 S45 (2022) – Admissions, “First of” Retail Sales incl. Pool Supplies, except Duration

Bill Number(s): Proposed Language – Governor, Section 13

Section 2: Description of Data and Sources

- REC Impact, Proposed Language – Freedom Week, 02/18/2022, http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2022/_pdf/page414-429.pdf
- Florida Economic Estimating Conference, February 2023.
- Florida Demographic Estimating Conference, December 2021.
- US Bureau of Labor Statistics, Consumer Expenditures Survey, Average annual expenditures and characteristics, Table 1800, 2021.
- US Bureau of Labor Statistics, Table R-1. All consumer units: Annual detailed expenditure means, standard errors, coefficients of variation, and weekly or quarterly percents reporting, Consumer Expenditure Surveys, 2021.
- US Bureau of Labor Statistics, Consumer Expenditures Survey, Annual expenditure means and characteristics, Florida: Quintiles of income before taxes, 2019-2020.
- 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, 2022.
- IBIS World INDUSTRY REPORT OD4853, Swimming Pool Equipment Stores, August 2021.
- Source: IBISWorld, US INDUSTRY (SPECIALIZED) REPORT OD4244, Sunscreen Manufacturing Sunny outlook: A return to outdoor gatherings and activities will drive demand for sunscreen, October 2022.
- 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, January 2022.
- 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.

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.). The estimates were grown by a CPI estimate of 6.5% which is the 2022 CPI estimate for admissions.

Second, the estimate for sales tax on State Park entrance fees was based on FY 2021-22 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 the last year for which actual survey data was published. The expenditures were then grown by Florida personal income growth (FEEC) to the impact year.

NEW SINCE LAST IMPACT for Boating and Water Activity Supplies

Further evaluation of the Consumer Expenditure Survey categories found a more precise category where expenditures for canoes, kayaks, wakeboards, and kneeboards and recreational inflatable water tubes or floats, paddleboards and surfboards are included. Instead of incrementally adjusting the “water sports” category for these items, a new expenditure category, “Un-motored recreational vehicles/ Boats without motor and boat trailers”, from the same survey is included in the impact.

NEW SINCE LAST IMPACT for General outdoor supplies

The current estimate reflects updated IBIS World reports, some of which have significant revisions based on significant revisions in US Census economic data.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Freedom Summer – Identical to HB 7071 S45 (2022) – Admissions, “First of” Retail Sales incl. Pool Supplies, except Duration

Bill Number(s): Proposed Language – Governor, Section 13

The estimate for outdoor supplies used IBISWorld reports for the 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 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 revenues. 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. As a result, the REC 2/18/2022 doubled the estimate for specialized pool stores to account for sales occurring on other retail locations. **NEW SINCE LAST IMPACT: The Swimming Pool Equipment Stores revenues were adjusted to exclude commercial or government purchases from retail stores.**

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.

NEW SINCE LAST IMPACT

Theme parks, lodging and airports

As in the proposed language, the sales tax holiday in 2022 (HB 7071, section 45, also stated that the tax exemptions do not apply in theme parks, lodging and airports. The REC impact dated 02/18/2022 did not have a discreet adjustment for this language. A discreet adjustment is offered as an option here based on tax collections in Kind Code 59: Admissions, Amusement & Recreation Services and Kind Code 39: Hotel/Motel Accommodations, Rooming Houses, Camps & Other Lodging Places. An assumption is made about merchandize revenue as a percentage of total revenue for such businesses based on an IBIS report about amusement parks.

The table below shows the estimated impacts.

Estimated Sales Tax Exemptions (Millions of Dollars)			
EXEMPTION TYPE	HIGH	MIDDLE	LOW
Admissions	-117.2	-79.4	
Retail sales	-276.3	-207.4	-138.5
Total	-393.5	-286.8	-138.5

Section 4: Proposed Fiscal Impact

Revenue Distribution:

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(11.9)		(8.7)		(4.2)	
2023-24	(381.6)		(278.1)		(134.3)	
2024-25						
2025-26						
2026-27						
2027-28						

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Freedom Summer – Identical to HB 7071 S45 (2022) – Admissions, “First of” Retail Sales incl. Pool Supplies, except Duration

Bill Number(s): Proposed Language – Governor, Section 13

Section 5: Consensus Estimate (Adopted: 02/17/2023): The Conference adopted a modified impact that adjusted the impact of advantage buying, the proportion of eligible items under the price cap in comparison to industry revenue data, and inflation impacts. All of the impact will be realized in Fiscal Year 2023-24.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(178.6)	0.0	(Insignificant)	0.0	(6.0)	0.0	(17.1)	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
2027-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	6% Sub-Total		Add: Local Option		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(201.8)	0.0	(24.4)	0.0	(226.2)	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
2027-28	0.0	0.0	0.0	0.0	0.0	0.0

	A	B	C	D	E	F	G
1	Proposed Language, Freedom Summer Sales Tax Holiday (first \$xxx of sales price)						
2							
3	99 Days						
4	14 Weeks						
5	5/29/2023 Start						
6	9/4/2023 End						
7							
8							
9	Summary						
10	Estimated Sales Tax Exemptions (Millions of Dollars)						
11	EXEMPTION TYPE	HIGH	MIDDLE	LOW	ADOPTED		
12	Admissions	-103.6	-83.4		-103.6		
13	Retail sales	-137.1	-103.0	-68.9	-98.2		
14	Total	-240.7	-186.4	-68.9	-201.8		
15							
16							
17							
18	TOTAL IMPACT FY 2022-23	\$ (7.30)	\$ (5.60)	\$ (2.10)			
19	TOTAL IMPACT FY 2023-24	\$ (233.40)	\$ (180.80)	\$ (66.80)			

	A	B	C	D	E	F	G	H	I	J	K	L
1	Proposed Language, Freedom Week Sales Tax Holiday (first \$xxx of sales price)											
2	14 weeks, May 29 - September 4, 2023											
3	ADMISSIONS											
4												
5	Two Year Growth in CPI		15.00%									
6	Industry	Total Industry Revenue (2023)	US Ticket Revenue (Est.)	Florida Ticket Revenue (Est.)	Number of Weeks Worth of Movie Tickets Sold During the Tax-Exempt Period							
7	Movie Theaters in the US	\$10,862,900,000	\$6,876,215,700	\$336,934,569			14	17				
8					Exempt Ticket Revenue:		90,713,153	110,151,686				
9					Expected Sales Tax Impact (6%):		5,442,789	6,609,101				
10												
11												
12		Total Industry Revenue (2023)	US Membership Revenue (Est.)	Florida Membership Revenue (Est.)	Number of Months Worth of Gym Memberships Sold During the Tax-Exempt Period							
13	Gym, Health & Fitness Clubs in the US	\$40,598,450,000	\$27,606,946,000	\$1,711,630,652			4	5				
14					Exempt Membership Revenue:		570,543,551	713,179,438				
15					Expected Sales Tax Impact (6%):		34,232,613	42,790,766				
16												
17												
18		Total Industry Revenue (2023)	US Ticket Sales - Live Music (Est.)	Florida Ticket Revenue (Est.)	Number of Months Worth of Concert Tickets Sold During the Tax-Exempt Period							
19	Concert & Event Promotion	\$23,509,450,000	\$7,005,816,100	\$518,430,391			4	5				
20					Exempt Ticket Revenue:		172,810,130	216,012,663				
21					Expected Sales Tax Impact (6%):		10,368,608	12,960,760				
22												
23												
24		Total Industry Revenue (2023)	US Ticket Sales - Admission (Est.)	Florida Ticket Revenue (Est.)	Number of Months Worth of Sporting Event Tickets Sold During the Tax-Exempt Period							
25	Live Sports Industry	\$52,829,850,000	\$13,807,837,000	\$1,509,746,784			4	5				
26					Exempt Ticket Revenue:		503,248,928	629,061,160				
27					Expected Sales Tax Impact (6%):		30,194,936	37,743,670				
28												
29												
30	Government	Total Individual and Family Annual Pass Revenue (FY21-22)	Total Daily Entrance Pass Revenue (FY21-22)	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				
31	Florida Parks	5,475,000	25,975,000	Exempt				4	4		14	14
32				Exempt Pass Revenue:				1,825,000	1,825,000	6,993,269	6,993,269	
33	Source: State Park Trust Fund			Expected Sales Tax Impact (6%):				109,500	109,500	419,596	419,596	
34												
35												
36	Museums	Total Industry Revenue (2023)	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		
37	Museum Industry	\$17,719,200,000	3,012,264,000	15,026,414	66,685,850		4	4		14	14	
38					Exempt Pass Revenue:		5,008,805	5,008,805		17,953,883	17,953,883	
39					Expected Sales Tax Impact (6%):		300,528	300,528		1,077,233	1,077,233	
40												
41												
42												
43	Plays, Ballets, Musical Theatre, State Fairs, Cultural Events	Total Industry Revenue (2023)	For-Profit Ticket Revenue (US)	Florida Ticket Revenue (Est.)	Number of Months Worth of Tickets Sold During the Tax-Exempt Period							
44	Festival Industry	\$4,893,492,018	831,893,643	\$61,560,130		4	5					
45					Exempt Pass Revenue:		20,520,043	25,650,054				
46					Expected Sales Tax Impact (6%):		1,231,203	1,539,003				
47												
48												
49												
50	Total Sales Tax Impact	LOW	MIDDLE	HIGH								
51	FY2022-23	\$0	\$83,377,006	\$103,550,157								
52	FY2023-24	\$0	\$0	\$0								
53	FY2025-26	\$0	\$0	\$0								
54	FY2026-27	\$0	\$0	\$0								
55	FY2027-28	\$0	\$0	\$0								

	A	B	C	D	E	F	G	H
1		Proposed Language, Freedom Summer Sales Tax Holiday (first \$xxx of sales price)				99 Days		
2						14 Weeks		
3		RETAIL SALES EXEMPTIONS				5/29/2023 Start		
4		SUMMARY				9/4/2023 End		
5		1. Total Taxable Sales						
6	Exempt Group	Category	Annual Expenditures (\$)					
7	Boating and water activity supplies	<ul style="list-style-type: none">• 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)	\$ 99.3		Effective sales tax	6.8%		
8	Boating and water activity supplies	<ul style="list-style-type: none">• 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)	\$ 253.4	Adjusted with a new category				
9	Camping supplies	<ul style="list-style-type: none">• Camping lanterns and flashlights (\$30 - first)• Sleeping bags, portable hammocks, and camping stoves and collapsible camping chairs (\$50 - first)• Tents (\$200 - first)	\$ 219.3					
10	Fishing supplies	<ul style="list-style-type: none">• 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)	\$ 346.5					
11	General outdoor supplies	Insect repellent, sunscreen, sunglasses	\$ 285.7					
12	General outdoor supplies	Bicycles, bicycle helmets	\$ 527.1					
13	General outdoor supplies	Outdoor grills	\$ 181.2					
14	General outdoor supplies	<ul style="list-style-type: none">• Water bottles (first \$30 - first)• Hydration packs (\$50 - first)• Binoculars (\$200 - first)	\$ 77.8					
15	Sports equipment	<ul style="list-style-type: none">• Any item used in individual or team sports, not including clothing or footwear (\$40 - first)	\$ 1,026.8					
16	Residential pool supplies	<ul style="list-style-type: none">• 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)	\$ 1,035.6	Adopted at REC 2/18/2022 at double the proposed amount to account for retailers ot				
17		Florida Expenditures	\$ 4,052.6					

	A	B	C	D	E	F	G	H
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	\$ 352.7	25%	40%	50%	50%	
22		Camping supplies	\$ 219.3	30%	40%	50%	50%	
23		Fishing supplies	\$ 346.5	25%	30%	60%	50%	
24		General outdoor supplies	\$ 1,071.8	30%	60%	70%	50%	
25		Sports equipment	\$ 1,026.8	30%	40%	75%	50%	
26		Residential pool supplies	\$ 1,035.6	40%	50%	75%	60%	
27		Florida Expenditures	\$ 4,052.6					
28								
29		3. Annual expenditures below the cap.						
30		Annual expenditures (millions of \$)	Annual Expenditures (\$)	Low	Middle	High	Adopted	
31		Boating and water activity supplies	\$ 352.7	88.16	141.06	176.33	176.33	
32		Camping supplies	\$ 219.3	65.80	87.73	109.67	109.67	
33		Fishing supplies	\$ 346.5	86.61	103.94	207.88	173.23	
34		General outdoor supplies	\$ 1,071.8	321.54	643.08	750.26	535.90	
35		Sports equipment	\$ 1,026.8	308.03	410.70	770.06	513.38	
36		Residential pool supplies	\$ 1,035.6	414.23	517.79	776.69	621.35	
37		Florida Expenditures	\$ 4,052.6	\$ 1,284.4	\$ 1,904.3	\$ 2,790.9	\$ 2,129.9	
38								
39		4. Weekly expenditures below the cap.						
40		Weekly expenditures (millions of \$)						
41			Weekly Expenditures (\$)	Low	Middle	High	Adopted	
42			Total Market					
43		Boating and water activity supplies	\$ 6.8	\$ 1.7	\$ 2.7	\$ 3.4	\$ 3.39	
44		Camping supplies	\$ 4.2	\$ 1.3	\$ 1.7	\$ 2.1	\$ 2.11	
45		Fishing supplies	\$ 6.7	\$ 1.7	\$ 2.0	\$ 4.0	\$ 3.33	
46		General outdoor supplies	\$ 20.6	\$ 6.2	\$ 12.4	\$ 14.4	\$ 10.31	
47		Sports equipment	\$ 19.7	\$ 5.9	\$ 7.9	\$ 14.8	\$ 9.87	
48		Residential pool supplies	\$ 19.9	\$ 8.0	\$ 10.0	\$ 14.9	\$ 11.95	
		Florida Expenditures	\$ 77.9	\$ 24.7	\$ 36.6	\$ 53.7	\$ 41.0	

	A	B	C	D	E	F	G	H
49								
50		5. Spending behavior (number of weeks of shopping induced)						
51		<u>Spending Behavior</u>	Low (LAW)	Middle	High	Adopted Expenditures	Adopted Weeks	Adopted Expenditures
52		# weeks	14	21	28		20	
53		Boating and water activity supplies	\$ 47.5	\$ 71.2	\$ 94.9	\$ 67.8	20	
54		Camping supplies	\$ 29.5	\$ 44.3	\$ 59.1	\$ 42.2	20	
55		Fishing supplies	\$ 46.6	\$ 70.0	\$ 93.3	\$ 66.6	20	
56		General outdoor supplies	\$ 144.3	\$ 216.4	\$ 288.6	\$ 206.1	20	
57		Sports equipment	\$ 138.2	\$ 207.3	\$ 276.4	\$ 197.5	20	
58		Residential pool supplies	\$ 167.3	\$ 250.9	\$ 334.6	\$ 239.0	20	
59		Florida Expenditures	\$ 573.4	\$ 860.1	\$ 1,146.8	\$ 819.2		-
60								
61								
62		6. Sales tax collections.						
63		<u>Sales Tax</u>	Low	Middle	High	Adopted UNDER CAP Sales Tax		
64		# weeks	14	21	28	20		
65		Boating and water activity supplies	\$ 2.8	\$ 4.3	\$ 5.7	\$ 4.1		
66		Camping supplies	\$ 1.8	\$ 2.7	\$ 3.5	\$ 2.5		
67		Fishing supplies	\$ 2.8	\$ 4.2	\$ 5.6	\$ 4.0		
68		General outdoor supplies	\$ 8.7	\$ 13.0	\$ 17.3	\$ 12.4		
69		Sports equipment	\$ 8.3	\$ 12.4	\$ 16.6	\$ 11.8		
70		Residential pool supplies	\$ 10.0	\$ 15.1	\$ 20.1	\$ 14.3		
71		Florida Expenditures	\$ 34.4	\$ 51.6	\$ 68.8	\$ 49.2		

	A	B	C	D	E	F	G	H
72								
73			Incremental Sales Tax Based on Observed Price Distribution of Items					
			Low	Middle	High	Adopted INCREMENTAL Sales Tax		
74		7. Incremental impact with "first \$xxx of sales price"						
		<u>"FIRST of" PRICE Incremental Impact</u>	14	21	28	20	"First" Factor (# Items above cap/# items below cap)	
75								
76		Boating and water activity supplies	\$ 2.8	\$ 4.2	\$ 5.6	\$ 4.0	0.99	
77		Camping supplies	\$ 2.7	\$ 4.0	\$ 5.4	\$ 3.8	1.51	
78		Fishing supplies	\$ 6.3	\$ 9.5	\$ 12.6	\$ 9.0	2.26	
79		General outdoor supplies	\$ 8.7	\$ 13.0	\$ 17.3	\$ 12.4	1.00	
80		Sports equipment	\$ 8.3	\$ 12.4	\$ 16.6	\$ 11.8	1.00	
81		Residential pool supplies	\$ 5.1	\$ 7.6	\$ 10.1	\$ 7.2	0.50	
82		Total	\$ 33.8	\$ 50.7	\$ 67.6	\$ 48.3		
83								
84		8. Total impact (UNDER price cap PLUS ABOVE)						
			Low	Middle	High	Adopted TOTAL Sales Tax		
85								
86		Boating and water activity supplies	\$ 5.7	\$ 8.5	\$ 11.3	\$ 8.1		
87		Camping supplies	\$ 4.5	\$ 6.7	\$ 8.9	\$ 6.4		
88		Fishing supplies	\$ 9.1	\$ 13.7	\$ 18.2	\$ 13.0		
89		General outdoor supplies	\$ 17.3	\$ 26.0	\$ 34.6	\$ 24.7		
90		Sports equipment	\$ 16.6	\$ 24.9	\$ 33.2	\$ 23.7		
91		Residential pool supplies	\$ 15.1	\$ 22.6	\$ 30.2	\$ 21.6		
92		Total	\$ 68.2	\$ 102.3	\$ 136.4	\$ 97.5		
93								

	A	B	C	D	E	F	G	H
94	ADD-ONS/ EXCLUSIONS: Theme parks, public lodging, & airports							
95	Kind Code	Sales Tax Collections (Form 10) FY 2018-19, \$	Sales Tax Collections (Form 10) FY 2021-22, \$	Merchandise, % of Amusement Parks revenue (IBIS World)	OF WHICH % Items Subject to Bill in Merchandise	Annual Sales tax collections, \$	Daily Sales tax collections, \$	ADD BACK (MLN \$)
96	KC 59: Admissions, Amusement & Recreation Services	\$ 1,055,549,685	\$ 1,251,524,201	11.1%	1.0%	\$ 1,389,193	\$ 3,806	\$ 0.4
97	KC 39: Hotel/Motel Accommod, Rooming Hs, Camps & Other	\$ 1,740,859,681	\$ 2,275,956,639	11.1%	0.5%	\$ 1,263,157	\$ 3,461	\$ 0.3
98	Total KC 59 & 39	\$ 2,796,409,366	\$ 3,527,480,839			\$ 2,652,349	\$ 7,267	\$ 0.7
99	IBIS World, INDUSTRY REPORT 71311: Amusement Parks in the US, Strap in: Loosening restrictions on air travel will lead to larger potential consumer markets, Thi Le January 2023							
100	Merchandise includes memorabilia, apparel, accessories, toys, movies, books, periodicals and packaged branded snacks.							
101			Low	Middle	High	Adopted TOTAL Sales Tax		
102		Impact adopted 2023	\$ (68.9)	\$ (103.0)	\$ (137.1)	\$ (98.2)		
103								
104		TOTAL IMPACT FY 2022-23	\$ (3.00)					
105		TOTAL IMPACT FY 2023-24	\$ (95.20)					

	A	B	C	D	E	F	G	H	I
1	Proposed Language, Freedom Summer Sales Tax Holiday (first \$xxx of sales price)							99 Days	
2								14 Weeks	
3	RETAIL SALES EXEMPTIONS							5/29/2023 Start	
4	Camping, boating, fishing, water sports, and other sports equipment							9/4/2023 End	
5									
6	Consumer Expenditures by Category					Estimates			
7		2021	2021 CYs 2019-20				FL population growth, FY ending		
8							FL Pers. Income growth		
9		United States	South	Florida		2021	2022	2023	2024
10	Number of Consumer Units	133,595,000	51,808,000	9,049,769.70		1.7	1.7	1.6	1.4
11	Florida FTE Visitors (converted to CUs)			57,642					
12	Average number in consumer unit:	2.4	2.5	2.3		8.0	4.9	6.0	3.9
13	Income after taxes per Consumer Unit (\$)	78,743	72,248	70,109					
14	Average annual expenditures per Consumer Unit (\$)	66,928	61,473	56,257					
15									
16	Average annual expenditures per Consumer Unit (Household)								
17									
18	Camping equipment	13.20	22.52	20.61		202,734,309	212,708,697	225,413,385	234,251,156
19	% of average annual expenditures	0.0001972	0.0197%	0.0366%	0.0366%				
	• Camping lanterns and flashlights (\$30 - first)								
	• Sleeping bags, portable hammocks, and camping stoves								
	and collapsible camping chairs (\$50 - first)								
20	• Tents (\$200 - first)		West						
21									
22	Hunting and fishing equipment	58.85	73.77	67.51		664,112,437	696,786,311	738,404,040	767,354,607
23	% of average annual expenditures	0.088%	0.0879%	0.1200%	0.1200%				
24	Fishing only (share from FW survey, 48.22%)		0.120%			320,235,017.13	335,990,359	356,058,428	370,018,391
25		0.4822	South						
	• 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)								
26									
27									
28	Hunting and fishing equipment - INCREMENTAL for tackle boxes								
29		1.42	1.30	1.19		11,732,652	12,309,891	13,045,137	13,556,597
30	% of average annual expenditures	0.002%	0.0021%	0.0021%	0.0021%				
31	Assumed 5% of fishing equipment	5.000%							
32									
33	Water sports equipment	11.10	10.20	9.33		91,785,800	96,301,598	102,053,511	106,054,717
34	% of average annual expenditures	0.016585%	0.0166%	0.0166%	0.0166%				
	• 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)								
35	• Safety flares (\$50 - first)								

	A	B	C	D	E	F	G	H	I
36									
37	Un-motored recreational vehicles/ Boats without motor and boat trailers								
38			28.32	26.01	23.80	234,178,420	245,699,837	260,375,024	270,583,533
39	% of average annual expenditures	0.04%	0.0423%	0.0423%	0.0423%				
40	<ul style="list-style-type: none"> • 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) 								
41									
42	Other sports equipment		8.70	7.99	7.31	71,940,222	75,479,631	79,987,887	83,123,968
43	% of average annual expenditures	0.0130%	0.0130%	0.0130%	0.0130%				
44	<ul style="list-style-type: none"> • Water bottles (first \$30 - first) • Hydration packs (\$50 - first) • Binoculars (\$200 - first) 								
45									
46	Bicycles		56.11	51.54	47.16	463,974,265	486,801,478	515,877,210	536,103,180
47	% of average annual expenditures	0.0838%	0.0838%	0.0838%	0.0838%				
48	• Bicycles (\$250 - first)								
49									
50	Bicycle helmets	0.05	2.81	2.58	2.36	23,198,713	24,340,074	25,793,861	26,805,159
51	% of bicycle expenditures (assumed 5%)	0.004%	0.0042%	0.0042%	0.0042%				
52	• Bicycle Helmets (\$50 - first)								
53									
54	Miscellaneous household equipment - Other household appliances		20.25	18.60	17.02	167,447,493	175,685,795	186,179,175	193,478,692
55	% of average annual expenditures	0.030%	0.0303%	0.0303%	0.0303%				
56	• Outdoor Gas or Charcoal Grills (\$250 - first)								
57									
58	Athletic gear, game tables, and exercise equipment*		114.77	105.42	96.47	949,034,510	995,726,353	1,055,199,205	1,096,570,343
59	% of average annual expenditures	0.17%	0.1715%	0.1715%	0.1715%				
60	• Any item used in individual or team sports, not including clothing or footwear (\$40 - first)								
61									
62	Source: US Bureau of Labor Statistics, Table 1800. Region of residence: Average annual expenditures and characteristics, Consumer Expenditure Survey, 2021.								
63	Table R-1. All consumer units: Annual detailed expenditure means, standard errors, coefficients of variation, and weekly (D) or quarterly (I) percents reporting, Consumer Expenditure Surveys, 2021								
64									

	A	B	C	D	E	F
1	Proposed Language, Freedom Summer Sales Tax Holiday (first \$xxx of sales price)					99 Days
2						14 Weeks
3	RETAIL SALES EXEMPTIONS					5/29/2023 Start
4	Swimming pool equipment & supplies					9/4/2023 End
5						
6	Florida share of US population					
7						
8						July 1, 2022 Population
9						
10						
11						
12						
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28						
29						
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31						
32						
33						
34						

Florida share of US population

July 1, 2022 Population

United States	333,287,557
Florida	22,244,823
Florida's share of US total	6.7%
FTE visitors	132,576
Plus adjustment for FTE visitors	6.7%

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

	2021	2022	2023	2024
FL population growth, FY ending, FDEC	1.7	1.7	1.6	1.4

Swimming pool retail stores - U.S.

	FY ending:	% of Total	2022	2023	2024
Total revenue (2022 \$ m)			6,385	6,484	6,574
Sales to homeowners (excluding commercial or government purchases from retail stores)		100%	6,385	6,484	6,574
Pool chemicals		45%	2,873	2,918	2,958.40
Pool equipment & recreational items		31%	1,979	2,010	2,038.01
All other products		24%	1,532	1,556	1,577.81

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

			FY2022-23	FY2023-24
Florida share based on housing starts				
US Housing starts			1,318,512	1,197,873
FL Housing starts			186,358	132,576
FL % of US			14%	11%
FL swimming pool retail stores revenue (annual) (\$ m)			696.5	553.0

	A	B	C	D	E	F
35	Swimming pool retail stores - U.S.					
36	Categories & Items Included					
37	Pool equipment & recreational items					
	pool covers, reels and liners, slides, ladders, diving boards and other miscellaneous equipment					
38	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					
39	Pool chemicals					
40	chlorine, algae control, water clarifiers, stain removers and tile cleaners					
41	All other products					
42	above ground pools, spas and hot tubs					
43						

	A	B	C	D	E	F	G
1	Proposed Language, Freedom Summer Sales Tax Holiday (first \$xxx of sales price)						99 Days
2							14 Weeks
3	RETAIL SALES EXEMPTIONS						5/29/2023 Start
4	Outdoor items						9/4/2023 End
5							
6	Florida share of US population						
7	July 1, 2021 Population						
8	United States		333,287,557				
9	Florida		22,244,823				
10	Florida's share of US total		6.7%				
11	Plus adjustment for FTE visitors		6.7%				
12	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, 2022						
13							
14	FL population growth, FY ending, FDEC		2021	2022	2023	2024	
15			1.67	1.72	1.55	1.39	
16							
17	Insect repellent		IBIS Data	EDR Estimate	EDR Estimate		
18	United States		FY 2021-22	FY 2022-23	FY 2023-24		
19	Domestic demand (\$)		508,850,000	516,748,155	523,921,784		
20	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, January 2022.						
21							
22			FY 2023-24				
23	Florida insect repellent demand		35,176,851.22				
24							
25	Sunscreen		IBIS Data	EDR Estimate	EDR Estimate		
26	United States		FY 2021-22	FY 2022-23	FY 2023-24		
27	Domestic demand (\$)		637,650,000	647,547,335	656,536,751		
28	Source: IBISWorld, US INDUSTRY (SPECIALIZED) REPORT OD4244, Sunscreen Manufacturing Sunny outlook: A return to outdoor gatherings and activities will drive demand for sunscreen, October 2022.						
29			FY 2023-24				
30	Florida sunscreen demand		44,080,808				

	A	B	C	D	E	F	G
31							
32		Sunglasses stores	EDR Estimate	EDR Estimate			
33		United States	FY 2021-22	FY 2022-23	FY 2023-24		
34		Domestic demand (\$)	2,065,616,864	2,097,678,499	2,126,799,003		
35		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.					
36							
37			FY 2023-24				
38		Florida sunglass store revenues	142,796,300				
39			FY 2023-24				
40		Florida - Other sports equipment	83,123,968				
41		Source: US Bureau of Labor Statistics, Table 1800. Region of residence: Average annual expenditures and characteristics, Consumer Expenditure Survey, 2021.					
42							
43			FY 2023-24				
44		Florida total outdoor sales	305,177,927				

	A	B	C	D	E	F
33	Proposed Language, Freedom Summer Sales Tax Holiday (first \$xxx of sales price)					
34						
35	RETAIL SALES EXEMPTIONS					
36						
37	ITEMS, EXEMPT FROM SALES TAX, BY CATEGORY					
38			Expenditure Type	Description	99 Days 14 Weeks 5/29/2023 Start 9/4/2023 End	
39			Boating and water activity supplies	<ul style="list-style-type: none"> • 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) 		
40			Camping supplies	<ul style="list-style-type: none"> • Camping lanterns and flashlights (\$30 - first) • Sleeping bags, portable hammocks, and camping stoves and collapsible camping chairs (\$50 - first) • Tents (\$200 - first) 		
41			Fishing supplies	<ul style="list-style-type: none"> • 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) 		
42			General outdoor supplies	<ul style="list-style-type: none"> • Sunscreen or insect repellent (\$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) 		
43			Sports equipment	• Any item used in individual or team sports, not including clothing or footwear (\$40 - first)		
44			Residential pool supplies	<ul style="list-style-type: none"> • 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

Revenue Source: Sales and Use Tax

Issue: Back-to-School Sales Tax Holiday, 2x14 Days, \$100 Clothing/\$50 Supplies/\$1,500 or less Computers

Bill Number(s): Governor's Proposed Language - Section 11

☐ **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(s) Conference Reviewed: 2/17/2023

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 purchased in store or online 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 24 through August 6, 2023 and for a 14-day period beginning on January 1 through January 14, 2023.

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 are personal computers or personal computer-related accessories purchased for noncommercial home or personal use, selling for less than \$1,500 per item. 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, as defined in 509.013(9), Florida Statutes, within a public lodging establishment, as defined in 509.013(4), Florida Statutes or within an airport, as defined in 330.27(2), Florida Statutes.

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

- REC Impact for CS/HB 7071, Section 43, School Sales Tax Holiday, 14 Days, \$100 Clothing/\$50 Supplies/\$1,500 or Less Computers, Revenue Estimating Impact Conference, 6/3/2022, http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2022/_pdf/page726-733.pdf

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Back-to-School Sales Tax Holiday, 2x14 Days, \$100 Clothing/\$50 Supplies/\$1,500 or less Computers

Bill Number(s): Governor's Proposed Language - Section 11

- Clothing and Shoes expenditures forecast, February 2023 National Economic Estimating Conference.
- Consumer Computer expenditures forecast, February 2023 National Economic Estimating Conference.
- U.S. Population (total and 65+), 3rd Quarter estimates, February 2023 National Economic Estimating Conference.
- Florida Population (total and 65+), 3rd Quarter estimates, February 2023 Demographic Estimating Conference.
- Estimates of Florida public school enrollment, February 2023 K-12 Enrollment Estimating Conference.
- Estimates of Florida private school enrollment, Private School Annual Report 2021-2022 (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 2/3/2023.
- Tax collections by kind code, FY 2021-22, Form 10, Florida Department of Revenue.

Section 3: Methodology (Include Assumptions and Attach Details)

NOTE: *The methodology below offers some incremental modifications to deriving taxable expenditures from consumer expenditure 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 55% 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 (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 (=70%). An advantage buy factor of 30% is added for additional purchases by the general public. Purchases for commercial use are not exempt.

Under the proposed language theme parks and entertainment complexes, lodging establishments, and airports will **not** give consumers the sales tax exemption.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Back-to-School Sales Tax Holiday, 2x14 Days, \$100 Clothing/\$50 Supplies/\$1,500 or less Computers

Bill Number(s): Governor's Proposed Language - Section 11

Section 4: Proposed Fiscal Impact: The impact is nonrecurring for FY 2023-24 only.

		2023-24	
Expenditure Type		PROPOSED	ADOPTED
Clothing & Shoes - \$100 or Less		\$ (95.7)	
School Supplies - \$50 or Less		\$ (11.9)	
Learning Aids and Jigsaw Puzzles - \$30 or Less		\$ (1.5)	
Personal Computers and Related Accessories - \$1,500 or Less		\$ (23.8)	
Total Impact		\$ (132.9)	
<i>*Estimates in millions of dollars</i>			

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			(\$132.9)			
2024-25						
2025-26						
2026-27						
2027-28						

Revenue Distribution: Sales and Use Tax

Section 5: Consensus Estimate (Adopted: 02/17/2023): The Conference adopted an estimated that made adjustments to advantage buying for each category of exempt items.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(136.9)	0.0	(Insignificant)	0.0	(4.6)	0.0	(13.1)	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
2027-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	6% Sub-Total		Add: Local Option		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(154.6)	0.0	(18.7)	0.0	(173.3)	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
2027-28	0.0	0.0	0.0	0.0	0.0	0.0

	B	C	D	F	G	H
2						
3			Governor's Proposed Language - Section 11			
4			Back-to-School Sales Tax Holiday - 2 * 2 Weeks			
5						
6			Period I		14 Days	
7					2 Weeks	
8					7/24/2023 Start	
9					8/6/2023 End	
10						
11			Period II		14 Days	
12					2 Weeks	
13					1/1/2024 Start	
14					1/14/2024 End	
15						
16						
17						
18						(NONRECURRING)
19						
20					2023-24	
21			Expenditure Type		PROPOSED	ADOPTED
22	1		Clothing & Shoes - \$100 or Less		\$ (112.0)	
23	2		School Supplies - \$50 or Less		\$ (11.9)	
24	3		Learning Aids and Jigsaw Puzzles - \$30 or Less		\$ (1.3)	
25	4		Personal Computers and Related Accessories - \$1,500 or Less		\$ (29.4)	
26	5		Total Impact		\$ (154.6)	
27					<i>*Estimates in millions of dollars</i>	
28						
29						
30						
31						
32						
33						
34						
35						
36						

	A	B	C	D	E	F	G	H	I
2		Governor's Proposed Language - Section 11							
3		SALES TAX HOLIDAY - CLOTHING							
4		Period I			14 Days				
5					2 Weeks				
6					7/24/2023 Start				
7					8/6/2023 End				
8									
9		Period II			14 Days				
10					2 Weeks				
11					1/1/2024 Start				
12					1/14/2024 End				
13									
14									
15		2023-24	Adopted		Proposed				
16		1 National Personal Expenditure on Clothing and Shoes (Mln. \$)			467,778.7				
17		CONVERTED to TAXABLE SALES							
18		2 Florida Share based on Population Forecast (Mln. \$)		6.7%	31,221.3				
19									
20		3 Florida Expenditures on Apparel & Shoes (adjusted for 65+)		96.9%	30,240.6				
21									
22									
23									
24		4 Sales Tax at 6%		6.0%	1,814.4				
25									
26		5 Exempted Amount			1,270.1				
27		Assumption		55%	70.0%				
28									
29		6 Preliminary Per Day Fiscal Impact in Florida		1	(3.5)				
30									
31		7 Number of Days in the Holiday		28	(97.4)				
32									
33		8a Advantage Buying		1.150	(14.61)				
34		8b Base Adjustment for Tourists			-				
35		8c Total Adjustment			(14.61)				
36									
37		9 Adjusted Fiscal Impact in Florida			(112.0)				
38									
39		10 ADD-ONS/ EXCLUSIONS: Theme parks, public lodging, & airports							
40	KC	Amusement parks	Sales Tax Collections (Form 10) FY 2018-19, \$	Sales Tax Collections (Form 10) FY 2021-22, \$	Merchandise, % of Amusement Parks revenue (IBIS World)	OF WHICH % Items Subject to Bill in Merchandise	Annual Sales tax collections, \$	Daily Sales tax collections, \$	ADD BACK (MLN \$)
41	59	Admissions, Amusement & Recreation Services	1,055,549,685.2	1,251,524,200.7	0.1	0.0	1,389,192.5	3,806.0	0.4
42	39	Hotel/Motel Accommo., Rooming Houses, Camps & Other	1,740,859,680.8	2,275,956,638.6	0.1	0.0	1,263,156.5	3,460.7	0.3
43		Total KC 59 & 39	2,796,409,366.0	3,527,480,839.2			2,652,349.0	7,266.7	0.7
44		IBIS World, INDUSTRY REPORT 71311: Amusement Parks in the US, Strap in: Loosening restrictions on air travel will lead to larger potential consumer markets, Thi Le January 2023							
45		Merchandise includes memorabilia, apparel, accessories, toys, movies, books, periodicals and packaged branded snacks.							
46									
47									
48	11	Total Impact	\$0.0		(\$112.0)				
49									
50									

	A	B	C	D	E	F
1						
2		Governor's Proposed Language - Section 11				
3		SALES TAX HOLIDAY - SCHOOL SUPPLIES (Incl Staplers, Flash Drives)				
19		Period I			14 Days	
20					2 Weeks	
21					7/24/2023 Start	
22					8/6/2023 End	
23						
24		Period II			14 Days	
25					2 Weeks	
26					1/1/2024 Start	
27					1/14/2024 End	
28						
29		2023-24				
31	Row	Grade Level	Expenditures per Student	Number of Students	Total Expenditures	
32	1	PreK	22.00	66,816	1.5	
33	2	KG	22.00	246,094	5.4	
34	3	1	22.00	256,115	5.6	
35	4	2	22.00	263,457	5.8	
36	5	3	27.00	265,123	7.2	
37	6	4	29.00	271,619	7.9	
38	7	5	29.00	249,002	7.2	
39	8	6	34.00	259,824	8.8	
40	9	7	34.00	270,498	9.2	
41	10	8	34.00	264,951	9.0	
42	11	9	37.00	275,325	10.2	
43	12	10	37.00	273,944	10.1	
44	13	11	37.00	255,666	9.5	
45	14	12	37.00	241,982	9.0	
46	15	Total PK-12		3,460,416	106.3	
47	16	Total HigherEd	38.00	1,076,441	40.9	
48	17	Total All Students		4,536,857	147.3	
49						
50	18	Advantage Buying by Business, General Public				
51	19	40% Factor to move to 28 days + 10% for Expanded List				73.6
52						40% + 10%
53	20	School Supplies				Adopted
54	21	Total Sales Tax	6%			13.3
55		Assumption: share of items under price limit	90%			11.9
56						
57	22	Total Impact				(\$11.9)

A	B	C	D	E
2	Governor's Proposed Language - Section 11			
3	SALES TAX HOLIDAY - LEARNING AIDS & JIGSAW PUZZLES			
4	Period I		14 Days	
5			2 Weeks	
6			7/24/2023 Start	
7			8/6/2023 End	
8				
9	Period II		14 Days	
10			2 Weeks	
11			1/1/2024 Start	
12			1/14/2024 End	
13				
14				
15				
16				
17	2023-24	Adopted		Proposed
18	1 National Personal Expenditure on Games, Toys, and Hobbies (Mln. \$)			94,754.9
19	CONVERTED to TAXABLE SALES			
20	Assumed Share for Learning Toys & Jigsaw Puzzles		10.0%	9,475.5
21	2 Florida Share based on Population Forecast (Mln. \$)		6.7%	632.4
22				
26				
27	4 Sales Tax at 6%			37.9
28				
29	5 Exempted Amount			15.2
30	Assumption of Items under Price Limit		40%	40.0%
31				
32	6 Preliminary Per Day Fiscal Impact in Florida		1	(0.04)
33				
34	7 Number of Days in the Holiday		28	(1.2)
35				
36	8 Advantage Buying			1.150
37				
38	9 Adjusted Fiscal Impact in Florida			(1.3)
39				
40				
41	10 Total Impact			(\$1.3)
42				
43				

A	B	C	D	E	F
2	Governor's Proposed Language - Section 11				
3	SALES TAX HOLIDAY - COMPUTERS = \$1,500 or less				
4	Period I			14 Days	
5				2 Weeks	
6				7/24/2023 Start	
7				8/6/2023 End	
8					
9	Period II			14 Days	
10				2 Weeks	
11				1/1/2024 Start	
12				1/14/2024 End	
13					
14					
15					
16					
17	2023-24				Adopted
18	National Information Processing Equipment - Annual Expenditures				
19	1 Computers & Peripheral Equipment				77,210.9
20	CONVERTED to TAXABLE SALES				
21	2 Computer Software & Accessories	5%			7,782.9
23	3 Total				84,993.8
24	IBIS World Industry Report 44312, Computer Stores in the US, estimates that 61.5% of computer store revenues come from sales of computers, while 5.6% of sales come from sales of software.				
26					
27	4 Florida Share based on Population Forecast	6.7%			5,672.8
32					
33	5 Annual Sales Tax at 6%	6.0%			340.4
34					
35	CY Q1 Estimate (27.8%)				94.7
36	CY Q2 Estimate (24.1%)				82.0
37	CY Q3 Estimate (22%)				75.0
38	CY Q4 Estimate (26%)				88.7
39					
40	6 Exempted Amount based on Purchase Price				255.3
41	\$1500 or Less				75.0%
42					
43					
44	7 Preliminary Per Day Fiscal Impact in Florida	1.0			0.70
45					
47	8 28-Day Holiday	28			19.6
49					
50	9 Advantage Buying by the General Public	50.0%			9.8
51					
52					
53	10 Total Impact				(\$29.4)
54					
55	Computers Exemption Key				
56	First \$1500	80%			
57	First \$1000	75%			
58	First \$750	50%			
59	\$1500 or Less	70%			
60	\$1000 or Less	55%			
61	\$750 or Less	45%			
62					
63					
64					

	A	B	C	D
1				
2	Internet Price Research - Spring of 2022			
3	Sum of Cost	Column Labels		
4	Row Labels	Amazon	Office Depot	Walmart
5	3rd grade	108.0	121.8	108.5
6	Binder durable view 1 inch	7.3	6.5	4.6
7	Composition book, wide-rule, black, 100 pg	8.3	7.8	2.6
8	Crayola Markers washable, classic colors, fine tip	4.0	6.1	2.0
9	Crayola Markers washable, classic colors, wide tip	4.0	6.1	4.0
10	Crayola Pencils, colored, 7", sharpened	6.3	7.6	11.5
11	Crayons Crayola 24 box washable	2.9	10.4	6.7
12	Elmer's Disappearing Purple Washable School Glue Sticks	10.5	9.6	7.8
13	Eraser, Pink, Large, Latex Free	6.3	7.2	9.9
14	Erasers, Pencil Cap, Latex Free, 12/Pk	6.0	3.6	6.0
15	Folders 2 pocket with prongs	17.9	8.3	18.0
16	Highlighter, yellow	1.4	2.1	2.6
17	Index cards, 3x5, ruled	2.5	2.0	1.2
18	Markers, Dry Erase, Black, chiseled tip, low odor, 4 colors	4.7	8.5	4.5
19	Pencil Case, 3-Hole	6.0	6.0	1.0
20	Pencils, Ticonderoga, #2, Sharpened	11.1	21.4	17.3
21	Scissors, kids, 5"	2.4	0.9	1.9
22	Stick On Notes, 3" x 3"	2.8	5.1	5.2
23	Pencil sharpener	3.8	2.8	1.8
24	6th grade	169.0	186.3	131.9
25	Composition book, wide-rule, black, 100 pg	13.8	13.0	4.4
26	Crayola Markers washable, classic colors, fine tip	4.0	6.1	2.0
27	Eraser, Pink, Large, Latex Free	6.3	7.2	9.9
28	Highlighter, yellow	7.2	10.5	13.0
29	Index cards, 3x5, ruled	2.5	2.0	1.2
30	Pencil Case, 3-Hole	6.0	6.0	1.0
31	Pencils, Ticonderoga, #2, Sharpened	3.7	21.4	5.8
32	Pencil sharpener	3.8	2.8	1.8
33	2 inch 3-ring binder with pockets and zipper	20.0	25.4	15.6
34	Dividers	6.5	10.0	7.2
35	Calculator TI-30xs multiview scientific	34.5	19.2	20.0
36	3-hole notebook paper wide-ruled	18.0	13.0	10.0
37	Quad (quadrille rule) pad	8.2	7.5	6.2
38	Retractable ballpoint pens	22.0	17.6	13.9
39	Ruler, metric & standard, shatterproof	3.0	3.2	5.0
40	Scotch tape	2.6	2.6	2.6
41	Protractor	1.3	7.0	7.2
42	Stapler	6.0	12.2	5.4