

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Skilled Worker Tool Holiday - 7 Days

Bill Number(s): [HB7063- Section 31](#)

Entire Bill

Partial Bill: Section31

Sponsor(s): N/A

Month/Year Impact Begins: 07/2023

Date(s) Conference Reviewed: 04/ 14/2023

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

(q) Shovels with a sales price of \$50 or less

(r) Rakes with sales price of \$50 or less

(s) Hard Hats and other head protection gear with a sales price of \$100 or less

(t) Hearing Protection items with a sales price of \$75 or less

(u) Ladders with a sales price of \$250 or less

(v) Fuel Cans with a sales price of \$50 or less

(x) High Visibility Safety Vests with a sales price of \$30 or less.

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

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Skilled Worker Tool Holiday - 7 Days
Bill Number(s): [HB7063- Section 31](#)

The high, middle and low was grown by a CPI Inflator 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.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(\$23.9m)		(\$13.7m)		(\$10.3m)	
2024-25						
2025-26						
2026-27						
2027-28						

Revenue Distribution: Sales and Use Tax

Section 5: Consensus Estimate (Adopted: 04/14/2023): The Conference adopted the middle estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(12.2)	0.0	(Insignificant)	0.0	(0.4)	0.0	(1.2)	0.0
2024-25	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	(13.7)	0.0	(1.7)	0.0	(15.4)	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%

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	36.1%			\$330,084,806
Number of Weeks Worth of Purchases	Low	Middle	High	
	4	8	16	
	\$25,391,139	\$50,782,278	\$101,564,556	

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	36.1%			\$66,056,257
Number of Weeks Worth of Purchases	Low	Middle	High	
	4	8	16	
	\$5,081,251	\$10,162,501	\$20,325,002	

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	36.1%			\$9,364

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	28%			\$57,703,968
Number of Weeks Worth of Purchases	Low	Middle	High	
	4	8	16	
	\$4,438,767	\$8,877,534	\$17,755,067	

Total Qualified Tool Purchases	\$34,911,336	\$69,822,673	\$139,645,345
Sales and Use Tax (6%)	\$2,094,680	\$4,189,360	\$8,378,721

Total				
	Low	Middle	High	
	\$3,421,987	\$6,843,974	\$17,006,216	

Additional Sales Tax Not Included \$6,843,974

Total				
	Low	Middle	High	
	\$10,265,961	\$13,687,948	\$23,850,190	

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				
	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:		30%
Total Expenditures on Qualified Lawn Care		252,467,731

Total Expenditures on Qualified Lawn Care				
	Low	Middle	High	
	4	8	26	
	\$19,420,595	\$38,841,189	\$126,233,865	

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				
	Low	Middle	High	
	4	8	26	
	\$655,324	\$1,310,647	\$4,259,604	

Total Qualified Tool Purchases	\$22,121,782	\$44,243,563	\$143,791,581
Sales and Use Tax (6%)	\$1,327,307	\$2,654,614	\$8,627,495

REVENUE ESTIMATING CONFERENCE

Revenue Source: Highway Safety Fees/Sales and Use Tax

Issue: Rescission or Cancellation of a Motor Vehicle Sale

Bill Number(s): CS/CS/HB973

Entire Bill

Partial Bill:

Sponsor(s): Representative Botana

Month/Year Impact Begins: 07/01/2023

Date(s) Conference Reviewed: 04/07/2023, 04/14/2023

Section 1: Narrative

- a. Current Law:** Section 212.17, F.S. states that when purchases are returned to a dealer by a purchaser or consumer after the taxes imposed by this chapter are collected from or charged to the account of the consumer or user, the dealer is entitled to reimbursement of the amount of tax collected or charged by the dealer in the manner prescribed by the Department of Revenue (DOR).
- b. Proposed Change:** Section 212.17, F.S. is revised so that if a vehicle sale is rescinded or canceled pursuant to section 319.255, F.S. and the application for title is rescinded, canceled, or revoked, the motor vehicle dealer must be reimbursed, in a manner prescribed by the department, the amount of tax collected or charged by the dealer for the sale, so long as the motor vehicle dealer has returned the amount of tax collected to the purchaser. Section 319.255, F.S. is created to allow a motor vehicle dealer, motor vehicle purchaser, and any person claiming a lien on a motor vehicle to rescind or cancel a motor vehicle sale with written concurrence between all parties in the sale within 60 days of the sale. The Department of Highway Safety and Motor Vehicles (HSMV) shall rescind, cancel, or revoke an application for certificate of title that has been issued if within 60 days of the sale a notarized affidavit signed by the dealer, purchaser, and any person claiming a lien of the motor vehicle is executed in a manner prescribed by the Department. Fees paid to the department, less fees paid in accordance with section 319.32, F.S., shall be returned to the dealer. If a certificate of title is issued, the motor vehicle dealer must obtain and surrender the certificate of title to the department. A motor vehicle dealer may not offer a rescinded motor vehicle for sale until it has received a certificate of title from the department. A rescission of sale does not negate the fact that the motor vehicle was subject to a previous retail sale.

Section 2: Description of Data and Sources

DOR Agency Bill Analysis for CS HB 973 prepared 03/27/2023

CS CS HB 973 Staff Analysis prepared by the Transportation and Modals Subcommittee on 03/30/2023

CS SB 1636 Staff Analysis prepared by the Transportation Committee on 04/03/2023

Contact with HSMV and DOR Staff

Industry Data

<https://businessmodelanalyst.com/carvana-competitors-alternatives/#:~:text=Some%20of%20the%20top%20Carvana,the%20best%20option%20for%20them.>

Highway Safety Revenue Estimating Conference 02/23/2023

https://www.flhsmv.gov/pdf/revenuereport/revenue_report_fy2020_2021.pdf

Section 3: Methodology (Include Assumptions and Attach Details)

The changes to section 212.17, F.S. and the creation of section 319.255, F.S. allow for reimbursement of highway safety fees in the event that a motor vehicle sale is canceled or rescinded. According to DOR and HSMV staff, there is no impact to sales tax. Section 319.255(2)(a), F.S. of the new language would place the responsibility to cover the title fees per section 319.32, F.S. on the motor vehicle dealer; therefore, there is zero impact to title fees. The analysis assumes that there will be no change in the operation of traditional brick and motor vehicle dealers because there is already a process in place to allow for motor vehicles to be returned based upon the terms of the sales contract, such returns are currently rare, and the language states that all parties must agree to the sales cancellation – which is unlikely in the case of traditional dealers. To calculate the impact to sales tax and tag fees, the number of returned motor vehicles in e-sales transactions was calculated using industry data and market share assumptions of that data. In the three scenarios, a base number of sales “back-outs” was grown by a product of the overall title fee growth rate.

For the highway safety fees impact, the number of cancelled transactions in each scenario was multiplied by an assumed collection of fees that could possibly be paid if the customer is getting a new tag. Note that in reality, there will be numerous possibilities regarding the possible fees to be refunded, depending upon if the customer has a previous tag and the type of vehicle from which the tag is transferring.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Highway Safety Fees/Sales and Use Tax

Issue: Rescission or Cancellation of a Motor Vehicle Sale

Bill Number(s): CS/CS/HB973

Section 4: Proposed Fiscal Impact

Sales Tax	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	0.0	0.0	0.0	0.0	0.0
2024-25	0.0	0.0	0.0	0.0	0.0	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0
2027-28	0.0	0.0	0.0	0.0	0.0	0.0

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(*)	(*)	(*)	(*)	(*)	(*)
2024-25	(*)	(*)	(*)	(*)	(*)	(*)
2025-26	(*)	(*)	(*)	(*)	(*)	(*)
2026-27	(*)	(*)	(*)	(*)	(*)	(*)
2027-28	(*)	(*)	(*)	(*)	(*)	(*)

Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(*)	(*)	(*)	(*)	(*)	(*)
2024-25	(*)	(*)	(*)	(*)	(*)	(*)
2025-26	(*)	(*)	(*)	(*)	(*)	(*)
2026-27	(*)	(*)	(*)	(*)	(*)	(*)
2027-28	(*)	(*)	(*)	(*)	(*)	(*)

Revenue Distribution:

Sales Tax

Various State and Local Trust Funds Receiving Highway Safety Fees

Section 5: Consensus Estimate (Adopted: 04/14/2023): The Conference adopted the middle impact.

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

	A	B	C	D	E	F	G	H	I
1		Florida Motor Vehicle E-Sales							
2									
3		Industry Data: Florida Back-Outs (one company)			Florida Total Back-Outs				
4		August	16		Company % Share of Market				
5		September	37			High	Middle	Low	
6		October	28			25%	50%	75%	
7		November	34		Statewide Back-Outs				
8		December	34			1,208	604	403	
9		January	16						
10		February	18						
11		March	29						
12		April	19						
13		May	25						
14		June	27						
15		July	19						
16									
17		Total	302						
18									
19		Forecasted Number of Florida Back-Outs							
20			High		Middle		Low		
21			#	% change	#	% change	#	% change	
22		2022-23	1,208		604		403		
23		2023-24	1,229	1.73%	611	1.15%	405	0.58%	
24		2024-25	1,250	1.72%	618	1.15%	407	0.57%	
25		2025-26	1,279	2.32%	628	1.55%	410	0.77%	
26		2026-27	1,306	2.08%	636	1.39%	413	0.69%	
27		2027-28	1,336	2.29%	646	1.52%	416	0.76%	
28		Low is title fee growth rate, Middle is double, High is triple							
29									

	A	B	C	D	E	F	G	H	I
30									
31	HSMV Fees to be Returned*								
32					Distribution				
33	FY 2021-22 Base Fees #		17,140,639				Additional Fee Calcs		
34	FY 2021-22 Base Fees \$	\$	506,959,451				Total Trust	\$	65.38
35	Average Base Fee**	\$	29.58	STTF			Total Local	\$	8.75
36	Tax Collector Fee	\$	6.25	Local					
37	320.0804 Surcharge	\$	1.20	STTF/HSOTF			Trust GR S. Chrg	\$	33.30
38	DJJ Surcharge	\$	1.00	DJJ TF			Percentage		50.9%
39	FRVIS Fee	\$	0.50	HSOTF					
40	Air Pollution Fee	\$	1.00	DEP-APCTF					
41	Decal on Demand	\$	1.00	HSOTF					
42	Reflectorization Fee	\$	0.50	HSOTF					
43	TDTF Fee	\$	1.50	TDTF					
44	Local Processing Fee	\$	2.50	Local					
45	Emergency Med Fee	\$	0.10	EMSTF					
46	LERSTF FEE	\$	1.00	LERSTF					
47	Plate Fee	\$	28.00	HSOTF					
48	*Assumes customer is getting a new plate. In reality, there are numerous possibilities depending upon								
49	if the customer has a previous tag and the type of vehicle from which the tag is transferring.								
50	**Average Base Fee is Private Auto, Heavy Trucks Under 15,000 lbs, and Other Vehicles less Vessels								
51									
52	Highway Safety Fee Impact								
53		High		Middle		Low			
54		Trust	Local	Trust	Local	Trust	Local		
55	2023-24	\$ (80,342)	\$ (10,753)	\$ (39,943)	\$ (5,346)	\$ (26,477)	\$ (3,544)		
56	2024-25	\$ (81,725)	\$ (10,938)	\$ (40,401)	\$ (5,407)	\$ (26,629)	\$ (3,564)		
57	2025-26	\$ (83,620)	\$ (11,192)	\$ (41,026)	\$ (5,491)	\$ (26,835)	\$ (3,592)		
58	2026-27	\$ (85,361)	\$ (11,425)	\$ (41,595)	\$ (5,567)	\$ (27,021)	\$ (3,616)		
59	2027-28	\$ (87,311)	\$ (11,686)	\$ (42,229)	\$ (5,652)	\$ (27,227)	\$ (3,644)		
60									

REVENUE ESTIMATING CONFERENCE

Revenue Source: Local Taxes and Fees

Issue: Fire Protection Special Assessments on Lands Classified as Agricultural Lands

Bill Number(s): CS/SB 1184 – Section 1

Entire Bill:

Partial Bill:

Sponsor(s): Senate Community Affairs and Senator Collins

Month/Year Impact Begins: July 1, 2023

Date(s) Conference Reviewed: April 14, 2023

Section 1: Narrative

- a. **Current Law:** Section 125.01(1)(r), F.S., states: *“Notwithstanding any other provision of law, a county may not levy special assessments for the provision of fire protection services on lands classified as agricultural lands under s. 193.461 unless the land contains a residential dwelling or nonresidential farm building, with the exception of an agricultural pole barn, provided the nonresidential farm building exceeds a just value of \$10,000. Such special assessments must be based solely on the special benefit accruing to that portion of the land consisting of the residential dwelling and curtilage, and qualifying nonresidential farm buildings. As used in this paragraph, the term ‘agricultural pole barn’ means a nonresidential farm building in which 70 percent or more of the perimeter wall are permanently open and allow free ingress and egress.”*

Special Assessments

Special assessments are a home rule revenue source used to construct and maintain capital facilities and to fund certain services. Section 125.01(1)(r), F.S., authorizes the levy of special assessments for county governments.

In order for an assessed property to derive a special benefit from the service provided, there should be a logical relationship between the provided service and the benefit to real property. This logical relationship to property legal test defines those services that can be funded by special assessments versus those that cannot. General government services, such as general law enforcement and indigent health care, fail to satisfy the logical relationship to property test and cannot be funded by special assessments. Many improvements and services have been upheld by the courts as providing a special benefit to assessed properties.

Once the service or capital facility satisfies the special benefit test, the assessment should be fairly apportioned among the benefited property in a manner consistent with the logical relationship embodied in the special benefit requirement. Whether imposed to fund capital projects or services, a special assessment is generally collected on the annual ad valorem tax bill. Under this collection procedure, the special assessment is characterized as a non-ad valorem assessment.

Lands Classified as Agricultural Lands

Section 193.461, F.S., provides that the county property appraiser shall, on an annual basis, classify for assessment purposes all lands within the county as either agricultural or nonagricultural. Subject to the restrictions of this section, only lands that are used for bona fide agricultural purposes shall be classified agricultural. The term “bona fide agricultural purposes” means good faith commercial agricultural use of the land.

In determining whether the use of the land for agricultural purposes is bona fide, the following factors, as specified in s. 193.461(3)(b), F.S., may be taken into consideration:

- The length of time the land has been so used.
- Whether the use has been continuous.
- The purchase price paid.
- Size, as it relates to specific agricultural use, but a minimum acreage may not be required for agricultural assessment.
- Whether an indicated effort has been made to care sufficiently and adequately for the land in accordance with accepted commercial agricultural practices, including, without limitation, fertilizing, liming, tilling, mowing, reforestation, and other accepted agricultural practices.
- Whether the land is under lease and, if so, the effective length, terms, and conditions of the lease.
- Such other factors as may become applicable.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Local Taxes and Fees

Issue: Fire Protection Special Assessments on Lands Classified as Agricultural Lands

Bill Number(s): CS/SB 1184 – Section 1

Pursuant to s. 193.461(4), F.S., property appraisers must reclassify lands as nonagricultural when they are diverted from an agricultural to a nonagricultural use or the land is no longer being utilized for agricultural purposes.

For purposes of s. 193.461, F.S., the term “agricultural purposes” includes, but is not limited to: horticulture; floriculture; viticulture; forestry; dairy; livestock; poultry; bee; pisciculture, if the land is used principally for the production of tropical fish; aquaculture as defined in s. 597.0015, F.S; algaculture; sod farming; and all forms of farm products as defined in s. 823.14(3), F.S; and farm production.

- b. Proposed Change:** Section 1 of CS/SB 1184 amends s. 125.01(1)(r), F.S., to ***increase the minimum value of a nonresidential farm building, which would permit a county government to levy fire protection service special assessments on agricultural lands, from \$10,000 to \$350,000.*** Consequently, county governments would be specifically prohibited from levying a special assessment for the provision of fire protection services on lands classified as agricultural lands, unless the land contains either a residential building, or a nonresidential farm building, other than an agricultural pole barn, provided the nonresidential farm building has a just value in excess of \$350,000.

Section 2: Description of Data and Sources

Florida Department of Revenue, Property Tax Oversight

2022 Non-ad valorem tax rolls and summary report

- NAVN – summary of assessment by parcel
- NAVD – individual assessment detail by parcel
- DR-503 NA – summary of assessments by non-ad valorem function

2022 Ad Valorem tax roll – NAL data (only parcels that have any land classified as agricultural included)

Parcels from the NAL were matched with NAVN and NAVD data to create the summary of non-ad valorem assessments against each parcel. There were some challenges in matching the information since, in many instances, the parcel identification data received on the non-ad valorem assessment rolls were in a slightly different format from the NAL. Consequently, extensive additional data management was needed to get a clean match. The data for two counties were not matched (Hendry and Pinellas). However, these two counties represent only a small number (less than 3,008) of the overall number of parcels (238,822) with lands classified as agricultural.

Section 3: Methodology (Include Assumptions and Attach Details)

Non-ad valorem assessments may be levied by counties, municipalities, or independent special districts. The basis of non-ad valorem assessments varies depending on the type and purpose, and they may be assessed as a flat rate per parcel, square foot of the improvement area, square foot of land area, per acre, or may vary based on property type and benefit. Fire control is one of ten functional types used by the Department to classify non-ad valorem assessments. The other functional types are community development/redevelopment, drainage and water control/management, emergency medical services, lighting, mosquito control, water and sewer, solid waste, road improvements, and other (which includes PACE assessments).

All three revenue impact scenarios assume a 100% reduction in non-ad valorem fire control assessments associated with those agricultural lands with only nonresidential improvements having a just value of \$350,000 or less. This estimated reduction totals approximately \$1.83 million.

Additionally, the High scenario assumes a 45% reduction in non-ad valorem fire control assessments associated with those agricultural lands with a residential improvement as well as a nonresidential improvement having a just value of \$350,000 or less. This estimated reduction totals approximately \$203,000.

The Middle scenario also assumes a 33% reduction in non-ad valorem fire control assessments associated with those agricultural lands with a residential improvement as well as a nonresidential improvement having a just value of \$350,000 or less. This estimated reduction totals approximately \$149,000.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Local Taxes and Fees

Issue: Fire Protection Special Assessments on Lands Classified as Agricultural Lands

Bill Number(s): CS/SB 1184 – Section 1

The Low scenario also assumes a 10% reduction in non-ad valorem fire control assessments associated with those agricultural lands with a residential improvement as well as a nonresidential improvement having a just value of \$350,000 or less. This estimated reduction totals approximately \$45,000.

Using annual totals of county non-ad valorem assessments for the period of 2009-10 through 2022-23, as reported by county tax collectors to the Department via the Tax Collector Non-Ad Valorem Reports (see link below), a Compound Annual Growth Rate (CAGR) of 4.8% was calculated and used to project the revenue impacts of the three scenarios into the forecast period. (Reports available at http://floridarevenue.com/property/Pages/Cofficial_NonAdValoremReports.aspx.)

Section 4: Proposed Fiscal Impact (\$ millions)

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(2.1)	(2.1)	(2.1)	(2.1)	(2.0)	(2.0)
2024-25	(2.2)	(2.2)	(2.2)	(2.2)	(2.1)	(2.1)
2025-26	(2.3)	(2.3)	(2.3)	(2.3)	(2.2)	(2.2)
2026-27	(2.5)	(2.5)	(2.4)	(2.4)	(2.3)	(2.3)
2027-28	(2.6)	(2.6)	(2.5)	(2.5)	(2.4)	(2.4)

Revenue Distribution: Local funds

Section 5: Consensus Estimate (Adopted: 04/14/2023): The Conference adopted the high estimate but notes that the actual impact is higher by an indeterminate amount because the impact does not include the fire protection assessments which are not collected by uniform method.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	0.0	0.0	0.0	(2.1)	(2.1)	(2.1)	(2.1)
2024-25	0.0	0.0	0.0	0.0	(2.2)	(2.2)	(2.2)	(2.2)
2025-26	0.0	0.0	0.0	0.0	(2.3)	(2.3)	(2.3)	(2.3)
2026-27	0.0	0.0	0.0	0.0	(2.5)	(2.5)	(2.5)	(2.5)
2027-28	0.0	0.0	0.0	0.0	(2.6)	(2.6)	(2.6)	(2.6)

	A	B	C	D	E	F	G	H	I	J
1	2022 County Government Fire Control Special Assessments on Parcels Containing Land Classified as Agricultural									
2	Source: Florida Department of Revenue, Property Tax Oversight (April 12, 2023)									
3							High	Middle		Low
4	Property Description	Number of Parcels	Number of Non-Ad Valorem Assessments	2022 Non-Ad Valorem Total Assessment Value	Reduction Percentage	Estimated Reduction of Non-Ad Valorem Assessments	Reduction Percentage	Estimated Reduction of Non-Ad Valorem Assessments	Reduction Percentage	Estimated Reduction of Non-Ad Valorem Assessments
5	Ag Land with Non-Residential Improvement Less than \$350,000 (no residential improvements)	10,074	11,868	\$ 1,831,830	100%	\$ (1,831,830)	100%	\$ (1,831,830)	100%	\$ (1,831,830)
6	Ag Land with Non-Residential Improvement Greater than \$350,000	649	772	\$ 833,680	0%	\$ -	0%	\$ -	0%	\$ -
7	Ag Land with Residential Improvement Only	21,519	22,287	\$ 4,315,674	0%	\$ -	0%	\$ -	0%	\$ -
8	Ag Land with Residential Improvement and Non-Residential Improvement Less than \$350,000	1,532	1,593	\$ 450,536	45%	\$ (202,741)	33%	\$ (148,677)	10%	\$ (45,054)
9	Total	33,774	36,520	\$ 7,431,720		\$ (2,034,571)		\$ (1,980,507)		\$ (1,876,884)
10										
11										
12	History of County Government Non-Ad Valorem Assessments									
13	Source: Florida Department of Revenue, Tax Collector Non-Ad Valorem Reports									
14	Fiscal Year	Non-Ad Valorem Assessments (millions)								
15	2009-10	\$	1,010.0							
16	2010-11	\$	1,105.9							
17	2011-12	\$	1,121.4							
18	2012-13	\$	1,115.2							
19	2013-14	\$	1,211.6							
20	2014-15	\$	1,177.2							
21	2015-16	\$	1,223.2							
22	2016-17	\$	1,255.8							
23	2017-18	\$	1,350.3							
24	2018-19	\$	1,403.7							
25	2019-20	\$	1,491.6							
26	2020-21	\$	1,568.4							
27	2021-22	\$	1,689.5							
28	2022-23	\$	1,864.4							
29	CAGR: 2010-2023		4.8%							
30										
31										
32	Proposed Fiscal Impact									
33							High	Middle		Low
34	Fiscal Year	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring	
35	2023-24	\$ (2,132,805)	\$ (2,132,805)	\$ (2,076,130)	\$ (2,076,130)	\$ (1,967,504)	\$ (1,967,504)			
36	2024-25	\$ (2,235,782)	\$ (2,235,782)	\$ (2,176,371)	\$ (2,176,371)	\$ (2,062,500)	\$ (2,062,500)			
37	2025-26	\$ (2,343,731)	\$ (2,343,731)	\$ (2,281,451)	\$ (2,281,451)	\$ (2,162,082)	\$ (2,162,082)			
38	2026-27	\$ (2,456,892)	\$ (2,456,892)	\$ (2,391,605)	\$ (2,391,605)	\$ (2,266,473)	\$ (2,266,473)			
39	2027-28	\$ (2,575,516)	\$ (2,575,516)	\$ (2,507,078)	\$ (2,507,078)	\$ (2,375,903)	\$ (2,375,903)			

Total Value of 2022 County Non-Ad Valorem Assessments by Property Type and Function Type

Source: Florida Department of Revenue, Property Tax Oversight (April 6, 2023)

Function Code	Assessment Function Type	Residential Property	Non-Residential Property	Total Assessments
1	Community Development or Redevelopment	\$ 412,395	\$ 1,596,043	\$ 2,008,438
2	Drainage and Water Control / Management	\$ 497,418	\$ 1,318,944	\$ 1,816,362
3	Fire Control	\$ 4,766,210	\$ 2,665,510	\$ 7,431,720
4	Emergency Medical Services	\$ 337,849	\$ 214,524	\$ 552,374
5	Lighting	\$ 2,232	\$ 91,071	\$ 93,303
6	Mosquito Control	\$ 4,935	\$ 169	\$ 5,103
7	Water and Sewer	\$ 34,228	\$ 437,794	\$ 472,022
8	Solid Waste	\$ 6,996,430	\$ 2,796,128	\$ 9,792,557
9	Road Improvements	\$ 31,178	\$ 64,819	\$ 95,996
10	Other (includes County PACE assessments)	\$ 84,312	\$ 229,632	\$ 313,944
	Total	\$ 13,167,187	\$ 9,414,633	\$ 22,581,820

County Number	County Name	Number of Parcels with Agricultural Classification on Some or All Acreage	Number of Parcels with Agricultural Classification and County Non-Ad Valorem Assessment	Number of County Non-Ad Valorem Assessments *	Total Value of Non-Ad Valorem Assessments on Parcels with Agricultural Classification on Some or All Acreage
11	Alachua	7,925	3,381	10,877	\$ 1,538,820
12	Baker	2,277	1,221	2,424	\$ 236,580
13	Bay	1,175	102	102	\$ 4,120
14	Bradford	2,606	1,027	1,027	\$ 93,825
15	Brevard	1,606	800	1,727	\$ 324,296
16	Broward	1,163	6	9	\$ 6,932
17	Calhoun	3,603	No uniform method non ad valorem assessments		
18	Charlotte	1,779	816	1,338	\$ 764,214
19	Citrus	2,210			
20	Clay	1,287	490	978	\$ 118,037
21	Collier	1,952	359	359	\$ 101,129
22	Columbia	5,194	5,116	7,245	\$ 1,195,983
23	Miami-Dade	7,433	2,191	2,206	\$ 1,183,695
24	DeSoto	5,385	1,217	3,483	\$ 714,561
25	Dixie	2,740	1,027	3,083	\$ 348,403
26	Duval	1,560	534	1,061	\$ 575,866
27	Escambia	2,568	963	964	\$ 134,777
28	Flagler	1,820	141	142	\$ 1,797,075
29	Franklin	165			
30	Gadsden	3,528	No uniform method non ad valorem assessments		
31	Gilchrist	3,582	1,539	3,098	\$ 391,659
32	Glades	2,085	-	-	\$ -
33	Gulf	890	-	-	\$ -
34	Hamilton	3,024	No uniform method non ad valorem assessments		
35	Hardee	4,647	1,298	2,556	\$ 609,559
36	Hendry	2,901	unable to match data		
37	Hernando	2,633	2,371	5,744	\$ 567,151
38	Highlands	4,550	1,408	2,770	\$ 748,083
39	Hillsborough	5,813	5,638	10,848	\$ 1,183,573
40	Holmes	5,740	No uniform method non ad valorem assessments		
41	Indian River	1,968	571	571	\$ 244,554
42	Jackson	9,322	No uniform method non ad valorem assessments		
43	Jefferson	4,247	1,481	2,892	\$ 588,465
44	Lafayette	3,081	665	1,874	\$ 255,004
45	Lake	5,678	1,864	3,673	\$ 876,662
46	Lee	3,017	969	1,848	\$ 315,607
47	Leon	1,495	-	-	\$ -
48	Levy	6,435	-	-	\$ -
49	Liberty	1,632	No uniform method non ad valorem assessments		
50	Madison	5,772	1,567	3,098	\$ 566,252
51	Manatee	2,137	9	9	\$ 30
52	Marion	11,228	-		
53	Martin	2,098	198	198	\$ 786,782
54	Monroe	6	2	3	\$ 927
55	Nassau	3,499	-		\$ -
56	Okaloosa	3,146	-		\$ -
57	Okeechobee	2,382	986	2,586	\$ 637,908
58	Orange	1,402	200	205	\$ 130,190
59	Osceola	2,427	2,326	3,190	\$ 351,620
60	Palm Beach	5,115	36	39	\$ 89,552
61	Pasco	3,990	1,669	2,928	\$ 324,840
62	Pinellas	107	unable to match data		
63	Polk	12,607	1,822	4,782	\$ 1,007,452
64	Putnam	4,233	788	788	\$ 219,966
65	Saint Johns	2,035	415	898	\$ 119,139
66	Saint Lucie	2,497	58	59	\$ 18,523
67	Santa Rosa	5,429	2,668	2,671	\$ 234,238
68	Sarasota	644	583	1,499	\$ 334,280
69	Seminole	840	-	-	\$ -
70	Sumter	5,296	2,427	2,427	\$ 300,948
71	Suwannee	6,353	2,803	5,612	\$ 1,241,540
72	Taylor	2,758	703	712	\$ 180,669
73	Union	3,102	1,281	2,562	\$ 221,175
74	Volusia	7,430	1,859	2,873	\$ 429,665
75	Wakulla	2,206	989	1,838	\$ 345,817
76	Walton	4,470	1,356	1,356	\$ 121,278
77	Washington	4,897	1	1	\$ 400
Statewide Total		238,822	61,941	113,233	\$ 22,581,820
# of Parcels with Residential Improvement and Assessment			35,133		

* includes zero value assessments on the NAVN tax roll

DOR 4/6/2023

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax

Issue: Childcare Tax Credits

Bill Number(s): CS/CS/HB 1021

Entire Bill

Partial Bill: Section 2

Sponsor(s): Rep. McFarland

Month/Year Impact Begins: January 1, 2024

Date(s) Conference Reviewed: April 14, 2023

Section 1: Narrative

a. Current Law:

Currently there are no statutory provisions for a tax credit program available against any tax due under Chapters 220 (Corporate Income Tax) F.S., for startup and operating costs of a child care facility operated by a corporation for its employees or for payments made to a child care facility in the name of and for the benefit of an employee of the corporation whose child or grandchild attends the child care facility.

A child care tax credit did exist historically under 220.19, and granted 50,000 annual tax credits per business per year and was capped at 2 million annually. This credit expired June 30, 2008 by statute, leaving rules for carry over credits & clawback in the event a facility fails to operate for 5 years.

b. Proposed Change:

Amends section 220.19, F.S., to provide a new child care tax credit available against tax due under Chapters 220, beginning January 1, 2024, and eligible to all corporation taxpayers as defined in Chapter 220 F.S.. The credit is limited to 50% of the startup costs of a child care facility that is operated by a corporation for its employees. An additional credit is allowed for operation of said facility for its employees, and capped to \$300 a month for each child or grandchild of an employee enrolled in the facility. Additionally, 100% credit is allowed for payments made by the corporation on behalf of an employee to a third party child care facility for up to a maximum of \$3600 per child per year.

The maximum amount a corporation may receive for this credit is capped by brackets based on the average number of employed persons during the year, ranging from \$50,000 for businesses of 1 to 25 employees, to \$600,000 for business with over 500 employees. The maximum amount of credit that may be approved is capped at \$2.5 million annually

Section 2: Description of Data and Sources

Corporate Income Tax Annual returns 2004-2008; 2017-2021

Section 3: Methodology (Include Assumptions and Attach Details)

Currently, no corporate taxpayer has taken the child care tax credit against their corporate income tax liabilities on account of the credit being repealed in June of 2008. Under the language of the bill, a corporate income tax payer may elect to apply for the credit, and once approved, may take the credit against the Corporate Income Tax liabilities that year with a carry forward period of 5 years for any excess credits beyond the taxable liability.

In comparison to the 2008 statute language in F.S. 220.19, A credit of 50% was provided for startup costs similar to the current language, but the \$300 in the current language was capped at \$50 per child at the facility. Additionally, rather than 100% of the costs to a corporation paying a child care facility made on behalf of the employee and to the benefit of the employee, only 50% of the costs were credited against their tax liability and all corporations were capped at \$50,000 regardless of other factors.

Considering the language differences, the high assumes 100% of the amount of allotted child care tax credit is used each year while the low assumes the maximum cumulative amount that was used in any one year in the available historic data.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	\$(2.5 M)	\$(2.5 M)			\$(0.2 M)	\$(0.2 M)
2024-25	\$(2.5 M)	\$(2.5 M)			\$(0.2 M)	\$(0.2 M)
2025-26	\$(2.5 M)	\$(2.5 M)			\$(0.2 M)	\$(0.2 M)
2026-27	\$(2.5 M)	\$(2.5 M)			\$(0.2 M)	\$(0.2 M)
2027-28	\$(2.5 M)	\$(2.5 M)			\$(0.2 M)	\$(0.2 M)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax

Issue: Childcare Tax Credits

Bill Number(s): CS/CS/HB 1021

Revenue Distribution: Corporate Income Tax, General Revenue

Section 5: Consensus Estimate (Adopted: 04/14/2023): The Conference adopted the high estimate but with 15% of the recurring impact for the first year’s cash impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(0.4)	(2.5)	0.0	0.0	0.0	0.0	(0.4)	(2.5)
2024-25	(2.5)	(2.5)	0.0	0.0	0.0	0.0	(2.5)	(2.5)
2025-26	(2.5)	(2.5)	0.0	0.0	0.0	0.0	(2.5)	(2.5)
2026-27	(2.5)	(2.5)	0.0	0.0	0.0	0.0	(2.5)	(2.5)
2027-28	(2.5)	(2.5)	0.0	0.0	0.0	0.0	(2.5)	(2.5)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Highway Safety Fees/Sales and Use Tax

Issue: Rescission or Cancellation of a Used Motor Vehicle Sale

Bill Number(s): Proposed Language

Entire Bill

Partial Bill:

Sponsor(s): NA

Month/Year Impact Begins: 07/01/2023

Date(s) Conference Reviewed: 04/07/2023, 04/14/2023

Section 1: Narrative

- a. Current Law:** Section 212.17, F.S. states that when purchases are returned to a dealer by a purchaser or consumer after the taxes imposed by this chapter are collected from or charged to the account of the consumer or user, the dealer is entitled to reimbursement of the amount of tax collected or charged by the dealer in the manner prescribed by the Department of Revenue (DOR).
- b. Proposed Change:** Section 212.17, F.S. is revised so that if a vehicle sale is rescinded or canceled pursuant to section 319.255, F.S. and the application for title is rescinded, canceled, or revoked, the motor vehicle dealer must be reimbursed, in a manner prescribed by the department, the amount of tax collected or charged by the dealer for the sale, so long as the motor vehicle dealer has returned the amount of tax collected to the purchaser. Section 319.255, F.S. is created to allow a motor vehicle dealer, motor vehicle purchaser, and any person claiming a lien on a motor vehicle to rescind or cancel a motor vehicle sale with written concurrence between all parties in the sale within 60 days of the sale. The Department of Highway Safety and Motor Vehicles (HSMV) shall rescind, cancel, or revoke an application for certificate of title that has been issued if within 60 days of the sale a notarized affidavit signed by the dealer, purchaser, and any person claiming a lien of the motor vehicle is executed in a manner prescribed by the Department. Fees paid to the department, less fees paid in accordance with section 319.32, F.S., shall be returned to the dealer. If a certificate of title is issued, the motor vehicle dealer must obtain and surrender the certificate of title to the department. A motor vehicle dealer may not offer a rescinded motor vehicle for sale until it has received a certificate of title from the department. A rescission of sale does not negate the fact that the motor vehicle was subject to a previous retail sale. This section shall only apply to the sale or subsequent cancellation of a sale of a used motor vehicle.

Section 2: Description of Data and Sources

DOR Agency Bill Analysis for CS HB 973 prepared 03/27/2023

CS CS HB 973 Staff Analysis prepared by the Transportation and Modals Subcommittee on 03/30/2023

CS SB 1636 Staff Analysis prepared by the Transportation Committee on 04/03/2023

Contact with HSMV and DOR Staff

Industry Data

<https://businessmodelanalyst.com/carvana-competitors-alternatives/#:~:text=Some%20of%20the%20top%20Carvana,the%20best%20option%20for%20them.>

Highway Safety Revenue Estimating Conference 02/23/2023

https://www.flhsmv.gov/pdf/revenuereport/revenue_report_fy2020_2021.pdf

<https://www.bts.gov/content/new-and-used-passenger-car-sales-and-leases-thousands-vehicles>

Section 3: Methodology (Include Assumptions and Attach Details)

The changes to section 212.17, F.S. and the creation of section 319.255, F.S. allow for reimbursement of highway safety fees in the event that a motor vehicle sale is canceled or rescinded. According to DOR and HSMV staff, there is no impact to sales tax. Section 319.255(2)(a), F.S. of the new language would place the responsibility to cover the title fees per section 319.32, F.S. on the motor vehicle dealer; therefore, there is zero impact to title fees. The analysis assumes that there will be no change in the operation of traditional brick and motor vehicle dealers because there is already a process in place to allow for motor vehicles to be returned based upon the terms of the sales contract, such returns are currently rare, and the language states that all parties must agree to the sales cancellation – which is unlikely in the case of traditional dealers. To calculate the impact to sales tax and tag fees, the number of returned motor vehicles in e-sales transactions was calculated using industry data and market share assumptions of that data. In the three scenarios, a base number of sales “back-outs” was grown by a product of the overall title fee growth rate and reduced to 70.5% of the total to include only used motor vehicle sales.

For the highway safety fees impact, the number of cancelled transactions in each scenario was multiplied by an assumed collection of fees that could possibly be paid if the customer is getting a new tag. Note that in reality, there will be numerous possibilities

REVENUE ESTIMATING CONFERENCE

Revenue Source: Highway Safety Fees/Sales and Use Tax

Issue: Rescission or Cancellation of a Used Motor Vehicle Sale

Bill Number(s): Proposed Language

regarding the possible fees to be refunded, depending upon if the customer has a previous tag and the type of vehicle from which the tag is transferring.

Section 4: Proposed Fiscal Impact

Sales Tax	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	0.0	0.0	0.0	0.0	0.0
2024-25	0.0	0.0	0.0	0.0	0.0	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0
2027-28	0.0	0.0	0.0	0.0	0.0	0.0

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(*)	(*)	(*)	(*)	(*)	(*)
2024-25	(*)	(*)	(*)	(*)	(*)	(*)
2025-26	(*)	(*)	(*)	(*)	(*)	(*)
2026-27	(*)	(*)	(*)	(*)	(*)	(*)
2027-28	(*)	(*)	(*)	(*)	(*)	(*)

Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(*)	(*)	(*)	(*)	(*)	(*)
2024-25	(*)	(*)	(*)	(*)	(*)	(*)
2025-26	(*)	(*)	(*)	(*)	(*)	(*)
2026-27	(*)	(*)	(*)	(*)	(*)	(*)
2027-28	(*)	(*)	(*)	(*)	(*)	(*)

Revenue Distribution:

Sales Tax

Various State and Local Trust Funds Receiving Highway Safety Fees

Section 5: Consensus Estimate (Adopted: 04/14/2023): The Conference adopted the middle estimate.

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

	A	B	C	D	E	F	G	H	I
1		Florida Motor Vehicle E-Sales							
2									
3		Industry Data: Florida Back-Outs (one company)			Florida Total Back-Outs				
4		August	16		Company % Share of Market				
5		September	37			High	Middle	Low	
6		October	28			25%	50%	75%	
7		November	34		Statewide Back-Outs				
8		December	34			1,208	604	403	
9		January	16						
10		February	18		Calculation New vs Used				
11		March	29		US 2019 Total Sales		57,865,000		
12		April	19		Us 2019 Used Sales		40,807,000	70.5%	
13		May	25						
14		June	27						
15		July	19						
16									
17		Total	302						
18									
19		Forecasted Number of Florida Back-Outs							
20			High		Middle		Low		
21			#	% change	#	% change	#	% change	
22		2022-23	852		426		284		
23		2023-24	867	1.73%	431	1.15%	286	0.58%	
24		2024-25	882	1.72%	436	1.15%	287	0.57%	
25		2025-26	902	2.32%	443	1.55%	289	0.77%	
26		2026-27	921	2.08%	449	1.39%	291	0.69%	
27		2027-28	942	2.29%	456	1.52%	294	0.76%	
28		Low is title fee growth rate, Middle is double, High is triple							
29									

	A	B	C	D	E	F	G	H	I
30									
31	HSMV Fees to be Returned*								
32					Distribution				
33	FY 2021-22 Base Fees #		17,140,639				Additional Fee Calcs		
34	FY 2021-22 Base Fees \$	\$	506,959,451				Total Trust	\$	65.38
35	Average Base Fee**	\$	29.58	STTF			Total Local	\$	8.75
36	Tax Collector Fee	\$	6.25	Local					
37	320.0804 Surcharge	\$	1.20	STTF/HSOTF			Trust GR S. Chrg	\$	33.30
38	DJJ Surcharge	\$	1.00	DJJ TF			Percentage		50.9%
39	FRVIS Fee	\$	0.50	HSOTF					
40	Air Pollution Fee	\$	1.00	DEP-APCTF					
41	Decal on Demand	\$	1.00	HSOTF					
42	Reflectorization Fee	\$	0.50	HSOTF					
43	TDTF Fee	\$	1.50	TDTF					
44	Local Processing Fee	\$	2.50	Local					
45	Emergency Med Fee	\$	0.10	EMSTF					
46	LERSTF FEE	\$	1.00	LERSTF					
47	Plate Fee	\$	28.00	HSOTF					
48	*Assumes customer is getting a new plate. In reality, there are numerous possibilities depending upon								
49	if the customer has a previous tag and the type of vehicle from which the tag is transferring.								
50	**Average Base Fee is Private Auto, Heavy Trucks Under 15,000 lbs, and Other Vehicles less Vessels								
51									
52	Highway Safety Fee Impact								
53		High		Middle		Low			
54		Trust	Local	Trust	Local	Trust	Local		
55	2023-24	\$ (56,658)	\$ (7,583)	\$ (28,168)	\$ (3,770)	\$ (18,672)	\$ (2,499)		
56	2024-25	\$ (57,633)	\$ (7,714)	\$ (28,492)	\$ (3,813)	\$ (18,779)	\$ (2,513)		
57	2025-26	\$ (58,970)	\$ (7,893)	\$ (28,932)	\$ (3,872)	\$ (18,924)	\$ (2,533)		
58	2026-27	\$ (60,197)	\$ (8,057)	\$ (29,334)	\$ (3,926)	\$ (19,055)	\$ (2,550)		
59	2027-28	\$ (61,573)	\$ (8,241)	\$ (29,780)	\$ (3,986)	\$ (19,200)	\$ (2,570)		
60									

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax

Issue: Manufacturing of Human Breast Milk Fortifiers

Bill Number(s): HB7063

Entire Bill

Partial Bill: Section 25

Sponsor(s): Representative McClain

Month/Year Impact Begins: January 1, 2023

Date(s) Conference Reviewed: 04/14/2023

Section 1: Narrative

a. Current Law:

Sales and use tax on industrial machinery and equipment is tax exempt under 212.09(7)(jjj), F.S.

b. Proposed Change:

The proposed language provides a corporate income tax credit for 50% of the cost of manufacturing equipment purchased for use in the production of human breast milk fortifiers in the state. The purchase must take place on or before the date which the taxpayer must file their return. In addition, the credit granted must be reduced by the difference between the amount of federal corporate income tax, taking into account the credit granted by the section, and the amount of federal corporate income tax without application of the credit granted by this section.

The human breast milk fortifier must be a shelf-stable product using pasteurization or sterilization process and in compliance with U.S. Food and Drug administration provisions.

The total amount of tax credits which may be granted is capped at \$5 million each state fiscal year for 2023-24 & 2024-25 and applies for taxpayers whose taxable years begin on or after January 1 of the calendar year preceding the start of the state fiscal year. Additionally, the taxpayer may carryforward any unused portion of a tax credit for up to 5 taxable years.

This section is repealed December 31, 2031.

Section 2: Description of Data and Sources

Section 3: Methodology (Include Assumptions and Attach Details)

Based on discussions and market research of the industry in state, the credit is expected to reach the limit for each of the eligible fiscal years before going to zero through out the remaining period. There are no recurring impacts as the amount and eligible time periods are both limited.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			\$(5.0 M)			
2024-25			\$(5.0 M)			
2025-26						
2026-27						
2027-28						

Revenue Distribution: General Revenue – Corporate Income Tax

Section 5: Consensus Estimate (Adopted: 04/14/2023): The Conference adopted the proposed estimate but adjustd the timing to reflect the corporate income tax estimated payment schedule. The Conference adopted negative \$800,000 the first year, negative \$5 million the second year and negative \$4.2 million the third year.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(0.8)	0.0	0.0	0.0	0.0	0.0	(0.8)	0.0
2024-25	(5.0)	0.0	0.0	0.0	0.0	0.0	(5.0)	0.0
2025-26	(4.2)	0.0	0.0	0.0	0.0	0.0	(4.2)	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 and Use Tax
Issue: Business Rent Tax Rate Reduction
Bill Number(s): HB 7063

- Entire Bill
 Partial Bill: Section 16

Sponsor(s): Representative McClain
Month/Year Impact Begins: July 2023
Date(s) Conference Reviewed: April 14th, 2023

Section 1: Narrative

- a. **Current Law:** Commercial Rent is taxed at a 5.5% rate which is expected to decline to a 2% rate in August 2024 based on the most recent Reemployment Tax Trust Fund estimate.
- b. **Proposed Change:** The commercial rent tax rate would be reduced to a 4.5% rate. The drop to 2% is still expected in August 2024.

Section 2: Description of Data and Sources

March 2, 2023, Unemployment Compensation Trust Fund Estimating Conference
 March 13, 2023, General Revenue Estimating Conference (Business Investment Growth rates – adjusted for trust fund rate reduction)
 February 2023 Commercial Rent Tax Base Investigation by the Office of Tax Research

Section 3: Methodology (Include Assumptions and Attach Details)

We multiply the commercial rent tax base by both the current and proposed rate, then take the difference to reach an impact. The impact is of limited window. 11 Months in the first year to account for the lag in collections, 2 months in the second year to account for the drop to a 2% rate already expected to take effect.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			(\$351.9) M	\$0		
2024-25			(\$64.2) M	\$0		
2025-26				\$0		
2026-27				\$0		
2027-28				\$0		

Revenue Distribution: Sales and Use Tax – State Tax Only

Section 5: Consensus Estimate (Adopted: 04/14/2023): The Conference adopted the proposed estimate but chose 11.75 months for the first year’s cash impact and 1.25 months for the second year’s cash impact

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(332.8)	0.0	(Insignificant)	0.0	(11.2)	0.0	(31.9)	0.0
2024-25	(35.5)	0.0	(Insignificant)	0.0	(1.2)	0.0	(3.4)	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

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	0.0	(43.1)	0.0	(375.9)	0.0
2024-25	0.0	0.0	(4.6)	0.0	(40.1)	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0
2027-28	0.0	0.0	0.0	0.0	0.0	0.0

	A	B	C	D	E	F
1	Return	Total Taxable Sales				
2	DR-15	\$ 24,656,095,571				
3	DR-15 EZ	\$ 8,593,388,358				
4	DR-7 Members	\$ 5,926,034,291				
5	Total	\$ 39,175,518,219				
6						
7	Total Tax Paid at Each Commercial Rent Rate					
8	5.5%	\$ 2,154,653,502				
9	4.5%	\$ 1,762,898,320				
10						
11	2023 Leg. GR Sales Tax Business Investment					
12		Collections	Growth			
13	2022-23	\$ 7,695.00				
14	2023-24	\$ 7,540.30	-2%			
15	2024-25	\$ 6,523.70	-13%			
16						
17	2023 Leg. GR Sales Tax Business Investment Adjustment					
18		Collections	Measures	Adj. Collections	Growth	
19	2022-23	\$ 7,695.00		\$ 7,695.00		
20	2023-24	\$ 7,540.30		\$ 7,540.30	-2.0%	
21	2024-25	\$ 6,523.70	\$ 1,038.50	\$ 7,562.20	0.3%	
22						
23	2023 Leg. Business Investment Growth Rates Adjustmed for Measures (not adjusted for CY)					
24	2023-24	-2.0%				
25	2024-25	0.3%				
26						
27	Grown to 2024-25					
28		Tax Paid at 5.5%	Tax Paid at 4.5%			
29	2022-23	\$ 2,154,653,502	\$ 1,762,898,320			
30	2023-24	\$ 2,111,336,426	\$ 1,727,457,076			
31	2024-25	\$ 2,117,468,579	\$ 1,732,474,292			
32						
33	Impact of rate reduction from 5.5% to 4.5%					
34	2023-24	\$ (383,879,350)				
35	2024-25	\$ (384,994,287)				
36						
37	Middle					
38		Cash	Recurring			
39	2023-24	\$ (375,881,863.80)	\$ -		-375881863.8	
40	2024-25	\$ (40,103,571.57)	\$ -			
41						
42		\$ (375.88)		\$ (375.9)		
43		\$ (40.10)		\$ (40.1)		
44						
45						

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Diapers and Incontinence Products
Bill Number(s): HB 7063 Section 18

- Entire Bill
 Partial Bill:

Sponsor(s):

Month/Year Impact Begins: July 1, 2023 (effective date), August 1, 2023 (lagged by 1 month for collections impact)

Date(s) Conference Reviewed: 4/14/2023

Section 1: Narrative

- a. Current Law:** Currently there is no permanent sales tax exemption for diapers and incontinence products. Chapter No. 2022-97, Laws of Florida (CS/HB 7071, Section 50), temporarily exempted the retail sale of children's diapers from July 1, 2022 to June 30, 2023.
- b. Proposed Change:** Section 17 proposes a new s.212.08(7)(rrr) that permanently exempts the sale for human use of diapers, incontinence undergarments, incontinence pads, or incontinence liners from the sales and use tax.

Section 2: Description of Data and Sources

Tax Exemption for Diapers and Incontinence Products, Impact of SB 114/ HB 29 , adopted by the REC on 1/20/2023

(<http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/ pdf/page13-15.pdf>).

Baby and Toddler Necessities - Diapers and Wipes, Governor's Proposed Language - Section 2, adopted by the REC on 2/24/2023,

<http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/ pdf/page158-160.pdf>

IBIS World Industry Report OD5652 Diaper Manufacturing (February 2021)

Florida Demographic Estimating Conference, February 2023

U.S. Census Bureau, American Community Survey, 2021

CPI for All Urban Consumers (CPI-U), US - Household paper products, not seasonally adjusted, US Bureau of Labor Statistics, June 2021 to June 2022 % change.

IHS Markit Chained Price Index--Gross Domestic Product, United States, January 2023 forecast, Source: Table 1.1.9. Implicit Price Deflators for Gross Domestic Product, Quarterly, 2012=100] Seasonally adjusted, Bureau of Economic Analysis.

Impact of Sales Tax Exemption for Children's Diapers, Proposed Language, Revenue Estimating Conference, 2/18/2022,

<http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2022/ pdf/page433-435.pdf> .

Section 3: Methodology (Include Assumptions and Attach Details)

This analysis uses the methodology for the impacts of SB 114/ HB 29, adopted by the REC on 1/20/2023

(<http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/ pdf/page13-15.pdf>) and of Baby and Toddler

Necessities - Diapers and Wipes, Governor's Proposed Language - Section 2, adopted by the REC on 2/24/2023,

<http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/ pdf/page158-160.pdf> . The methodology uses national

revenue data on diaper manufacturing from IBIS World. A 5% retail markup is applied to the estimated manufacturing industry revenue to calculate the total Florida Sales Tax Revenue from diapers and incontinence products.

Growth from FY 2020-21 to FY 2021-22 as adopted for SB 114/ HB 29

The IBIS World report used for this analysis was last updated in February 2021. There is no set date for the publication of an update at this point since IBIS World is redesigning their reports. In the February 2021 report, industry revenues, both historical and forecast, were converted to 2021 Dollars by using the BEA implicit GDP deflator and are therefore presented in "real" terms in 2021 Dollars. While IBIS World growth is published in real terms, sales tax collection revenues are forecast here in nominal terms.

The last actual data point from the IBIS World report is FY 2020-21 industry revenues. Since FY 2021-22 was an extraordinary year in terms of historically high inflation experienced during this period, the change in the Consumer Price Index was used to grow industry revenues from FY2020-21 to FY 2021-22. The method adopted for SB 114/ HB 29 was the High Estimate: Growth in CPI-U for household paper products from June 2021 to June 2022. This method grows FY 2020-21 industry revenues (the last actuals) to FY 2021-22 for both baby diapers and adult diapers by the Consumer Price Index for All Urban Consumers (CPI-U) for household paper products. The growth in the CPI-U of 9.41 percent is calculated from the monthly not seasonally adjusted data from June 2021 to June 2022. Florida industry revenues of \$32,870,484 for baby diapers for FY 2020-21 are multiplied by 9.41 percent to calculate FY 2021-22 revenues of \$35,963,037. Florida industry revenues of \$20,961,473 for adult diapers for FY 2020-21 are multiplied by 9.41 percent to calculate FY 2021-22 revenues of \$ 22,933,591.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Diapers and Incontinence Products
Bill Number(s): HB 7063 Section 18

Growth from FY 2021-22 to FY 2022-23 and forward as adopted for SB 114/ HB 29

The NEEC assumes that inflation will subside in FY 2022-23 and the Federal Reserve is reported to take measures to bring down inflation. Therefore, this analysis assumes that inflation will return to historical levels beginning with FY 2022-23 and no extraordinary inflation adjustment is necessary. In addition, a change in the average price of a good, as measured by the CPI, does not necessarily result in a change in total industry revenues or sales tax collections of the same magnitude. If prices increase, the quantity demanded may decrease, the quantity supplied may increase. Over time, changes in brand preferences or product preferences, income, the price of substitute products, population, or price expectations may affect demand for diapers. All three methods propose that diaper industry revenues revert to growing by population growth after FY 2021-22.

The forecast reverts to growth by population starting with FY 2022-23. The growth in the Florida population of children ages 0 to 4 and the growth in the adult population 65 and over is used to calculate revenue from diapers and incontinence products respectively for FY 2022-23 and forward.

Section 4: Proposed Fiscal Impact. The cash impact in the first year is 11/12ths of the full year.

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			(22.5)	(24.5)		
2024-25			(25.2)	(25.2)		
2025-26			(26.0)	(26.0)		
2026-27			(26.8)	(26.8)		
2027-28			(27.5)	(27.5)		

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

Section 5: Consensus Estimate (Adopted: 04/14/2023): The Conference adopted the proposed

estimate.	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(19.9)	(21.7)	(Insignificant)	(Insignificant)	(0.7)	(0.7)	(1.9)	(2.1)
2024-25	(22.3)	(22.3)	(Insignificant)	(Insignificant)	(0.7)	(0.7)	(2.1)	(2.1)
2025-26	(23.0)	(23.0)	(Insignificant)	(Insignificant)	(0.8)	(0.8)	(2.2)	(2.2)
2026-27	(23.7)	(23.7)	(Insignificant)	(Insignificant)	(0.8)	(0.8)	(2.3)	(2.3)
2027-28	(24.3)	(24.3)	(Insignificant)	(Insignificant)	(0.8)	(0.8)	(2.3)	(2.3)

	6% Sub-Total		Add: Local Option		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(22.5)	(24.5)	(2.7)	(3.0)	(25.2)	(27.5)
2024-25	(25.2)	(25.2)	(3.0)	(3.0)	(28.2)	(28.2)
2025-26	(26.0)	(26.0)	(3.1)	(3.1)	(29.1)	(29.1)
2026-27	(26.8)	(26.8)	(3.2)	(3.2)	(30.0)	(30.0)
2027-28	(27.5)	(27.5)	(3.3)	(3.3)	(30.8)	(30.8)

	A	B	C	D	E	F	G	H	I	J	K
1		HB 7063								Permanent	Recurring
2		Diapers and Incontinence Products - ADULT									
3											
4		IBISWorld - US Manufacturing Diaper Industry Data									
5				FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
6		Total Domestic Demand in U.S.		12,960,250,000							
7											
8		Adult Diapers* Industry Revenue (31.2% of total)	31%	4,043,598,000							
9		Florida Share of Revenue (8.2%)		349,357,881							
10		Florida Sales Tax Revenue - Adult Diapers & Incontinence Products**		20,961,473							
11		Growth in population 65 and over (FDEC)			3.8%	3.5%	3.2%	3.1%	3.0%	3.0%	2.8%
12		Adjustment to base year									
13	ADOPTED	CPI - Household paper products¹	9.41%		22,933,591	23,727,223	24,488,079	25,240,309	26,010,084	26,781,910	27,543,891
14	Middle	GDP Deflator (NEEC) ²	7.59%		22,552,338	23,332,777	24,080,983	24,820,709	25,577,686	26,336,682	27,085,995
15	Low	Growth in population 65 and over (FDEC)	3.77%		21,751,062	22,503,772	23,225,395	23,938,838	24,668,920	25,400,949	26,123,639
16											
17		Total Estimated Florida Sales Tax Revenue on Diapers and Incontinence Products									
18	ADOPTED	CPI - Household paper products¹		20,961,473	22,933,591	23,727,223	24,488,079	25,240,309	26,010,084	26,781,910	27,543,891
19	Middle	GDP Deflator (NEEC) ²		20,961,473	20,961,473	20,961,473	20,961,473	20,961,473	20,961,473	20,961,473	20,961,473
20	Low	Growth in population (FDEC)		20,961,473	20,961,473	20,961,473	20,961,473	20,961,473	20,961,473	20,961,473	20,961,473
21											
22											
23		Sales Tax Impact				FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	
24						(24.5)	(25.2)	(26.0)	(26.8)	(27.5)	
25		<i>*Baby diapers includes disposable diapers, training pants and cloth diapers. Adult diapers includes incontinence products such as adult diapers and pads for incontinence.</i>									
26		IBIS World Diaper Manufacturing, Industry Report OD 5652, February 2021.									
27		<i>**Estimated Sales Tax Revenue assumes a 5.0% retail markup on diapers and incontinence products. Based on IBISWorld report, the average profit margin in the baby product market is 5.0%. The baby product market includes retailers who sell baby products.</i>									
28		¹ CPI for All Urban Consumers (CPI-U), US - Household paper products, not seasonally adjusted, US Bureau of Labor Statistics, June 2021 to June 2022 % change.									
29		² IHS Markit Chained Price Index--Gross Domestic Product, January 2023 forecast, Source: Table 1.1.9. Implicit Price Deflators for Gross Domestic Product, seasonally adjusted, Bureau of Economic Analysis.									
30		Date of analysis: 4/14/2023									

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Energy Star Appliances – 1 year
Bill Number(s) HB 7063 Section 32

- Entire Bill**
 Partial Bill: Section 32

Sponsor(s): Representative McClain

Month/Year Impact Begins: Effective date: July 1, 2023, impact on sales tax collections begins 8/1/2023

Date(s) Conference Reviewed: 4/14/2023

Section 1: Narrative

- a. Current Law:** Under current law in Ch. 212, F.S., there are currently no permanent exemptions for energy efficient appliances. However, there is currently a sales tax holiday for the same type of Energy Star appliances with the same price caps effective from July 1, 2022 to June 30, 2023 as authorized by CS/HB7071 – Section 42.
- b. Proposed Change:** The tax levied under chapter 212, Florida Statutes, may not be collected during the period from July 1, 2023, through June 30, 2024, on the retail sale of a new ENERGY STAR appliance for non-commercial use.

Definition of the exempt items

The term "ENERGY STAR appliance" means one of the following products, if such product is designated by the United States Environmental Protection Agency and the United States Department of Energy as meeting or exceeding each agency's requirements under the ENERGY STAR program, and is affixed with an ENERGY STAR label:

- (a) A washing machine selling for \$1500 or less;
- (b) A clothes dryer selling for \$1,500 or less;
- (c) A water heater selling for \$1,500 or less; or
- (d) A refrigerator or combination refrigerator/freezer selling for \$4,500 or less.

Section 2: Description of Data and Sources

Governor's Proposed Language, Section 15, Energy Star Appliances- 1 Year, adopted on 2/24/2023, http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/_pdf/page177-180.pdf
REC, Sales Tax Holiday on Energy Star Appliances, CS/HB7071 – Section 42, February 23, 2022, http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2022/_pdf/page535-538.pdf
US Bureau of Labor Statistics (BLS) – Consumer Expenditure Survey
Florida Economic Estimating Conference – 2/23
National Economic Estimating Conference – 2/23
Florida Demographic Estimating Conference 2/23
IBIS World
Email from IBIS World dated 1/26/2023.

Section 3: Methodology (Include Assumptions and Attach Details)

This analysis uses the impact analysis for the Governor's Proposed Language – Section 15 (2023) as a basis. Data from IBIS World on domestic demand for major household appliances is used. The estimate uses national demand data, shared to Florida based on population. Florida's share is grown into the impact period using CPI. The amount of total appliance sales that are energy star certified varies by product and this is used to estimate a high (previously adopted for SB 356/ HB 201 (2022)), middle (clothes washers & refrigerators), and low (clothes dryers) estimate.

2022 Session

In 2022, the REC adopted the high for CS/HB7071 – Section 42 (2022). The high assumes that 90% (the maximum from price research) of all items fall under the price caps, the middle – 89% (median from price research), and the low – 50% (average from price research). It is assumed that consumers will either delay or speed up their purchases to take advantage of the 365 day holiday, and for this reason an additional 60 days are added.

2023 Session - Governor's Proposed Language – Section 15

The IBIS data was updated with a 2022 report that included rebasing of the data to 2022 using the national GDP deflator and incorporated new data from the US census for years 2019 and 2020, as explained by IBIS World in an email dated 1/26/2023. The price research was updated and the percentages used have been updated. The shipment data from the EPA Energy Star program was also updated with 2021 shipments.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Energy Star Appliances – 1 year
Bill Number(s) HB 7063 Section 32

The impact uses the updated shares of Energy Star appliances and the updated shares for % under the price cap from the price research to calculate new high, middle, and low, using the same assumption for number of extra days beyond the 1 year holiday.

2023 Session – HB 7063 Section 32

The bill increases the price cap for refrigerators to \$4,500 or less. Additional research was carried out to determine the percent of Energy Star certified items that have a sale price below the new cap. The previously adopted impact was adjusted for the new price cap.

Additional days of purchases were assumed to be shifted into the holiday period due to the raised cap.

Section 4: Proposed Fiscal Impact The impact is proposed to affect FY 2023-24 (11/12) and FY 2024-25 (1/12).

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			(70.5)			
2024-25			(6.4)			
2025-26						
2026-27						
2027-28						

Revenue Distribution: Sales and Use Tax

Section 5: Consensus Estimate (Adopted: 04/14/2023): The Conference adopted the proposed estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(62.4)	0.0	(Insignificant)	0.0	(2.1)	0.0	(6.0)	0.0
2024-25	(5.7)	0.0	(Insignificant)	0.0	(0.2)	0.0	(0.5)	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	(70.5)	0.0	(8.5)	0.0	(79.0)	0.0
2024-25	(6.4)	0.0	(0.8)	0.0	(7.2)	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
1	HB 7063, Section 32				
2	Sales Tax Holiday for ENERGY STAR Appliances - 1 Year		366 Days		
3			52 Weeks		
4			7/1/2023 Start		
5			6/30/2024 End		
6					
7					
8	I. Market definition from report				
9	IBIS World Major Household Appliance Manufacturing in the US: Definition: This industry includes companies that manufacture major household cooking appliances, refrigerators and home freezers, household laundry equipment and other major electrical and nonelectrical household appliances such as dishwashers, garbage disposal units, water heaters and trash compactors. Small cooking appliances (e.g. hot plates), fans, vacuums and electric irons are not included in this industry.				
10					
11	II. US market size				
12	Refrigerators, freezers, washers, dryers, & water heaters				
13	Domestic Demand	FY2021-22 (Millions \$)			
14	Major appliances	49,763			
15	Refrigerators, freezers, laundry equipment, and other appliances (water heaters)	36,327.28		73% Report	
16					
17					
18	Sum, manufacturers' prices	36,327			
19					
20	Sales for retail, manufacturers' prices	22,413.93		62% Report	
21	(excluding sales to Building, heavy construction, & special trade contractor, 21.4%,s and Businesses for end use,16.9%)				
22					
23	Wholesale margin	23,176		3.4% Report	
24	Home improvement stores margins	26,467		14.2% Report	
25					
26	Advantage buying	3,970		15.0%	
27					
28	Total US retail market for specified products (\$ m)	30,437			
29					
30	III. Florida market				
31	Population - July 2022				
32	US Pop.	333,287,557			
33	FL pop.	22,244,823			
34	FL % of US Population	6.67%			
35					
36	Sales of Major Appliances				
37	FY2021-22	Total Sales (Millions \$)			
38	United States	\$ 30,437			
39	Florida (Shared by % US Pop.)	2,031			
40					
41	Grown by CPI to Impact period				
42	FY	Total Sales (Millions \$)		CPI	
43	2022-23	\$ 2,157		6.2%	
44	2023-24	\$ 2,219		2.9%	

	A	B	C	D	E
45					
46	IV. Market penetration of Energy Star products				
47	% of total appliances on exempt list		100.0%		
48	% of Items of exempt list not covered by above report		0.0%		
49					
50	FY 2023-24	% of items Energy Star certified			ADOPTED
51		HIGH	MIDDLE	LOW	
52	Previously adopted (% USED FOR CS/HB7071 – Section 42 (2022))	65%			
53	NEW UPDATED % with new Energy Star Shipments	54%	53%	42%	
54	Florida Sales (Millions \$)	\$ 1,198.4	\$ 1,176.2	\$ 932.1	\$ -
55	Previously adopted (% USED FOR CS/HB7071 – Section 42 (2022))	90%			
56	NEW UPDATED % under the price cap based on price research	95%	89%	50%	
57	Florida Sales under the cap (Millions \$)	\$ 1,138.4	\$ 1,046.8	\$ 466.0	\$ -
58	Total impact - Sales Tax	\$ 68.3	\$ 62.8	\$ 28.0	\$ -
59	Adjust annual to 1 day impact	\$ 0.2	\$ 0.2	\$ 0.1	\$ -
60	One Year Holiday	\$ 68.5	\$ 63.0	\$ 28.0	\$ -
61	# of Additional Days	45	30	30	
62	Additional Days Impact	\$ 8.4	\$ 5.2	\$ 2.3	\$ -
63	Total holiday (Millions \$)	\$ (76.9)			\$ -
64					
65	V. Sales tax impact (No Recurring)				
66		Impact (\$ m)	Middle	Low	
67	FY 2023-24	(70.5)	(62.5)	(27.8)	
68	FY 2024-25	(6.4)	(5.7)	(2.5)	
83					

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Baby and Toddler Products
Bill Number(s): HB 7063 - Section 18

Entire Bill

Partial Bill: Section 18

Sponsor(s): Representative McClain

Month/Year Impact Begins: July 1, 2023

Date(s) Conference Reviewed: April 14, 2023

Section 1: Narrative

- a. **Current Law:** Currently there is no permanent sales tax exemption for the items. However, there is currently a one-year sales tax holiday (July 1, 2022- June 30, 2023) in place on Baby & Toddler Clothing & Shoes, authorized by [CS/HB 7071](#), Section 51 (2022 Session, (Ch. [2022-156](#))). There is also a one-year sales tax holiday on children's diapers, authorized by [CS/HB 7071](#), Section 50 (2022 Session, (Ch. [2022-156](#))).

Effective July 1, 2014, child restraint systems and booster seats for use in motor vehicles are exempt from sales tax. Components or accessories that are sold separately from the child restraint system or from the booster seat remain subject to sales tax (https://floridarevenue.com/taxes/tips/documents/TIP_14A01-05.pdf).

- b. **Proposed Change:** The bill exempts from sales tax the following:

1. Baby cribs, including baby playpens and baby play yards;
2. Baby strollers;
3. Baby safety gates;
4. Baby monitors;
5. Child safety cabinet locks and latches and electrical socket covers;
6. Bicycle child carrier seats and trailers designed for carrying young children, including any adaptors and accessories for these seats and trailers;
7. Baby exercisers, jumpers, bouncer seats and swings;
8. Breast pumps, bottle sterilizers, baby bottles and nipples, pacifiers, and teething rings;
9. Baby wipes;
10. Changing tables and changing pads;
11. Children's diapers, including single-use diapers, reusable diapers, and reusable diaper inserts; and
12. Baby and toddler clothing, apparel, and shoes, primarily intended for and marketed for children age 5 or younger. Baby and toddler clothing size 5T and smaller and baby and toddler shoes size 13T and smaller are presumed to be primarily intended for and marketed for children age 5 or younger.

Section 2: Description of Data and Sources

Baby and Toddler Necessities – Apparel, Governor's Proposed Language - Section 2, adopted by the REC on 2/24/2023, http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/_pdf/page155-157.pdf .

Cribs and strollers, Governor's Proposed Language - Section 2, adopted by the REC on 2/24/2023, http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/_pdf/page161-165.pdf

Tax Exemption for Diapers and Incontinence Products, Impact of SB 114/ HB 29 , adopted by the REC on 1/20/2023 (http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/_pdf/page13-15.pdf).

Baby and Toddler Necessities - Diapers and Wipes, Governor's Proposed Language - Section 2, adopted by the REC on 2/24/2023, http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/_pdf/page158-160.pdf

Bureau of Labor Statistics, Consumer Expenditure Survey

U.S. Census Bureau, American Community Survey, 2021

IHS Markit Chained Price Index

Deflators for Gross Domestic Product

FDEC Population Growth

IBISWorld – US Manufacturing Diaper Industry Data

FDEC Population Growth

IBIS World, Durable Baby Goods Stores in the US, Baby on board: Growing disposable income is likely to encourage the sale of industry items, Marley Brocke, October 2022

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Baby and Toddler Products
Bill Number(s): HB 7063 - Section 18

Section 3: Methodology (Include Assumptions and Attach Details)

Baby cribs, strollers and other equipment, items #1 - #8, #10

This analysis uses consumer expenditures data from the Consumer Expenditure Survey (CES). Income before taxes from the CES is increased to the impact year by the growth rate of personal income from the FEEC. Annual expenditures per consumer units are derived by assuming their share of income before taxes remains constant. The number of consumer units from the CES is increased to the impact year by the growth of households from the FDEC. Detailed category data from the national survey is adjusted to Florida by assuming that Florida consumers spend the same share of their expenditures on strollers, cots and cribs.

Assumptions were made to estimate qualifying items in CES categories. A lever A was created to make assumptions for the percent of strollers that are not purchased as part of a safety seat travel system. This analysis assumes 70% of strollers that are not part of a travel system will be eligible for the sales tax exemption. A lever B was also made to reduce expenditures to eligible items based on the items specified in the bill. This analysis assumes that virtually all baby equipment and furniture will be eligible for the sales tax exemption. Only car seats and strollers that are part of a travel system were excluded from the expenditures since these are already exempt from sales tax in Florida since 2014.

Baby wipes, item # 9, and Children's diapers, item # 11

This analysis uses the methodology for the impacts of SB 114/ HB 29 , adopted by the REC on 1/20/2023 (http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/_pdf/page13-15.pdf) and of Baby and Toddler Necessities - Diapers and Wipes, Governor's Proposed Language - Section 2, adopted by the REC on 2/24/2023, http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/_pdf/page158-160.pdf . The methodology uses national data on diaper manufacturing from IBISWorld. Baby diapers represent 68.8% of the industry total and include disposable diapers, training pants and cloth diapers. The Florida share of baby diapers is calculated given the population of children 4 and under. A 5% retail markup is applied to the estimated manufacturing industry revenue to calculate the total Florida Sales Tax Revenue from diapers.

The IBIS World report used for this analysis was last updated in February 2021. There is no set date for the publication of an update at this point since IBIS World is redesigning their reports. In the February 2021 report, industry revenues, both historical and forecast, were converted to 2021 Dollars by using the BEA implicit GDP deflator and are therefore presented in "real" terms in 2021 Dollars. While IBIS World growth is published in real terms, sales tax collection revenues are forecast here in nominal terms.

The last actual data point from the IBIS World report is FY 2020-21 industry revenues. Since FY 2021-22 was an extraordinary year in terms of historically high inflation experienced during this period, the CPI-U, US for Household paper products, June 2021 to June 2022 percent change was used to grow industry revenues from FY2020-21 to FY 2021-22. Industry revenues were grown by population growth for the population 0 to 4 years of age in the remaining years from FY 2021-22 to FY 2027-28.

The NEEC assumes that inflation will subside in FY 2022-23 and the Federal Reserve is reported to take measures to bring down inflation. Therefore, this analysis assumes that inflation will return to historical levels beginning with FY 2022-23 and no extraordinary inflation adjustment is necessary. In addition, a change in the average price of a good, as measured by the CPI, does not necessarily result in a change in total industry revenues or sales tax collections of the same magnitude. If prices increase, the quantity demanded may decrease, the quantity supplied may increase. Over time, changes in brand preferences or product preferences, income, the price of substitute products, population, or price expectations may affect demand for diapers.

Internet research found estimates of the ratio of the cost of **wipes** to the cost of diapers. The assumption is based on the average use of wipes per diaper. The market research indicated for every \$1000 spent on diapers, \$500 was spent on wipes, based on an average of 10 wipes per diaper. This analysis reduces the industry estimate from 10 wipes to 5. While most diaper changes may not need that many wipes (5), wipes can also be used for cleaning baby hands and face when other cleaning methods are inconvenient.

Baby and toddler clothing, apparel, and shoes, item #12

This analysis uses consumer expenditures data from the Consumer Expenditure Survey (CES). Income before taxes from the CES is increased to the impact year by the growth rate of personal income from the FEEC. Annual expenditures per consumer units are derived by assuming their share of income before taxes remains constant. The number of consumer units from the CES is increased

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Baby and Toddler Products
Bill Number(s): HB 7063 - Section 18

to the impact year by the growth of households from the FDEC. Detailed category data from the national survey is adjusted to Florida by assuming that Florida consumers spend the same share of their expenditures on baby and toddler clothing and shoes.

The CES expenditure categories are for children under 2 and for children 2 to 15 years of age. All expenditures for children under 2 were deemed eligible for the sales tax exemption. A reduction to the expenditure category 2 to 15 was made to exclude children’s clothing for ages outside of the bill’s impact using FDEC Population projections by single age. Children ages 2, 3, 4, & 5 represent 28% of children ages 2 to 15 in Florida. Since only their apparel is exempt from sales tax, only 28% of the expenditures for children 2 to 15 was included as expenditures eligible for the sales tax exemption. Children’s apparel for ages six and up is not eligible for the sales tax exemption in the proposed bill.

Total Impact

FY	Cribs, strollers, other baby furniture and equipment	Baby Diapers and Wipes	Baby and toddler clothing, apparel, and shoes	Total
2023-24	(12.8)	(45.5)	(85.6)	(143.9)
2024-25	(13.0)	(46.1)	(86.8)	(145.9)
2025-26	(13.1)	(46.6)	(87.8)	(147.5)
2026-27	(13.2)	(47.1)	(88.6)	(148.9)
2027-28	(13.3)	(47.5)	(89.4)	(150.2)

Section 4: Proposed Fiscal Impact: Assume 11/12ths for first year’s cash impact.

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			(131.9)	(143.9)		
2024-25			(145.9)	(145.9)		
2025-26			(147.5)	(147.5)		
2026-27			(148.9)	(148.9)		
2027-28			(150.2)	(150.2)		

Revenue Distribution: Sales and Use Tax

Section 5: Consensus Estimate (Adopted: 04/14/2023): The Conference adopted the proposed estimate but changed eligible items to be 80% of the total cribs and strollers category.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(114.9)	(125.3)	(Insignificant)	(Insignificant)	(3.9)	(4.2)	(11.0)	(12.0)
2024-25	(127.2)	(127.2)	(Insignificant)	(Insignificant)	(4.3)	(4.3)	(12.2)	(12.2)
2025-26	(128.6)	(128.6)	(Insignificant)	(Insignificant)	(4.3)	(4.3)	(12.3)	(12.3)
2026-27	(129.8)	(129.8)	(Insignificant)	(Insignificant)	(4.4)	(4.4)	(12.4)	(12.4)
2027-28	(130.9)	(130.9)	(Insignificant)	(Insignificant)	(4.4)	(4.4)	(12.6)	(12.6)

	6% Sub-Total		Add: Local Option		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(129.8)	(141.6)	(15.7)	(17.1)	(145.5)	(158.7)
2024-25	(143.6)	(143.6)	(17.4)	(17.4)	(161.0)	(161.0)
2025-26	(145.2)	(145.2)	(17.6)	(17.6)	(162.8)	(162.8)
2026-27	(146.6)	(146.6)	(17.7)	(17.7)	(164.3)	(164.3)
2027-28	(147.9)	(147.9)	(17.9)	(17.9)	(165.8)	(165.8)

Baby and toddler clothing, apparel, and shoes

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			(78.5)	(85.6)		
2024-25			(86.8)	(86.8)		
2025-26			(87.8)	(87.8)		
2026-27			(88.6)	(88.6)		
2027-28			(89.4)	(89.4)		

Baby Diapers and Wipes

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			(41.7)	(45.5)		
2024-25			(46.1)	(46.1)		
2025-26			(46.6)	(46.6)		
2026-27			(47.1)	(47.1)		
2027-28			(47.5)	(47.5)		

Cribs, strollers, other baby furniture and equipment

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	0.0	(9.6)	(10.5)	0.0	0.0
2024-25	0.0	0.0	(10.7)	(10.7)	0.0	0.0
2025-26	0.0	0.0	(10.8)	(10.8)	0.0	0.0
2026-27	0.0	0.0	(10.9)	(10.9)	0.0	0.0
2027-28	0.0	0.0	(11.0)	(11.0)	0.0	0.0

TOTAL

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			(129.8)	(141.6)		
2024-25			(143.6)	(143.6)		
2025-26			(145.2)	(145.2)		
2026-27			(146.6)	(146.6)		
2027-28			(147.9)	(147.9)		

HB 7063**Baby and Toddler Products****Permanent****Recurring**

FY	Cribs, strollers, other baby furniture and equipment	Baby Diapers and Wipes	Baby and toddler clothing, apparel, and shoes	Total
2023-24	(10.5)	(45.5)	(85.6)	(141.6)
2024-25	(10.7)	(46.1)	(86.8)	(143.6)
2025-26	(10.8)	(46.6)	(87.8)	(145.2)
2026-27	(10.9)	(47.1)	(88.6)	(146.6)
2027-28	(11.0)	(47.5)	(89.4)	(147.9)

	A	B	C	D	E
1	HB 7063			Permanent	Recurring
2	Cribs, strollers, other baby furniture and equipment				
3					
4	1. Consumer expenditure data from the Consumer Expenditure Survey				
5					
6					
7					
8					
9					
10	Number of consumer units (Households)	133,595,000		9,049,770	
11	Income before taxes	\$87,432		\$71,951	
12	Income after taxes	\$78,743			
13	Average annual expenditures	\$66,928		\$56,257	
14					
15	2. Grow consumer units & expenditures to impact year				
16	FY Ending in:	2021	2022	2023	2024
18	FDEC Household Growth Rate	1.70%	1.85%	1.64%	1.44%
19	FEEC Personal Income Growth Rate	8.02%	4.92%	5.97%	3.92%
20	Convert expenditures to taxable sales	6.80%			
21					
22	Number of consumer units (Households)	9,203,811	9,373,791	9,527,624	9,664,982
23					
24	FY Ending in:	2021	2022	2023	2024
25	Income before taxes	77,719	81,543	86,413	89,801
26	Average annual expenditures	60,767	63,756	67,564	70,213
27					
28	3. Apply US expenditure share to FL				
29	FY 2023-24				
30					
31					
32	Consumer units			9,664,982	
33	Average annual expenditures			70,213	\$678,611,083,310
34	Infants' Furniture & Equipment				
35	Infants' furniture	\$14.42	0.022%	\$15.13	\$146,210,432
36	Infants' equipment	\$12.70	0.019%	\$13.32	\$128,770,630
37	Total, Infants' Furniture & Equipment				\$274,981,063
38	Source: Bureau of Labor Statistics, Consumer Expenditure Survey, 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; Florida: Quintiles of income before taxes, 2019-2020.				

	A	B	C	D	E
40					
41	4. Reduce category to only include specified items				
	Specified items: 1. Baby cribs, including baby playpens and baby play yards; 2. Baby strollers; 3. Baby safety gates; 4. Baby monitors; 5. Child safety cabinet locks and latches and electrical socket covers; 6. Bicycle child carrier seats and trailers designed for carrying young children, including any adaptors and accessories for these seats and trailers; 7. Baby exercisers, jumpers, bouncer seats and swings; 8. Breast pumps, bottle sterilizers, baby bottles and nipples, pacifiers, and teething rings; 10. Changing tables and changing pads;				
42					
43	Note: Car seats and strollers, that are part of a travel system, are already exempt from sales tax.				
44	4. (a) Use IBIS World report to determine share of items				
45					
46	Infants' Furniture & Equipment	Durable Baby Goods Products Percent of Total*	Infants' Furniture & Equipment Expenditures (\$ m. sales)		
47	Baby furniture excluding cribs	40.8	112.2		
48	Cribs	24	66.0		
49	Strollers	13.7	37.7		
50	Car safety seats (already exempt from sales tax)	13.1	36.0		
51	Other mobile carriers and baby accessories	8.4	23.1		
52	Total	100	275.0		
	*Source: IBIS World, Durable Baby Goods Stores in the US, Baby on board: Growing disposable income is likely to encourage the sale of industry items, Marley Brocke, October 2022 IBIS World, Durable Baby Goods Stores in the US, Industry DEFINITION: The industry comprises stores that retail durable goods for babies and toddlers up to 4 years old. Examples of primary products this industry sells include cribs, strollers, dressers, changing tables, car seats and other similar items.				
53					
54					
55	4. (b) Determine eligible expenditures based on shares in 4. (a) and assumptions about % of category that represents items specified in the bill.				
56	A reduction is made for strollers to assume that 70% of strollers are sold as a separate item (such as umbrella strollers), not part of a travel system. and will thus be eligible for the exemption.				
57					
58	Consumer Expenditure data	FY 2023-24	FY 2023-24	FY 2023-24	
59		High	Middle	Low	
60	Annual expenditures, Infants' Furniture & Equipment (\$ m)		275.0		
61	LEVER A. Percent of strollers that are NOT part of a car safety seat travel system (systems are exempt)		70%		
62	LEVER B. Reduction based on items included % eligible for exemption: cribs and other durable baby goods (excluding strollers and car safety seat systems)		80%		
63					
64	Eligible expenditures (by A & B)		187.4		
65					
66	Taxable sales (\$ m)		175.5		
67	Sales tax impact (\$ m)		\$10.5		
68					
69					

	A	B	C	D	E
70	5. Sales tax impact				
71	FY	Growth in population 4 and under (FDEC)	Sales tax impact (\$ m)		
72	2024	1.5%	\$10.5		
73	2025	1.4%	\$10.7		
74	2026	1.1%	\$10.8		
75	2027	0.9%	\$10.9		
76	2028	0.9%	\$11.0		
78					
79	Last revision:		4/14/2023		

	A	B	C	D	E	F	G	H	I	J	K
1	HB 7063						Permanent	Recurring			
2	Baby Diapers and Wipes										
3											
4											
5	Proposed Language - Governor (2023 Session) - Tax Exemption for Baby Diapers and Baby Wipes										
6											
7	IBISWorld - US Manufacturing Diaper Industry Data										
8				FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
9	Total Domestic Demand in U.S.			12,960,250,000							
10	Baby Diapers* Industry Revenue (68.8% of total)			8,916,652,000							
11	Add Adjustment for baby wipes***		0.225	2,006,246,700							
12	Total, baby diapers and wipes			10,922,898,700							
13											
14	Florida Share of Revenue (5.9%)			671,105,710							
15	Florida Sales Tax Revenue - Baby Diapers & Wipes**			40,266,343							
16	Growth in population 4 and under (FDEC)					1.7%	1.5%	1.4%	1.1%	0.9%	0.9%
17	NEW	Adjustment to base year									
18	High	CPI - Household paper products ¹	9.41%		44,054,720	44,794,097	45,470,817	46,123,824	46,634,664	47,076,058	47,498,397
19											
20											
21											
22											
23											
24	<i>*Baby diapers includes disposable diapers, training pants and cloth diapers.</i>										
25	IBIS World Diaper Manufacturing, Industry Report OD 5652, February 2021.										
26	<i>**Estimated Sales Tax Revenue assumes a 5.0% retail markup on diapers and incontinence products. Based on IBISWorld report, the average profit margin in the baby product market is 5.0%. The baby product market includes retailers who sell baby products.</i>										
27	<i>*** Factor represents an assumption representing the ratio of the cost of wipes to the cost of diapers; Ratio based on EDR research, including source: https://www.investopedia.com/articles/pf/08/budgeting-for-baby.asp#:~:text=Diapers%3A%20Diapers%20also%20vary%20in,That's%20approximately%20%24120%20a%20month,https://www.healthline.com/health/baby/how-many-newborn-diapers-do-i-need.</i>										
28	¹ CPI for All Urban Consumers (CPI-U), US - Household paper products, not seasonally adjusted, US Bureau of Labor Statistics, June 2021 to June 2022 % change.										
29	² IHS Markit Chained Price Index--Gross Domestic Product, January 2023 forecast, Source: Table 1.1.9. Implicit Price Deflators for Gross Domestic Product, seasonally adjusted, Bureau of Economic Analysis.										
30	Date of analysis: 2/24/2023										
31											

	A	B	C	D	E	F
1	HB 7063			Permanent	Recurring	
2	Baby and toddler clothing, apparel, and shoes					
3						
4	I. APPAREL					
5	1. Consumer expenditure data from the Consumer Expenditure Survey					
6		Children's Apparel and Footwear Consumer Expenditures				
7		<i>BLS Data</i>	<i>BLS Data</i>			
8		CY 2021	CYs 2019 & 2020			
9		US	FL			
10	Number of consumer units (Households)	133,595,000	9,049,770			
11	Income before taxes	\$87,432	\$71,951			
12	Income after taxes	\$78,743				
13	Average annual expenditures	\$66,928	\$56,257			
14						
15	2. Grow consumer units & expenditures to impact year					
16	FY Ending in:	2021	2022	2023	2024	
18	FDEC Household Growth Rate	1.70%	1.85%	1.64%	1.44%	
19	FEEC Personal Income Growth Rate	8.02%	4.92%	5.97%	3.92%	
20	Convert expenditures to taxable sales	6.80%				
21						
22	Number of consumer units (Households)	9,203,811	9,373,791	9,527,624	9,664,982	
23						
24	FY Ending in:	2021	2022	2023	2024	
25	Income before taxes (grown by pers. income)	77,719	81,543	86,413	89,801	
26	Average annual expenditures	60,767	63,756	67,564	70,213	
27						
28	3. Apply US expenditure share to FL					
29		<i>BLS Data</i>	<i>BLS Data</i>	<i>EDR Estimate Using</i>	<i>EDR Estimate Using</i>	
30		Average Expenditures per Consumer Unit	% of Annual Expenditures	Average Expenditures per Consumer Unit	Total Expenditures	
31	FY 2023-24	US	US	FL	FL	
32	Consumer units			9,664,982		
33	Average annual expenditures			70,213	\$678,611,083,310	
34	Apparel and services					
35	Children under 2	\$66.34	0.0991%	\$69.60	\$672,649,105	
36	Boys, 2 to 15	\$114.09	0.1705%	\$119.69	\$1,156,806,396	
37	Girls, 2 to 15	\$110.28	0.1648%	\$115.69	\$1,118,175,207	
38	Footwear					
39	Boys' footwear	\$45.08	0.0674%	\$47.29	\$457,085,041	
40	Girls' footwear	\$34.64	0.0518%	\$36.34	\$351,229,499	
41	Total, Apparel and Footwear				\$3,755,945,248	
42						
43	Source: Bureau of Labor Statistics, Consumer Expenditure Survey, 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; Florida: Quintiles of income before taxes, 2019-2020.					
44	Note: There was no separate category for baby footwear.					
45						
46	4. Apparel: Reduce expenditures to included ages.	FY 2023-24				
47	Reduction for baby and toddler items only	High	Middle	Low		
48	Annual expenditures, Children under 2 (\$ m)	672.6	672.6	672.6		
49	Annual expenditures, all other (\$ m)	3,083.3	3,083.3	3,083.3		
50	Assumptions for high, middle, and low	ages 2-6 as a % of 2-15	ages 2-5 as a % of 2-15	ages 2-4 as a % of 2-15		
51	Reduction to all other to include only ages 2, 3, 4, & 5 out of the 14 ages included in the category using population by age from the FDEC	35%	28%	20%		
52	Reduced expenditures, all other	1,074.8	850.5	629.7		
53	Total expenditures, select age groups (\$ m)	1,747.5	1,523.2	1,302.3		
54	Taxable sales (\$ m)	1,636.2	1,426.2	1,219.4		
55	Sales tax impact (\$ m)	\$98.2	\$85.6	\$73.2		
56						
57	5. Sales tax impact (\$ m) - forecast					
58	FY	2023-24	2024-25	2025-26	2026-27	2027-28
59						
60	Middle	\$85.6	\$86.8	\$87.8	\$88.6	\$89.4
61						
62						
63	Growth in population 4 and under (FDEC)	1.5%	1.4%	1.1%	0.9%	0.9%

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Gas Ranges and Cooktops Sales Tax Exemption

Bill Number(s): HB 7063

Entire Bill

Partial Bill: Section 33

Sponsor(s):

Month/Year Impact Begins: Effective date: July 1, 2023, impact on sales tax collections begins 8/1/2023

Date(s) Conference Reviewed: April 14, 2023

Section 1: Narrative

- a. Current Law:** Under current law in Ch. 212, F.S., gas ranges and cooktops purchased in store or online are subject to the 6% Sales and Use Tax.
- b. Proposed Change:** The proposed language exempts from sales tax the retail sales of gas ranges and cooktops when installed in a kitchen for fiscal year 2023-24.

Definition of the exempt items

For the purposes of this section, the term "gas range and cooktop" means any range and/or cooktop that is installed in a kitchen; includes an oven, a cooktop, or both; and is fueled by combustible gas such as natural gas, propane, butane, liquefied petroleum gas, or other flammable gas. The term does not include outdoor gas grills, camping stoves, or other portable ranges. The language does not specifically exclude dual fuel gas ranges and cooktops, for example gas and electric.

Section 2: Description of Data and Sources

- EIA
 - o Florida Natural Gas Number of Residential Consumers – Sales
[Florida Natural Gas Number of Residential Consumers - Sales \(Number of Elements\) \(eia.gov\)](#)
 - o Florida Natural Gas Number of Commercial Consumers – Sales
[Florida Natural Gas Number of Commercial Consumers - Sales \(Number of Elements\) \(eia.gov\)](#)
 - o "Highlights for appliances in U.S. homes by state, 2020"
[State Appliances.pdf \(eia.gov\)](#)
 - o Commercial Building Energy Consumption Survey (CBECS)
[Energy Information Administration \(EIA\)- Commercial Buildings Energy Consumption Survey \(CBECS\)](#)
 - o Residential Energy Consumption Survey (RECS)
[U.S. Energy Information Administration - EIA - Independent Statistics and Analysis](#)
- Gas range and cooktop rebate data provided by the Florida Public Service Commission
- Price data for gas range and cooktops pulled from [Katom Restaurant Supply, Inc.](#) and [Home Depot](#) using the Web Scraper application

Section 3: Methodology (Include Assumptions and Attach Details)

To estimate the sales tax exemption impact of gas range and cooktop appliances, the third approach shares out Florida's total natural gas sales to the gas range and cooktop appliance level using (1) gas range and cooktop appliance rebate data provided by the Florida Public Service Commission, (2) EIA's Commercial Building Energy Consumption Survey, and (3) EIA's Residential Energy Consumption Survey.

- Step 1: EIA's total natural gas sales to Florida's residential and commercial consumers was used as the starting basis of this analysis. Actuals were available to FY2021-22. From FY2022-23 to FY2023-24, 3-year averages of the residential and commercial sales actuals were used to estimate either series' sales.
- Step 2: Shares of residential and commercial customer types were calculated, respectively, from 3-year averages of sales data actuals.
- Step 3: Gas range and cooktop rebate data from one of Florida's largest natural gas service providers, People's Gas (PG), was used to estimate the relationship between total natural gas customers and natural gas range and cooktop appliance customers.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Gas Ranges and Cooktops Sales Tax Exemption

Bill Number(s): HB 7063

- Residential customers: In their “Highlights for appliances in U.S. homes by state, 2020” data release, EIA reported that 630,000 households in Florida had a natural gas cooking appliance.¹ For that same year, they reported 795,038 total natural gas sales to residential customers.² For FY2020-21, the share of residences with natural gas cooking appliances from total residential natural gas sales was 79.2%. This relationship was shared out to PG’s reported 425,000 total customers, estimating that 336,776 of their residential customers have natural gas cooking appliances. PG’s share of residential gas range rebates, or known sales, to total residential natural gas customers in FY2020-21 was then calculated from total residential rebates reported for that same year over the estimated number of residential customers with natural gas cooking appliances (11,603/336,776). For FY2020-21, an estimated 3.45% of PG’s residential natural gas customers were natural gas appliance customers.
- Commercial customers: EIA does not have a reported number of commercial customers with natural gas cooking appliances. However, they periodically publish their Commercial Building Energy Consumption Survey (CBECS) estimating the number of commercial facilities with natural gas and propane cooking capabilities. They also periodically publish their Residential Energy Consumption Survey (RECS) which estimates the number of natural gas and propane cooking appliances per household. Using the most recent data from each survey (2020 for RECS and 2018 for CBECS), the share (6.57%) of commercial facilities with natural gas cooking capabilities to residential gas cooking appliances was taken to estimate the relationship between consumer sectors for gas range and cooktop units. The 6.57% share was applied to PG’s estimated number of residential customers with a natural gas cooking appliance to arrive at the number of commercial customers with a natural gas cooking appliance.
- Step 4: Both the residential and commercial gas range and cooktop rebate-to-customer shares (3.45% and 0.09%, respectively) were applied to EIA’s total natural gas sales data (discussed in step 1) to estimate the total number of sales of gas ranges and cooktops per year in Florida. Using the customer-type distribution mentioned in Step 2, residential and commercial sales were then broken out from the calculated total gas range and cooktop sales to better capture the different movement in either consumer series.
- Step 5: Price data for commercial and residential gas range and cooktop units within low, middle, and high price brackets were pulled using the Web Scraper application on Katom Restaurant Supply, Inc. and Home Depot, noting the frequency of gas ranges and cooktops purchased at the different price points.³
 - For residential gas range and cooktop units, the low and high prices were used for the lower and higher sales (\$) estimates, respectively. The middle sales (\$) estimate for residential gas range units was derived from the median price of residential units.
 - For commercial gas range and cooktop units, the low, middle, and high price brackets comprised the low, middle, and high sales (\$) estimates.
- Step 6: Finally, the 6% sales tax was applied to dollar value sales to estimate the impact of the proposed FY tax exemption on sales of gas ranges for FY 23-24.

Section 4: Proposed Fiscal Impact:

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	\$ (20.2)		\$ (5.6)		\$ (1.4)	
2024-25	\$ (1.9)		\$ (0.5)		\$ (0.1)	
2025-26						
2026-27						
2027-28						

Revenue Distribution: Sales and Use Tax

¹ <https://www.eia.gov/consumption/residential/data/2020/state/pdf/State%20Appliances.pdf>

EIA reports their data in fiscal years.

² Calculated from the historic residential natural gas sales data linked above.

³ [Wholesale Restaurant Supplies & Equipment | KaTom Restaurant Supply](#); [The Home Depot](#)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Gas Ranges and Cooktops Sales Tax Exemption

Bill Number(s): HB 7063

Section 5: Consensus Estimate: (Adopted: 04/14/2023): The Conference adopted the middle estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(5.0)	0.0	(Insignificant)	0.0	(0.2)	0.0	(0.5)	0.0
2024-25	(0.5)	0.0	(Insignificant)	0.0	(Insignificant)	0.0	(Insignificant)	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	(5.6)	0.0	(0.7)	0.0	(6.3)	0.0
2024-25	(0.5)	0.0	(0.1)	0.0	(0.6)	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

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Gas Ranges and Cooktops Sales Tax Exemption

Bill Number(s): HB 7063

Gas ranges and cooktops: FY2023-24 sales tax exemption impact			
4/14/2023			
<i>*Estimates are italicized and underlined</i>			
Florida Natural Gas Total Customer Sales			
Fiscal Year	Florida NG Residential Sales (count)	Florida NG Commercial Sales (count)	Total Florida NG Consumers Sales (count)
FY15-16	702,681	38,420	741,101
FY16-17	714,458	38,336	752,794
FY17-18	722,131	38,106	760,237
FY18-19	741,646	38,172	779,818
FY19-20	766,371	38,835	805,206
FY20-21	795,038	39,383	834,421
FY21-22	819,867	39,616	859,483
<i>FY22-23</i>	<i>847,735</i>	<i>40,963</i>	<i>888,698</i>
<i>FY23-24</i>	<i>876,551</i>	<i>42,355</i>	<i>918,906</i>
<i>FY24-25</i>	<i>906,346</i>	<i>43,795</i>	<i>950,141</i>
<i>source: http://www.eia.gov/btnawhng/hist/ha1508_sfl_8a.htm</i>			
<i>source: https://www.eia.gov/btnawhng/hist/ha1538_sfl_8a.htm</i>			
Florida Natural Gas Customer Type Distribution			
	% Residential NG Customers	% Commercial NG Customers	
FY19-20	95.18%	4.82%	
FY20-21	95.28%	4.72%	
FY21-22	95.39%	4.61%	
<i>3-year average</i>	<i>91.60%</i>	<i>8.40%</i>	
Prices of Gas Ranges and Cooktops			
Type of Unit	Low	"Most Popular" (median)	High
Residential Units	\$ 772	\$ 2,519	\$ 10,922
Commercial Units	\$ 1,269	\$ 12,688	\$ 25,734
<i>source: https://www.webstaurantstore.com/25887/commercial-gas-ranges.html?order=popular</i>			
<i>source: https://www.homedepot.com/</i>			
<i>source: Katom Gas Ranges and Stoves website</i>			
<i>* - The Web Scraper grabs the frequency of each price.</i>			

Florida Natural Gas Total Customer Sales			
Fiscal Year	Florida NG Residential Sales (count)	Florida NG Commercial Sales (count)	Total Florida NG Consumers Sales (count)
FY15-16	702,681	38,420	741,101
FY16-17	714,458	38,336	752,794
FY17-18	722,131	38,106	760,237
FY18-19	741,646	38,172	779,818
FY19-20	766,371	38,835	805,206
FY20-21	795,038	39,383	834,421
FY21-22	819,867	39,616	859,483
<u>FY22-23</u>	<u>847,735</u>	<u>40,963</u>	<u>888,698</u>
<u>FY23-24</u>	<u>876,551</u>	<u>42,355</u>	<u>918,906</u>
<u>FY24-25</u>	<u>906,346</u>	<u>43,795</u>	<u>950,141</u>

source: http://www.eia.gov/dnav/ng/hist/na1508_sfl_8a.htm

source: https://www.eia.gov/dnav/ng/hist/na1538_sfl_8a.htm

Florida Natural Gas range and cooktop appliance sales			
	Total	Residential	Commercial
FY20-21	27,428	25,124	2,304
FY21-22	28,283	25,908	2,376
<u>FY22-23</u>	<u>29,245</u>	<u>26,788</u>	<u>2,457</u>
<u>FY23-24</u>	<u>30,239</u>	<u>27,699</u>	<u>2,540</u>
<u>FY24-25</u>	<u>31,267</u>	<u>28,640</u>	<u>2,626</u>

Florida Natural Gas Customer Type Distribution		
	% Residential NG Customers	% Commercial NG Customers
FY19-20	95.18%	4.82%
FY20-21	95.28%	4.72%
FY21-22	95.39%	4.61%
<u>3-year average</u>	<u>91.60%</u>	<u>8.40%</u>

Prices of Gas Ranges and Cooktops				
Type of Unit	Low	"Most Popular" (median)	High	
Residential Units	\$ 772	\$ 2,519	\$ 10,922	
Commercial Units	\$ 1,269	\$ 12,688	\$ 25,734	

source: <https://www.webrestaurantstore.com/25887/commercial-gas-ranges.html?order=popular>

source: <https://www.homedepot.com/>

*source: Katom Gas Ranges and Stoves website

* - The Web Scraper grabs the frequency of each price.

2519 median
2861 mean
14000 mean
12688 mode

Residential NG ranges and cooktops sales estimate calculations			
FY20-21 Florida	FY20-21 Florida total	Florida residential NG	
630,000	795,038	79,24%	

People's Gas (PG) natural gas service provider			
People's Gas (PG) total NG customers	FY20-21 PG residential customers with NG cooking appliance	FY20-21 PG residential rebates for gas ranges and cooktops	Share of PG gas range and cooktop sales to total NG residential cooking appliance customers
425,000	336,776	11,603	3.45%

Commercial NG ranges and cooktops sales estimate calculations		
Estimated share of 2018 commercial to 2020 residential NG cooking appliances*	FY20-21 Florida commercial NG cooking appliance customers	
6.57%	41,411	

People's Gas (PG) natural gas service provider			
PG commercial customers with NG cooking appliance	FY20-21 PG commercial rebates for gas ranges and cooktops	Share of PG gas range and cooktop sales to total PG NG commercial appliance customers	
22,137	21	0.09%	

*Comparison identifies two separate years (2018 commercial and 2020 residential) due to incomplete survey data

source: <https://www.eia.gov/consumption/residential/data/2020/state/pdf/State%20Appliances.pdf>

source: Florida Public Service Commission

source: <https://www.eia.gov/consumption/commercial/>

source: <https://www.eia.gov/consumption/residential/>

Estimated sales (\$) of gas ranges and cooktops

Customer type		Low estimate	Middle estimate	High estimate
Residential	FY20-21	\$ 19,395,573	\$ 63,286,851	\$ 274,402,137
	FY21-22	\$ 20,000,627	\$ 65,261,114	\$ 282,962,241
	<u>FY22-23</u>	<u>\$ 20,680,476</u>	<u>\$ 67,479,429</u>	<u>\$ 292,580,517</u>
	<u>FY23-24</u>	<u>\$ 21,383,434</u>	<u>\$ 69,773,147</u>	<u>\$ 302,525,731</u>
	<u>FY24-25</u>	<u>\$ 22,110,286</u>	<u>\$ 72,144,833</u>	<u>\$ 312,808,997</u>
Commercial	FY20-21	\$ 2,923,686	\$ 29,232,254	\$ 59,289,314
	FY21-22	\$ 3,014,892	\$ 30,144,168	\$ 61,138,872
	<u>FY22-23</u>	<u>\$ 3,117,372</u>	<u>\$ 31,168,809</u>	<u>\$ 63,217,067</u>
	<u>FY23-24</u>	<u>\$ 3,223,336</u>	<u>\$ 32,228,280</u>	<u>\$ 65,365,902</u>
	<u>FY24-25</u>	<u>\$ 3,332,902</u>	<u>\$ 33,323,764</u>	<u>\$ 67,587,779</u>
Total	FY20-21	\$ 22,319,259	\$ 92,519,104	\$ 333,691,451
	FY21-22	\$ 23,015,519	\$ 95,405,282	\$ 344,101,113
	<u>FY22-23</u>	<u>\$ 23,797,848</u>	<u>\$ 98,648,238</u>	<u>\$ 355,797,584</u>
	<u>FY23-24</u>	<u>\$ 24,606,770</u>	<u>\$ 102,001,428</u>	<u>\$ 367,891,633</u>
	<u>FY24-25</u>	<u>\$ 25,443,188</u>	<u>\$ 105,468,596</u>	<u>\$ 380,396,775</u>

Estimated Sales Tax (6%) Exemption Impact for gas ranges and cooktops

Customer type	6%	Low estimate	Middle estimate	High estimate
Residential	FY20-21	\$ 1,163,734	\$ 3,797,211	\$ 16,464,128
	FY21-22	\$ 1,200,038	\$ 3,915,667	\$ 16,977,734
	<u>FY22-23</u>	<u>\$ 1,240,829</u>	<u>\$ 4,048,766</u>	<u>\$ 17,554,831</u>
	<u>FY23-24</u>	<u>\$ 1,283,006</u>	<u>\$ 4,186,389</u>	<u>\$ 18,151,544</u>
	<u>FY24-25</u>	<u>\$ 1,326,617</u>	<u>\$ 4,328,690</u>	<u>\$ 18,768,540</u>
Commercial	FY20-21	\$ 175,421	\$ 1,753,935	\$ 3,557,359
	FY21-22	\$ 180,894	\$ 1,808,650	\$ 3,668,332
	<u>FY22-23</u>	<u>\$ 187,042</u>	<u>\$ 1,870,129</u>	<u>\$ 3,793,024</u>
	<u>FY23-24</u>	<u>\$ 193,400</u>	<u>\$ 1,933,697</u>	<u>\$ 3,921,954</u>
	<u>FY24-25</u>	<u>\$ 199,974</u>	<u>\$ 1,999,426</u>	<u>\$ 4,055,267</u>
Total	FY20-21	\$ 1,339,156	\$ 5,551,146	\$ 20,021,487
	FY21-22	\$ 1,380,931	\$ 5,724,317	\$ 20,646,067
	<u>FY22-23</u>	<u>\$ 1,427,871</u>	<u>\$ 5,918,894</u>	<u>\$ 21,347,855</u>
	<u>FY23-24</u>	<u>\$ 1,476,406</u>	<u>\$ 6,120,086</u>	<u>\$ 22,073,498</u>
	<u>FY24-25</u>	<u>\$ 1,526,591</u>	<u>\$ 6,328,116</u>	<u>\$ 22,823,807</u>

FY2023-24 Sales Tax Exemption Impact for gas ranges and co

	cash	Low recurring	cash	Middle recurring
FY23-24	\$	(1.4)	\$	(5.6)
FY24-25	\$	(0.1)	\$	(0.5)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Oral Hygiene Products – Permanent
Bill Number(s): HB 7063 - Section 18

- Entire Bill**
 Partial Bill: Section 18

Sponsor(s): Representative McClain

Month/Year Impact Begins: July 1, 2023, sales tax collections impact begins 8/1/2023.

Date(s) Conference Reviewed: 4/14/2023

Section 1: Narrative

- a. **Current Law:** Under current law in Ch. 212, F.S., oral hygiene products purchased in store or online are subject to the 6% Sales and Use Tax.
- b. **Proposed Change:** The proposed bill exempts oral hygiene products from sales tax permanently. The term “oral hygiene product” means electric and manual toothbrushes, toothpaste, dental floss, dental picks, oral irrigators, and mouthwash.

Section 2: Description of Data and Sources

US Bureau of Labor Statistics (BLS) – Consumer Expenditure Survey
Florida Economic Estimating Conference – 2/23
National Economic Estimating Conference – 2/23
Florida Demographic Estimating Conference 2/23
Allied Market Research, Personal Care Electrical Appliances Market by Product Type, 2022 - 2031.
<https://www.alliedmarketresearch.com/personal-care-electrical-appliances-market>.

Section 3: Methodology (Include Assumptions and Attach Details)

The Consumer Expenditure Survey provides an estimate of the percentage of expenditures spent on oral hygiene products and electric personal care appliances. The percentage spent on oral hygiene products was then applied to aggregate expenditures shared out for Florida to estimate daily taxable expenditures on manual toothbrushes, toothpaste, dental floss, and dental picks.

The percentage spent on electric personal care appliances was reduced to exclude not applicable personal electric appliances by using information from an internet publication by Allied Market Research. The percentage was then applied to aggregate expenditures shared out for Florida to estimate daily taxable expenditures on electric toothbrushes and oral irrigators.

The daily sales tax number was then adjusted for 365 days since this is a permanent sales tax exemption. The advantage buying factoring of an additional 30 days from the impact of the Governor’s Proposed Language was eliminated for the same reason.

Other adjustments include business and visitor purchases. Bill language conditions & exclusions were also factored in. These includes price limits and other price exclusions, certain tourism-related dealers, impulse purchases, and other bill language exclusions not explicitly accounted for elsewhere.

In comparison to the adopted impact for the Governor’s Proposed Language, this impact calculates the year as having 365 days since this is a permanent impact. In addition, the additional days of purchasing (time-shifting of purchases) is removed from the impact since this is a permanent exemption and there is no incentive to shift purchases.

SALES TAX COLLECTIONS (\$ MILLION)	
FY 2023-24	Middle
Oral hygiene products and articles	\$ (33.7)
Electric personal care appliances	\$ (1.8)
Total	\$ (35.5)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Oral Hygiene Products – Permanent
Bill Number(s): HB 7063 - Section 18

Since this is a permanent exemption, the growth in personal income from the FEEC is used to grow sales tax collections in future years.

FY Ending	Total Impact	Growth in Personal Income, FEEC
2024	(35.5)	3.9
2025	(37.0)	4.1
2026	(38.5)	4.1
2027	(40.1)	4.1
2028	(41.7)	4.1

Section 4: Proposed Fiscal Impact The proposed impact is 11/12th of the impact for FY 2023-24 due to the lag in collections.

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			(32.5)	(35.5)		
2024-25			(37.0)	(37.0)		
2025-26			(38.5)	(38.5)		
2026-27			(40.1)	(40.1)		
2027-28			(41.7)	(41.7)		

Revenue Distribution:

Section 5: Consensus Estimate (Adopted: 04/14/2023): The Conference adopted the proposed estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(28.7)	(31.4)	(Insignificant)	(Insignificant)	(1.0)	(1.1)	(2.8)	(3.0)
2024-25	(32.8)	(32.8)	(Insignificant)	(Insignificant)	(1.1)	(1.1)	(3.1)	(3.1)
2025-26	(34.1)	(34.1)	(Insignificant)	(Insignificant)	(1.1)	(1.1)	(3.3)	(3.3)
2026-27	(35.5)	(35.5)	(Insignificant)	(Insignificant)	(1.2)	(1.2)	(3.4)	(3.4)
2027-28	(36.9)	(36.9)	(Insignificant)	(Insignificant)	(1.2)	(1.2)	(3.5)	(3.5)

	6% Sub-Total		Add: Local Option		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(32.5)	(35.5)	(3.9)	(4.3)	(36.4)	(39.8)
2024-25	(37.0)	(37.0)	(4.5)	(4.5)	(41.5)	(41.5)
2025-26	(38.5)	(38.5)	(4.7)	(4.7)	(43.2)	(43.2)
2026-27	(40.1)	(40.1)	(4.9)	(4.9)	(45.0)	(45.0)
2027-28	(41.7)	(41.7)	(5.0)	(5.0)	(46.7)	(46.7)

	B	C	D	E	F	G	H	I
3	HB 7063				Permanent	Recurring		365 Days
4	Oral Hygiene Products							
5								7/1/2023 Start
6								
7								
8	I. GENERAL PURCHASING ASSUMPTIONS							
9	ADJUSTMENT FACTORS							
10	Business purchases factor based on Florida Sales Tax Contributions from Businesses			0.1564				
11	Tourists purchases factor based on Florida Sales Tax Contributions from Tourists			0.1577				
12	Bill language conditions & exclusions*			1.00				
13	Effective sales tax factor (State + Local Option)			6.8%				
14	* Includes price limits and other price exclusions, certain tourism-related dealers, impulse purchases, and other bill language exclusions not explicitly accounted for elsewhere.							
15								
16	II. GROWTH RATE ASSUMPTIONS							
17				FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
18	<i>FDEC growth in population</i>			1.63%	1.67%	1.72%	1.55%	1.39%
19	<i>FDEC growth in resident households</i>			1.65%	1.70%	1.85%	1.64%	1.44%
20	<i>FEEC growth in personal income</i>			6.56%	8.02%	4.92%	5.97%	3.92%
21								
22								
23	AGGREGATE EXPENDITURE CALCULATIONS							
24	III. FLORIDA CONSUMER EXPENDITURES							
25	Florida Consumer Expenditures			ACTUAL				
26				FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
27				2019-2020 Average				
28	Florida	Number of Consumer Units		9,049,770	9,203,811	9,373,791	9,527,624	9,664,982
29		<i>by growth in households</i>						
30								
31	Florida	Income before taxes per Consumer Unit		\$71,951.39	\$77,719	\$81,543	\$86,413	\$89,801
32		<i>by growth in personal income</i>						
33								
34	Florida	Average annual expenditures per Consumer Unit		\$56,257	\$60,767	\$63,756	\$67,564	\$70,213
35		<i>constant share (2019-2020) of income before taxes</i>						
36								
37	Florida	Aggregate income before taxes		\$651,143,509,095	\$715,313,269,840.64	\$764,366,801,448	\$823,314,215,943	\$867,928,848,569.53
38								
39	Florida	Aggregate expenditures**		\$509,112,260,529	\$559,284,935,975	\$597,638,623,012	\$643,728,081,060	\$678,611,107,846
40		<i>constant share (2019-2020) of income before taxes</i>		78.2%	78.2%	78.2%	78.2%	78.2%
41		** Includes state and local sales tax						
42								
43								

3 **HB 7063** **Permanent** **Recurring** **365 Days**

4 **Oral Hygiene Products**

44 **IV. EXPENDITURE CALCULATIONS**

45			% of Expenditures	FY 2023-24		
----	--	--	-------------------	------------	--	--

46	Num	CE CATEGORY	ITEM	adj. % of category	Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily
47	1	Personal care products	Oral hygiene products and articles [D]	0.05667%	\$360,102,229	\$21,606,134	\$59,194.89

50	A. Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)						
51			Days		Sales Tax (State)		
52		Holiday duration	365		\$21,606,134		
53		Additional days - time shifting of purchases	0		\$0		
54		Total consumer purchases for days impacted	365		\$21,606,134		

56	B. Other Florida purchases						
57			Factors		Sales Tax (State)		
58		Business purchases factor	0.400		\$8,642,454		
59		Visitor purchases factor	0.158		\$3,407,012		
60		Total Other Florida purchases			\$12,049,465		

62	A. & B.	Total Florida purchases			\$33,655,599		
64		Bill language conditions & exclusions*	1.000				
65		SALES TAX IMPACT			\$33,655,599	\$560,926,652.62	

67			% of Expenditures	FY 2023-24		
----	--	--	-------------------	------------	--	--

68	Num	CE CATEGORY	ITEM	adj. % of category	Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily
69	2	Personal care products	Electric personal care appliances [I]	0.00415%	\$26,385,344	\$1,583,121	\$4,337.32

70 Reduced to approximate oral irrigators and electric toothbrushes.*

72	A. Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)						
73			Days		Sales Tax (State)		
74		Holiday duration	365		\$1,583,121		
75		Additional days - time shifting of purchases	0		\$0		
76		Total consumer purchases for days impacted	365		\$1,583,121		

78	B. Other Florida purchases						
79			Factors		Sales Tax (State)		
80		Business purchases factor	0.156		\$247,558		
81		Visitor purchases factor	0.016		\$24,964		
82		Total Other Florida purchases			\$272,521		

84	A. & B.	Total Florida purchases			\$1,855,642		
85		Bill language conditions & exclusions*	0.950				
87		SALES TAX IMPACT			\$1,762,860		

88 *Share for oral toothbrushes and oral irrigators based on Allied Market Research, Personal Care Electrical Appliances Market by Product Type, 2022 - 2031. Hair care appliances - 41% of the global personal care electrical appliances market share, hair removal appliances - 35%; <https://www.alliedmarketresearch.com/personal-care-electrical-appliances-market>.

	B	C	D	E	F	G	H	I
3	HB 7063				Permanent	Recurring		365 Days
4	Oral Hygiene Products							
89	V. TOTAL IMPACT							
90	SALES TAX COLLECTIONS (\$ MILLION)							
91	FY 2023-24				Middle		Adopted TOTAL	
92	Oral hygiene products and articles				\$ (33.7)		Sales Tax	
93	Electric personal care appliances				\$ (1.8)			
94	Total				\$ (35.5)	\$	-	
95								
96	FY Ending			Total Impact	Growth in Personal			
97	2024			(35.5)	3.9			
98	2025			(37.0)	4.1			
99	2026			(38.5)	4.1			
100	2027			(40.1)	4.1			
101	2028			(41.7)	4.1			
102								

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): HB 7063 - Section 28

Entire Bill

Partial Bill: Section 28

Sponsor(s): Ways & Means Committee; McClain

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: 4/14/2023

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 Back-to-School Sales Tax Holiday - 2 * 2 Weeks, Governor's Proposed Language - Section 11, 2/17/2023, <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/pdf/page134-142.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): HB 7063 - Section 28

- 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>
- 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 is also applied.

This impact is built to eliminate the overlap with other sales tax holidays. The overlap between HB 7063 Section 17, baby & toddler clothing and baby diapers (permanent) and Back-to-School clothing (2 x 2 weeks) is eliminated here for the July – August period and the January period since the two holidays will overlap. The clothing estimate in Back-to-School is reduced to exclude baby and toddler clothing and baby diapers for all four weeks of the holiday. Baby diapers are considered clothing in the DOR TIP and in the Consumer Expenditure Survey. Adult diapers are not considered clothing in the Consumer Expenditure Survey. Adult diapers are included under medical supplies.

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.

This impact is built to eliminate the overlap with other sales tax holidays. The overlap between HB 7063 Section 30, Freedom Summer – children’s toys, and school supplies, specifically pencils, markers, crayons, pencil sharpeners, is eliminated here for the July – August 2-week period since the two holidays will overlap. It is assumed that certain school supplies are children’s toys, specifically art supplies, and, as such, are exempted under the Freedom Summer – Children’s Toys holiday. The school supplies estimate in Back-to-School is reduced to exclude the estimated share these items account for in the impact for the first 2 weeks of the holiday. There is no overlap in the second period in January 2024, so the Back-to-School impact for this category remains. The overlap may be minimal and smaller than estimated here since items used for arts and crafts and items required on school supply lists are not necessarily the same type.

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 to account for additional purchasing is used.

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): HB 7063 - Section 28

This impact is built to eliminate the overlap with other sales tax holidays. The overlap between HB 7063 Section 30, Freedom Summer – children’s toys, and Back-to-School school supplies is eliminated here for the July – August 2-week period since the two holidays will overlap.

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 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. There is not specific estimate for this impact.

	2023-24
Expenditure Type	PROPOSED
Clothing & Shoes - \$100 or Less	\$ (100.7)
School Supplies - \$50 or Less	\$ (10.7)
Learning Aids and Jigsaw Puzzles - \$30 or Less	\$ (0.6)
Personal Computers and Related Accessories - \$1,500 or Less	\$ (29.4)
Total Impact	\$ (141.4)

**Estimates in millions of dollars*

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

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			(141.4)			
2024-25						
2025-26						
2026-27						
2027-28						

Revenue Distribution: Sales and Use Tax

Section 5: Consensus Estimate (Adopted: 04/14/2023): The Conference adopted the proposed estimate but made an adjustment to the overlap between school supplies and toys and the advantage buying for learning toys.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(126.8)	0.0	(Insignificant)	0.0	(4.3)	0.0	(12.2)	0.0
2024-25	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	(143.3)	0.0	(17.3)	0.0	(160.6)	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

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): HB 7063 - Section 28

	B	C	D	F	G	H
2						
3		HB 7063 Section 28				
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			\$ (100.7)	
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			\$ (143.3)	
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		HB 7063 Section 28							
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			Estimate				
16	1	National Personal Expenditure on Clothing and Shoes (Mln. \$)				467,778.7			
17		CONVERTED to TAXABLE SALES							
18									
19							Adopted Share of Boys & Girls ages 2-5 in ages 2-15 clothing & included in Baby & Todd		
20					Annual expenditures		27.6%		
21		Men 16+			309.75				
22		Boys 2-15			114.09		31.47		
23		Women 16+			548.78				
24		Girls 2-15			110.28		30.42		
25		Children under 2			66.34		66.34		
26		Men's footwear			119.73				
27		Boys' footwear			45.08		12.44		
28		Women's footwear			136.62				
29		Girls' footwear			34.64		9.56		
30		Total			1485.31		150.22	10% Already included in Baby & Toddler Clot	
31									
32									
33		National Personal Expenditure on Clothing and Shoes (Mln. \$)				420,467.6			
34		LESS BABY ABD TODDLER CLOTHING & SHOES							
35									
36									
37									
38	2	Florida Share based on Population Forecast (Mln. \$)	6.7%			28,063.5			
39									
40	3	Florida Expenditures on Apparel & Shoes (adjusted for 65+)	96.9%			27,182.1			
41									
42									
43									
44	4	Sales Tax at 6%	6.0%			1,630.9			
45									
46	5	Exempted Amount				1,141.6			
47		Assumption	55%			70.0%			
48									
49	6	Preliminary Per Day Fiscal Impact in Florida	1			(3.1)			
50									
51	7	Number of Days in the Holiday	28			(87.6)			
52									
53	8a	Advantage Buying	1.150			(13.14)			
54	8b	Base Adjustment for Tourists				-			
55	8c	Total Adjustment				(13.14)			
56						-			
57	9	Adjusted Fiscal Impact in Florida				(100.7)			
58									Excludes baby & toddler clothing & baby diapers
59									
60									
61									
62	11	Total Impact				(\$100.7)			
63									
64									

	A	B	C	D	E	F
1						
2		HB 7063 Section 28				
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)
58						
59		Potential overlap with Children's toys (Freedom Summer) for consideration				\$0.00
60						
61						
62		Share of OVERLAPPED ITEMS in a sample supply list				
63			3rd grade	6th grade		Grand Total
64		Pencils, markers, crayons, pencil sharpener	71.43	12.03		83.46
65		Total	338.22	487.23		825.45
66						
67		Share of OVERLAPPED ITEMS	21%	2%		10%
68						

	A	B	C	D	E
2		HB 7063 Section 28			
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		ASSUMED OVERLAP WITH TOYS (Freedom Summer)		100.0%	632.4
27					
28	4	Sales Tax at 6%			37.9
29					
30	5	Exempted Amount			15.2
31		Assumption of Items under Price Limit		40%	40.0%
32					
33	6	Preliminary Per Day Fiscal Impact in Florida		1	(0.04)
34					
35	7	Number of Days in the Holiday		28	(1.2)
36					
37	8	Advantage Buying		1.150	(0.17)
38					
39	9	Adjusted Fiscal Impact in Florida			(1.3)
40					
41					
42	10	Total Impact			(\$1.3)
43		LESS ASSUMED OVERLAP WITH TOYS			
44					

A	B	C	D	E	F
2	HB 7063 Section 28				
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	<i>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.</i>				
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					

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax, Corporate Income Tax

Issue: Section 9, 26

Bill Number(s): CS/HB 5

Entire Bill

Partial Bill: CS/HB 5 Section 26

Sponsor(s): Representative Esposito

Month/Year Impact Begins: July 1, 2023

Date(s) Conference Reviewed: April 14, 2023

Section 1: Narrative

a. Current Law: Section 212.097 F.S., allows eligible businesses to receive tax credits for being located within urban high-crime areas.

b. Proposed Change: Section 26- The proposed language repeals 212.097

Section 9- states no new applications or certifications may be executed, and no new awards may be made in relation to statutes being repealed. All certifications are rescinded except those certified and continue to meet criteria in effect before July 1, 2023

Section 2: Description of Data and Sources

Department of Revenue Tax Credit data

Market Research

Section 3: Methodology (Include Assumptions and Attach Details)

Repealing 212.097 would not allow any new applicants for the urban high crime tax credit. Using data provided by DOR in relation to the urban high crime tax credit we were able to find the average amount of credits claimed per year. The average amount of credits claimed over the last 5 years in SUT was \$572,000 per year and in CIT was \$18,000 per year which was used for the high. while a 3-year average of \$398,000 per year in SUT was used for the middle. No businesses have claimed credit in CIT in the past 3 years leaving the average a zero for the middle.

An entity that historically has contributed to most of the credits granted has expansion plans for 2025 that would bring an additional piece into the impact for SUT. For the high an additional \$3.5 million was added in years 2025-26 while \$2.5 million was used for the middle in 2025-26.

SUT

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	\$0.6	\$0.6	\$0.4	\$0.4		
2024-25	\$0.6	\$0.6	\$0.4	\$0.4		
2025-26	\$4.4	\$0.6	\$2.9	\$0.4		
2026-27	\$0.6	\$0.6	\$0.4	\$0.4		
2027-28	\$0.6	\$0.6	\$0.4	\$0.4		

CIT

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	\$0.02	\$0.02	\$0.00	\$0.00		
2024-25	\$0.02	\$0.02	\$0.00	\$0.00		
2025-26	\$0.02	\$0.02	\$0.00	\$0.00		
2026-27	\$0.02	\$0.02	\$0.00	\$0.00		
2027-28	\$0.02	\$0.02	\$0.00	\$0.00		

Revenue Distribution: Sales and Use Tax, Corporate Income Tax

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax, Corporate Income Tax

Issue: Section 9, 26

Bill Number(s): CS/HB 5

Section 5: Consensus Estimate (Adopted: 04/14/2023): The Conference adopted the high estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.5	0.5	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant
2024-25	0.5	0.5	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant
2025-26	3.5	0.5	Insignificant	Insignificant	0.1	Insignificant	0.3	Insignificant
2026-27	0.5	0.5	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant
2027-28	0.5	0.5	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.1	0.1	0.1	0.1	0.6	0.6
2024-25	0.1	0.1	0.1	0.1	0.6	0.6
2025-26	0.5	0.1	0.9	0.1	4.4	0.6
2026-27	0.1	0.1	0.1	0.1	0.6	0.6
2027-28	0.1	0.1	0.1	0.1	0.6	0.6

Urban High Crime			
FY	SUT credits	CIT credits	Total Credits
2014-15	\$ (3,071,000.00)	\$ (4,200.00)	\$ (3,075,200)
2015-16	\$ (185,000.00)	\$ (573,000.00)	\$ (758,000)
2016-17	\$ (3,222,000.00)	\$ (42,000.00)	\$ (3,264,000)
2017-18	\$ (2,062,000.00)	\$ (11,000.00)	\$ (2,073,000)
2018-19	\$ (1,328,000.00)	\$ (4,000.00)	\$ (1,332,000)
2019-20	\$ (341,000.00)	\$ (90,000.00)	\$ (431,000)
2020-21	\$ (342,000.00)	\$ -	\$ (342,000)
2021-22	\$ (200,000.00)	\$ -	\$ (200,000)
2022-23	\$ (651,000.00)	\$ -	\$ (651,000)

SUT	High (5 year avg)	Middle (3 year avg)
2023-24	\$ (572,400.00)	\$ (397,666.67)

CIT	High (5 year avg)	Middle (3 year avg)
2023-24	\$ (18,800.00)	-

2025 Expansion	High	Middle
2025-26	\$ 3,800,000.00	\$ 2,500,000.00

SUT Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	\$ 0.6	\$ 0.6	\$ 0.4	\$ 0.4		
2024-25	\$ 0.6	\$ 0.6	\$ 0.4	\$ 0.4		
2025-26	\$ 4.4	\$ 0.6	\$ 2.9	\$ 0.4		
2026-27	\$ 0.6	\$ 0.6	\$ 0.4	\$ 0.4		
2027-28	\$ 0.6	\$ 0.6	\$ 0.4	\$ 0.4		

CIT Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	\$ 0.02	\$ 0.02	\$ -	\$ -		
2024-25	\$ 0.02	\$ 0.02	\$ -	\$ -		
2025-26	\$ 0.02	\$ 0.02	\$ -	\$ -		
2026-27	\$ 0.02	\$ 0.02	\$ -	\$ -		
2027-28	\$ 0.02	\$ 0.02	\$ -	\$ -		

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Freedom Summer
Bill Number(s): HB 7063 - Section 30

- Entire Bill
- Partial Bill: Section 30

Sponsor(s): Ways & Means Committee ; McClain

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

Date Conference Reviewed: 4/14/2023

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.

Expenditure Type	Description
Boating and water activity supplies	<ul style="list-style-type: none"> • Life jackets, coolers (\$75 or less) • Recreational pool tubes, pool floats, inflatable chairs, and pool toys (\$35 or less) • Safety flares (\$50 or less) • Water skis, wakeboards, and kneeboards and recreational inflatable water tubes or floats capable of being towed (\$150 or less) • Paddleboards and surfboards (\$300 or less) • Canoes & kayaks (\$500 or less) • Paddles, and oars (\$75 or less) • Snorkels, goggles, and swimming masks (\$25 or less)
Camping supplies	<ul style="list-style-type: none"> • Tents (\$200 or less) • Sleeping bags, portable hammocks, and camping stoves and collapsible camping chairs (\$50 or less) • Camping lanterns and flashlights (\$30 or less)
Fishing supplies	<ul style="list-style-type: none"> • Rods and reels (\$75 or less if sold individually or \$150 or less if sold as a set) • Tackle boxes or bags (\$30 or less) • Bait or fishing tackle (\$5 or less if sold individually or \$10 or less if sold as a set)
General outdoor supplies	<ul style="list-style-type: none"> • Sunscreen or insect repellent (\$15 or less) • Sunglasses (\$100 or less) • Binoculars (\$200 or less) • Water bottles (first \$30 or less) • Hydration packs (\$50 or less) • Outdoor Gas or Charcoal Grills (\$250 or less) • Bicycle Helmets (\$50 or less) • Bicycles (\$500 or less)
Residential pool supplies	<ul style="list-style-type: none"> • Individual residential pool and spa replacement parts, nets, filters, lights, and cover (\$100 or less) • Residential pool and spa chemicals purchased by an individual (\$150 or less)
Children's athletic equipment	A consumer product designed or intended by the manufacturer for use by a child 12 years of age or younger when the child engages in an athletic activity (\$100 or less)
Children's toys	A consumer product designed or intended by the manufacturer for a child 12 years of age or younger for use by the child when the child plays (\$75 or less)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Freedom Summer
Bill Number(s): HB 7063 - Section 30

For Children's athletic equipment and Children's toys, the bill adds the following to the definition:

“In determining whether consumer products are designed or intended for use by a child 12 years of age or younger, the following factors shall be considered:

- a. A statement by a manufacturer about the intended use of such product, including a label on such product if such statement is reasonable.
- b. Whether the product is represented in its packaging, display, promotion, or advertising as appropriate for use by children 12 years of age or younger.”

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.

Section 2: Description of Data and Sources

- REC Impact, Governor's Proposed Language - Section 13, Freedom Summer, adopted on 2/17/2023, <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/pdf/page116-133.pdf>
- REC Impact, Governor's Proposed Language - Section 7, Children's Toys, 3/10/2023, <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/pdf/page238-242.pdf>
- 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.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Freedom Summer
Bill Number(s): HB 7063 - Section 30

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.

Adjustments to Boating and Water Activity Supplies (2/17/2023 REC)

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.

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.

Adjustments to General outdoor supplies (2/17/2023 REC)

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

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.

Removed Categories (4/14/2023)

The bill eliminates the “sports equipment” category.

New Categories (4/14/2023)

The bill adds a “Children’s Toys” category. The impact was based on the impact for the Governor's Proposed Language - Section 7, Children’s Toys, 3/10/2023, with several changes due to expanding the age eligibility to 12 years and younger (Governor: 2-12), and the toy items eligibility to all toys since no definitions or examples are included. The percent of the item category were reviewed and revised to reflect the expanded age eligibility and item eligibility.

The impact for Children’s athletic equipment was discussed but not adopted.

Duration

The impacts for toys and children’s athletic equipment were converted from 1 year to three months. The REC adopted 20 weeks for Freedom Summer as a sum of actual and enticed/ shifted purchasing duration. The same 20 weeks (140 days) was used as a duration for the impact for these two new categories.

Price caps

The bill proposes each item to have a price cap, “\$xxx or less” instead of the first of \$xxx” price exemption as scored in the Governor's Proposed Language - Section 13, Freedom Summer. The incremental impact from the “first of” was removed.

The bill proposes a price cap of \$75 or less per item for Children’s Toys (Governor: no price cap).

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Freedom Summer
Bill Number(s): HB 7063 - Section 30

Bicycles

Children’s bicycles and helmets (the latter always tax exempt) were included in the impact for Children’s toys and for Children’s athletic equipment. The estimates for bicycles and helmets in the latter two impacts were reduced to zero to eliminate the duplication with bicycles and helmets in “General Outdoor Supplies,” which exempts bicycles selling for \$500 or less and bicycle helmets selling for \$50 or less without an age limitation.

Pool toys

Pool toys are explicitly exempt in “Boating and water activity supplies.” These items were not specifically eliminated in “Children’s toys” since not all of the outdoor toys category is included in the estimate and they are not specifically mentioned as eligible for the exemption.

Sunscreen

Sunscreen is also proposed to be exempted in the PCB Section 29, “Disaster Preparedness.” The item is included in the impact here since the duration of the holiday is longer.

Amusements parks and other tourist-related establishments

As discussed at the 2/17/2023 REC, impact from the bill language excluding amusement parks, lodging establishments, and airports from the sales tax exemption is not considered in this impact. Whether these establishments are required to comply or exempted from complying with the sales tax holiday is not considered in this analysis.

The table below shows the estimated impacts.

Estimated Sales Tax Exemptions (Millions of Dollars)

EXEMPTION TYPE	
Admissions	-103.6
Retail sales	-93.4
Total	-197.0

Section 4: Proposed Fiscal Impact

Revenue Distribution:

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			(197.0)			
2024-25						
2025-26						
2026-27						
2027-28						

List of affected Trust Funds: Sales and Use Tax

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Freedom Summer
Bill Number(s): HB 7063 - Section 30

Section 5:

Consensus Estimate (Adopted: 04/14/2023): The Conference adopted the proposed estimate but with an adjustment to the number of weeks of the impact.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(181.6)	0.0	(Insignificant)	0.0	(6.1)	0.0	(17.4)	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

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(205.1)	0.0	(24.8)	0.0	(229.9)	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	E	F	G	H
1	HB 7063 S. 30, Freedom Summer, (less than \$xxx)						
2	14 Weeks						
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	-56.3	-42.3	-28.2	-101.5		
14	Total	-159.9	-125.7	-28.2	-205.1		
15							
16							
17							
18	EXEMPTION CATEGORY	EXEMPTION TYPE	IMPACT (\$ m)				
19	Admissions	Admissions	-103.6				
20	Retail sales	Boating & water activity supplies	-4.9				
21	Retail sales	Camping supplies	-4.1				
22	Retail sales	Fishing supplies	-4.8				
23	Retail sales	General outdoor supplies	-17.3				
24	Retail sales	Sports equipment	0				
25	Retail sales	Residential pool supplies	-17.2				
26	Retail sales	Children's athletic equipment	-6.2				
27	Retail sales	Children's toys	-47.0				
28	Total		-205.1				
29							

	A	B	C	D	E	F	G	H	I	J	K	L
1	HB 7063 S. 30, Freedom Summer, (less than \$xxx)											
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				4	4		14	14	
32					Exempt							
33	Source: State Park Trust Fund				Exempt Pass Revenue:		1,825,000	1,825,000		6,993,269	6,993,269	
34					Expected Sales Tax Impact (6%):		109,500	109,500		419,596	419,596	
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												
38	Museum Industry	\$17,719,200,000	3,012,264,000	15,026,414	66,685,850		4	4		14	14	
39					Exempt Pass Revenue:		5,008,805	5,008,805		17,953,883	17,953,883	
40					Expected Sales Tax Impact (6%):		300,528	300,528		1,077,233	1,077,233	
41												
42												
43	Plays, Ballets, Musical Theatre, State Fairs, Cultural Events	Total Industry Revenue (2023)	For-Profit Ticket Revenue (US)	Number of Months Worth of Tickets Sold During the Tax-Exempt Period								
44					Florida Ticket Revenue (Est.)							
45	Festival Industry	\$4,893,492,018	831,893,643		\$61,560,130		4	5				
46					Exempt Pass Revenue:		20,520,043	25,650,054				
47					Expected Sales Tax Impact (6%):		1,231,203	1,539,003				
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		HB 7063 S. 30, Freedom Summer, (less than \$xxx)				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"> • Life jackets, coolers (\$75 or less) • Recreational pool tubes, pool floats, inflatable chairs, and pool toys (\$35 or less) • Safety flares (\$50 or less) • Snorkels, goggles, and swimming masks (\$25 or less) 	\$	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 or less) • Paddleboards and surfboards (\$300 or less) • Canoes & kayaks (\$500 or less) • Paddles, and oars (\$75 or less) 	\$	253.4	Feb 2023: Adjusted with a new category for kayaks			
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) 	\$	298.1				
10	Fishing supplies	<ul style="list-style-type: none"> • Rods and reels (\$75 or less if sold individually or \$150 or less if sold as a set) • Tackle boxes or bags (\$30 or less) • Bait or fishing tackle (\$5 or less if sold individually or \$10 or less if sold as a set) 	\$	346.5				
11	General outdoor supplies	Insect repellent, sunscreen, sunglasses	\$	285.7				
12	General outdoor supplies	Bicycles, bicycle helmets	\$	702.8				
13	General outdoor supplies	Outdoor grills	\$	181.2				
14	General outdoor supplies	<ul style="list-style-type: none"> • Water bottles (\$30) • Hydration packs (\$50) • Binoculars (\$200) 	\$	77.8				
15	Sports equipment	• Any item used in individual or team sports, not including clothing or footwear (\$40)						
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	\$	3,280.3				

	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	\$ 298.1	30%	40%	50%	50%	
23		Fishing supplies	\$ 346.5	25%	30%	60%	50%	
24		General outdoor supplies	\$ 1,247.5	30%	60%	70%	50%	
25		Sports equipment	\$ -	30%	40%	75%	50%	
26		Residential pool supplies	\$ 1,035.6	40%	50%	75%	60%	
27		Florida Expenditures	\$ 3,280.3					
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	\$ 298.1	89.44	119.25	149.06	149.06	
33		Fishing supplies	\$ 346.5	86.61	103.94	207.88	173.23	
34		General outdoor supplies	\$ 1,247.5	374.25	748.50	873.25	623.75	
35		Sports equipment	\$ -	-	-	-	-	
36		Residential pool supplies	\$ 1,035.6	414.23	517.79	776.69	621.35	
37		Florida Expenditures	\$ 3,280.3	\$ 1,052.7	\$ 1,630.5	\$ 2,183.2	\$ 1,743.7	
38								
39		4. Weekly expenditures below the cap.						
40		Weekly expenditures (millions of \$)						
41			Weekly Expenditures (\$)	Low	Middle	High	Adopted	
42			Total Market					
42		Boating and water activity supplies	\$ 6.8	\$ 1.7	\$ 2.7	\$ 3.4	\$ 3.39	
43		Camping supplies	\$ 5.7	\$ 1.7	\$ 2.3	\$ 2.9	\$ 2.87	
44		Fishing supplies	\$ 6.7	\$ 1.7	\$ 2.0	\$ 4.0	\$ 3.33	
45		General outdoor supplies	\$ 24.0	\$ 7.2	\$ 14.4	\$ 16.8	\$ 12.00	
46		Sports equipment	\$ -	\$ -	\$ -	\$ -	\$ -	
47		Residential pool supplies	\$ 19.9	\$ 8.0	\$ 10.0	\$ 14.9	\$ 11.95	
48		Florida Expenditures	\$ 63.1	\$ 20.2	\$ 31.4	\$ 42.0	\$ 33.5	

	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		24	
53		Boating and water activity supplies	\$ 47.5	\$ 71.2	\$ 94.9	\$ 81.4	24	
54		Camping supplies	\$ 40.1	\$ 60.2	\$ 80.3	\$ 68.8	24	
55		Fishing supplies	\$ 46.6	\$ 70.0	\$ 93.3	\$ 80.0	24	
56		General outdoor supplies	\$ 167.9	\$ 251.9	\$ 335.9	\$ 287.9	24	
57		Sports equipment	\$ -	\$ -	\$ -	\$ -	24	
58		Residential pool supplies	\$ 167.3	\$ 250.9	\$ 334.6	\$ 286.8	24	
59		Florida Expenditures	\$ 469.5	\$ 704.2	\$ 938.9	\$ 804.8		-
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	24		
65		Boating and water activity supplies	\$ 2.8	\$ 4.3	\$ 5.7	\$ 4.9		
66		Camping supplies	\$ 2.4	\$ 3.6	\$ 4.8	\$ 4.1		
67		Fishing supplies	\$ 2.8	\$ 4.2	\$ 5.6	\$ 4.8		
68		General outdoor supplies	\$ 10.1	\$ 15.1	\$ 20.2	\$ 17.3		
69		Sports equipment	\$ -	\$ -	\$ -	\$ -		
70		Residential pool supplies	\$ 10.0	\$ 15.1	\$ 20.1	\$ 17.2		
71		Florida Expenditures	\$ 28.2	\$ 42.3	\$ 56.3	\$ 48.3		

	A	B	C	D	E	F	G	H
72								
73			Incremental Sales Tax Based on Observed Price Distribution of Items					
74		7. Incremental impact with "first \$xxx of sales price"	Low	Middle	High	Adopted INCREMENTAL Sales Tax		
75		<u>"FIRST of" PRICE Incremental Impact</u>	14	21	28	20	"First" Factor (# Items above cap/# items below cap)	
76		Boating and water activity supplies	\$ -	\$ -	\$ -	\$ -	0.00	
77		Camping supplies	\$ -	\$ -	\$ -	\$ -	0.00	
78		Fishing supplies	\$ -	\$ -	\$ -	\$ -	0.00	
79		General outdoor supplies	\$ -	\$ -	\$ -	\$ -	0.00	
80		Sports equipment	\$ -	\$ -	\$ -	\$ -	0.00	
81		Residential pool supplies	\$ -	\$ -	\$ -	\$ -	-	
82		Total	\$ -	\$ -	\$ -	\$ -		
83								
84		8. Total impact (UNDER price cap PLUS ABOVE)						
85			Low	Middle	High	Adopted TOTAL Sales Tax		
86		Boating and water activity supplies	\$ 2.8	\$ 4.3	\$ 5.7	\$ 4.9		
87		Camping supplies	\$ 2.4	\$ 3.6	\$ 4.8	\$ 4.1		
88		Fishing supplies	\$ 2.8	\$ 4.2	\$ 5.6	\$ 4.8		
89		General outdoor supplies	\$ 10.1	\$ 15.1	\$ 20.2	\$ 17.3		
90		Sports equipment	\$ -	\$ -	\$ -	\$ -		
91		Residential pool supplies	\$ 10.0	\$ 15.1	\$ 20.1	\$ 17.2		
92	NEW CATEGORY	Children's toys				\$ 47.0	Separate worksheet	
93	NEW CATEGORY	Children's athletic equipment				\$ 6.2	Separate worksheet	
94		Total	\$ 28.2	\$ 42.3	\$ 56.3	\$ 101.5		
95								
96								
97		Merchandise includes memorabilia, apparel, accessories, toys, movies, books, periodicals and packaged branded snacks.						
98			Low	Middle	High	Adopted TOTAL Sales Tax		
99		PRICE \$\$ or LESS, NO ATHLETIC EQUIPMENT, including Children's toys and Children's athletic equipment	\$ (28.2)	\$ (42.3)	\$ (56.3)	\$ (101.5)		
100								

	A	B	C	D	E	F	G	H	I
1	HB 7063 S. 30, Freedom Summer, (less than \$xxx)								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%				
20	<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) 		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						
26	<ul style="list-style-type: none"> Rods and reels (\$75 or less if sold individually or \$150 or less if sold as a set) Tackle boxes or bags (\$30 or less) Bait or fishing tackle (\$5 or less if sold individually or \$10 or less if sold as a set) 								
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%				
35	<ul style="list-style-type: none"> Life jackets, coolers (\$75 or less) Recreational pool tubes, pool floats, inflatable chairs, and pool toys (\$35 or less) Safety flares (\$50 or less) Snorkels, goggles, and swimming masks (\$25 or less) 								
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

	A	B	C	D	E	F	G	H	I
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 or less) • Paddleboards and surfboards (\$300 or less) • Canoes & kayaks (\$500 or less) • Paddles, and oars (\$75 or less) 								
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 (\$30) • Hydration packs (\$50) • Binoculars (\$200) 								
45									
46	Bicycles		56.11	51.54	47.16	626,365,257	657,181,996	696,434,234	723,739,293
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)								
57									
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		HB 7063 S. 30, Freedom Summer, (less than \$xxx)				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			July 1, 2022 Population				
8		United States	333,287,557				
9		Florida	22,244,823				
10		Florida's share of US total	6.7%				
11		FTE visitors	132,576				
12		Plus adjustment for FTE visitors	6.7%				
13							
14		Source: US Census Bureau, Annual Estimates of the Resident Population for the United States, Regions, States, and the District of Columbia.					
15							
16			2021	2022	2023	2024	
17		FL population growth, FY ending, FDEC	1.7	1.7	1.6	1.4	
18							
19		Swimming pool retail stores - U.S.					
20			FY ending:	% of Total	2022	2023	2024
21		Total revenue (2022 \$ m)			6,385	6,484	6,574
22		Sales to homeowners (excluding commercial or government purchases from retail stores)		100%	6,385	6,484	6,574
23		Pool chemicals		45%	2,873	2,918	2,958.40
24		Pool equipment & recreational items		31%	1,979	2,010	2,038.01
25		All other products		24%	1,532	1,556	1,577.81
26		Source: IBISWorld Reports, INDUSTRY REPORT OD4853 Swimming Pool Equipment Stores, August 2021.					
27							
28		Florida share based on housing starts			FY2022-23	FY2023-24	
29		US Housing starts			1,318,512	1,197,873	
30		FL Housing starts			186,358	132,576	
31		FL % of US			14%	11%	
32		FL swimming pool retail stores revenue (annual) (\$ m)			696.5	553.0	
33							
34							

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

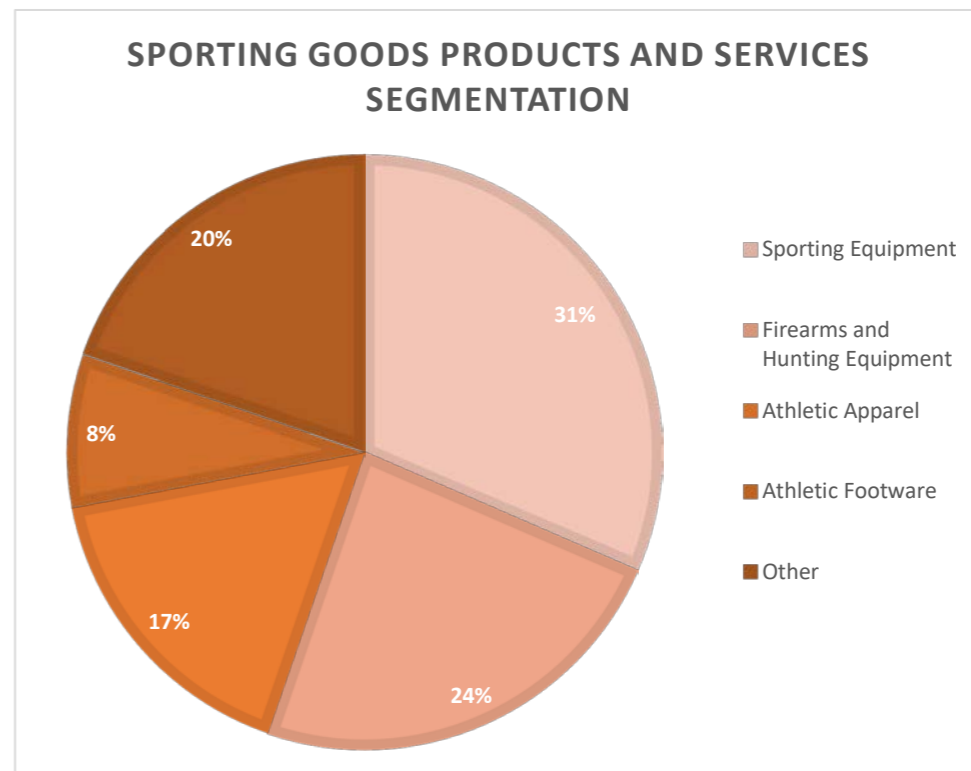
	A	B	C	D	E	F	G
1	HB 7063 S. 30, Freedom Summer, (less than \$xxx)						99 Days
2							14 Weeks
3	RETAIL SALES EXEMPTIONS						5/29/2023 Start
4	Outdoor items						9/4/2023 End
5							
6	Florida share of US population						
7	July 1, 2021 Population						
8	United States		333,287,557				
9	Florida		22,244,823				
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				

	B	C	D	E	F	G	H	I	J	K
3		HB 7063 S. 30, Freedom Summer, (less than \$xxx)								99 Days
4		Children's Athletic Equipment								14 Weeks
5										5/29/2023 Start
6										9/4/2023 End
7										
8	I.	GENERAL PURCHASING ASSUMPTIONS								
9		ADJUSTMENT FACTORS								
10		Business purchases factor based on Florida Sales Tax Contributions from Businesses		0.1564						
11		Tourists purchases factor based on Florida Sales Tax Contributions from Tourists		0.1577						
12		Bill language conditions & exclusions*		1.00						
13		Effective sales tax factor (State + Local Option)		6.8%						
14		* Includes price limits and other price exclusions, certain tourism-related dealers, impulse purchases, and other bill language exclusions not explicitly accounted for elsewhere.								
15										
16	II.	GROWTH RATE ASSUMPTIONS								
17				FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24		
18		FDEC growth in population		1.63%	1.67%	1.72%	1.55%	1.39%		
19		FDEC growth in resident households		1.65%	1.70%	1.85%	1.64%	1.44%		
20		FEEC growth in personal income		6.56%	8.02%	4.92%	5.97%	3.92%	x	
21										
22										
23		AGGREGATE EXPENDITURE CALCULATIONS								
24	III.	FLORIDA CONSUMER EXPENDITURES								
25		Florida Consumer Expenditures		ACTUAL						
26				FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24		
27				2019-2020 Avg.						
28	Florida	Number of Consumer Units <i>by growth in households</i>		9,049,770	9,203,811	9,373,791	9,527,624	9,664,982		
29										
30										
31	Florida	Income before taxes per Consumer Unit <i>by growth in personal income</i>		\$71,951.39	\$77,719	\$81,543	\$86,413	\$89,801		
32										
33										
34	Florida	Average annual expenditures per Consumer Unit <i>constant share (2019-2020) of income before taxes</i>		\$56,257	\$60,767	\$63,756	\$67,564	\$70,213		
35										
36										
37	Florida	Aggregate income before taxes		\$ 651,143,509,095	\$ 715,313,269,841	\$ 764,366,801,448	\$ 823,314,215,943	\$ 867,928,848,570		
38										
39	Florida	Aggregate expenditures**		\$509,112,260,529.02	\$559,284,935,975	\$597,638,623,012	\$643,728,081,060	\$678,611,107,846		
40		<i>constant share (2019-2020) of income before taxes</i>		78.2%	78.2%	78.2%	78.2%	78.2%		
41		** Includes state and local sales tax								

3	HB 7063 S. 30, Freedom Summer, (less than \$xxx)											
4	Children's Athletic Equipment										99 Days 14 Weeks	
43												
44	IV. EXPENDITURE CALCULATIONS											
45												
46	Num	CE CATEGORY	ITEM	% of Expenditures adj. % of category	Percent Exempted During Holiday	FY 2023-24						
47	1	Sports, recreation, and exercise equipment	Athletic gear, game tables, and exercise equipment	0.17148%	15.00000%	Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily				
48	1	Sports, recreation, and exercise equipment	Bicycles	0.08384%	0.00000%	\$163,441,601	\$9,806,496	\$26,867				
49	1	Sports, recreation, and exercise equipment	Scooters and other single-rider transportation	0.00012%	50.00000%	\$0	\$0	\$0	Eliminated overlap with General Outdo			
50	1	Sports, recreation, and exercise equipment	Winter sports equipment	0.01085%	5.00000%	\$379,755	\$22,785	\$62				
51	1	Sports, recreation, and exercise equipment	Water Sports Equipment	0.01659%	30.00000%	\$3,446,272	\$206,776	\$567				
52	1	Sports, recreation, and exercise equipment	Other Sports Equipment	0.01300%	50.00000%	\$31,614,564	\$1,896,874	\$5,197				
53												
54												
55	A. Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)											
56			Days	Sales Tax (State)								
57	Holiday duration		140	\$5,527,441.57								
58	Additional days - time shifting of purchases		0	\$0								
59	Total consumer purchases for days impacted		140	\$5,527,442								
60												
61	B. Other Florida purchases											
62			Factors	Sales Tax (State)								
63	Business purchases factor		0.15637	\$864,344								
64	Visitor purchases factor		0.00158	\$8,716								
65	Total Other Florida purchases			\$873,060								
66												
67	A. & B. Total Florida purchases			\$6,400,501								
68												
69	Bill language conditions & exclusions*		0.970									
70	SALES TAX IMPACT			\$6,208,486								
71												
72												
73												
74												
75	TOTAL IMPACT											
76	V. TOTAL IMPACT			Middle								
77	Sports, recreation, and exercise equipment			\$ 6,208,486								
78	Total			\$ 6,208,486								
79												

IBISWorld - 45111 Sporting Goods Stores in the US



	A	B	C	D	E	F	G	H	I	J	K
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28	CE										
29											
30											
31	CE										
32											
33											
34	CE										
35											
36											
37	Calculated										
38											
39	Calculated										
40											
41											

**HB 7063 S. 30, Freedom Summer, (less than \$xxx)
Children's Toys**

**99 Days
14 Weeks
5/29/2023 Start
9/4/2023 End**

I. GENERAL PURCHASING ASSUMPTIONS

ADJUSTMENT FACTORS

Business purchases factor based on Florida Sales Tax Contributions from Businesses	0.1564
Tourists purchases factor based on Florida Sales Tax Contributions from Tourists	0.1577
Bill language conditions & exclusions*	1.00
Effective sales tax factor (State + Local Option)	6.8%

* Includes price limits and other price exclusions, certain tourism-related dealers, impulse purchases, and other bill language exclusions not explicitly accounted for elsewhere.

II. GROWTH RATE ASSUMPTIONS

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<i>FDEC growth in population</i>	1.63%	1.67%	1.72%	1.55%	1.39%
<i>FDEC growth in resident households</i>	1.65%	1.70%	1.85%	1.64%	1.44%
<i>FEEC growth in personal income</i>	6.56%	8.02%	4.92%	5.97%	3.92%

AGGREGATE EXPENDITURE CALCULATIONS

III. FLORIDA CONSUMER EXPENDITURES

Florida Consumer Expenditures		ACTUAL					
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	
		2019-2020 Avg.					
CE	Florida	Number of Consumer Units <i>by growth in households</i>	9,049,770	9,203,811	9,373,791	9,527,624	9,664,982
CE	Florida	Income before taxes per Consumer Unit <i>by growth in personal income</i>	\$71,951.39	\$77,719	\$81,543	\$86,413	\$89,801
CE	Florida	Average annual expenditures per Consumer Unit <i>constant share (2019-2020) of income before taxes</i>	\$56,257	\$60,767	\$63,756	\$67,564	\$70,213
Calculated	Florida	Aggregate income before taxes	\$651,143,509,095	\$715,313,269,841	\$764,366,801,448	\$823,314,215,943	\$867,928,848,570
Calculated	Florida	Aggregate expenditures** <i>constant share (2019-2020) of income before taxes</i>	\$509,112,260,529 78.2%	\$559,284,935,975 78.2%	\$597,638,623,012 78.2%	\$643,728,081,060 78.2%	\$678,611,107,846 78.2%

** Includes state and local sales tax

HB 7063 S. 30, Freedom Summer, (less than \$xxx)
Children's Toys

99 Days
14 Weeks

EXPENDITURE CALCULATIONS

46	ITEMS SPECIFIED IN BILL	CE CATEGORY	CE SUBCATEGORY/ ITEM	% of Expenditures		FY 2023-24		
				adj. % of category	Percent Exempted During Holiday	Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily
47	<ul style="list-style-type: none"> • arts and crafts; • battling toys; • building and construction sets; • costume and dress up; • dolls and dollhouses; • education toys; • games and puzzles; • model kits; • plush toys; • collectible trading cards and toys; • occupational pretend sets; • toy swords and rifles; • infant toys; • preschool toys; • sports toys; • youth electronics (robotics, interactive playmates). 	Toys, hobbies, and playground equipment	Toys, games, arts and crafts, and tricycles [D]	0.29710%	91.00%	\$1,717,861,372	\$103,071,682	\$282,388
48	• outdoor seasonal toys (excluding outdoor gym centers swing sets, trampolines, sand boxes, water tables, patio furniture and beach furniture).	Toys, hobbies, and playground equipment	Playground equipment [I]	0.01086%	15.00%	\$10,353,058	\$621,183	\$1,702
49	• non-powered vehicles: aircraft, boats, cars, trains, trucks and planes, mini vehicles (matchbox, hotwheels), play sets and accessories, airports, garages, fire stations, police stations.	Other entertainment supplies, equipment, and services	Un-motored recreational vehicles [I]	0.25000%	1.50%	\$23,827,698	\$1,429,662	\$3,917
50	• powered vehicles: electric train sets, electric and battery vehicles, playsets and accessories, racetracks, radio/ RC aircraft, boats, cars, trucks, and planes.	Other entertainment supplies, equipment, and services	Motorized recreational vehicles [I]	0.51847%	7.50%	\$247,077,789	\$14,824,667	\$40,616
51	• musical instruments and toys.	Audio and visual equipment and services	Musical instruments and accessories [I]	0.05108%	10.00%	\$32,459,518	\$1,947,571	\$5,336
52	• pedal ride-ons (including bicycles and tricycles).	Sports, recreation, and exercise equipment	Bicycles [I]	0.08384%	0.00%	\$0	\$0	\$0
53	• sport toys (including skates, scooters, and skateboards).	Sports, recreation, and exercise equipment	Scooters and other single-rider transportation [D]	0.00012%	30.00%	\$227,853	\$13,671	\$37

Eliminated overlap with General Outdoor

A. **Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)**

	Days	Sales Tax (State)
Holiday duration	140	\$46,759,400.56
Additional days - time shifting of purchases	0	\$0.00
Total consumer purchases for days impacted	140	\$46,759,401

B. **Other Florida purchases**

	Factors	Sales Tax (State)
Business purchases factor (25%)	0.01955	\$913,990
Visitor purchases factor	0.03942	\$1,843,340
Total Other Florida purchases		\$2,757,330

A. & B. **Total Florida purchases**

	\$49,516,731
Bill language conditions & exclusions*	0.950
SALES TAX IMPACT	\$47,040,894

V. **TOTAL IMPACT**

TOTAL IMPACT

	Middle
Other entertainment supplies, equipment, and services	\$ 47,040,894
Total	\$ 47,040,894

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax

Issue: Graywater Systems

Bill Number(s): HB 7063 Sec.24

Entire Bill

Partial Bill: Section 24

Sponsor(s): Representative McClain

Month/Year Impact Begins: January 1, 2024

Date(s) Conference Reviewed: 04/14/2023

Section 1: Narrative

a. Current Law:

There is currently no tax credit given for graywater systems.

b. Proposed Change:

For taxable years beginning on or after January 1, 2024, a developer or homebuilder is eligible to receive a credit against the tax imposed by this chapter in an amount up to 50 percent of the cost of each NSF/ANSI 350 Class R certified noncommercial, residential graywater system purchased during the taxable year. The tax credit may not exceed \$4,200 for each system purchased or \$2,000,000 per developer or homebuilder per taxable year.

(4) Any unused tax credit authorized under this section may be carried forward and claimed by the taxpayer for up to 2 taxable years.

(b) No credits may be certified by the Department of Environmental Protection for taxable years beginning on or after January 1, 2027.

(7) This section is repealed December 31, 2030.

Section 2: Description of Data and Sources

5 year Ad Valorem residential new builds

NSF certified residential systems

2020 CIT roll

2021 SUT roll

Section 3: Methodology (Include Assumptions and Attach Details)

This analysis uses the past 5-year residential new build data which is then broken down into new builds corporate developers would be responsible for. The percentage of corporate developers is based on the ratio of developers identified within the sales tax roll and matched into the corporate roll, with the low being the initial ratio of 14.98% and doubling that percentage for the middle and high respectively. This gives us potential C Corp new builds which is then broken down by the percentage of households getting systems and the credits generated per system. The high assumes the systems will be expensive enough to hit the \$4200 cap per system with a 3% participation rate, the middle assumes a \$5000 average cost per system with a 2% participation rate, and the low a \$2500 average cost per system with a 1% participation rate. The cash in the first year is 15% of 2023-24. Each was grown using the avg growth rate of residential new builds from 2018-2022. Each year thereafter, the cash is 15% of the current year and 85% of the prior year totals. It is assumed credits will be used as they are granted, and no credits will be granted after January 1, 2027.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	\$(2.5 M)		\$(0.5 M)		\$(0.1 M)	
2024-25	\$(17.0 M)		\$(3.4 M)		\$(0.4 M)	
2025-26	\$(18.1 M)		\$(3.6 M)		\$(0.4 M)	
2026-27	\$(16.2 M)		\$(3.2 M)		\$(0.4 M)	
2027-28						

Revenue Distribution: Corporate Income Tax

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax

Issue: Graywater Systems

Bill Number(s): HB 7063 Sec.24

Section 5: Consensus Estimate (Adopted: 04/14/2023): The Conference adopted a negative indeterminate impact. The Conference assumes there is an impact in the last year.

	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
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	Residential New Builds						
2	2018	157,235					
3	2019	158,424	0.8%				
4	2020	165,804	4.7%				
5	2021	191,103	15.3%				
6	2022	200,851	5.1%				
7	2023	213,793	6.4%	Growth rate for residential new builds using 5 yr avg			
8	2024	227,568					
9	2025	242,232					
10	2026	257,840					
11	2027	274,454					
12	2028	292,138					
13	% developers in CIT						
14	High	Middle	Low				
15	58.82%	29.41%	14.71%				
16							
17	Residential New Builds from C Corps						
18	Year	High	Middle	Low			
19	2023	125,760	62,880	31,440			
20	2024	133,864	66,932	33,466			
21	2025	142,489	71,245	35,622			
22	2026	151,671	75,835	37,918			
23	2027	161,443	80,722	40,361			
24	2028	171,846	85,923	42,961			
25							
26	% New Builds w/ Greywater System						
27	High	Middle	Low				
28	3%	2%	1%				
29							
30	Credits generated per system (50% of price up to \$4,200 cap)						
31	High	Middle	Low				
32	\$ 4,200	\$ 2,500	\$ 1,250				
33							
34	Credits Generated						
35	Year	High	Middle	Low			
36	2023	\$ 15,845,817	\$ 3,144,011	\$ 393,001			
37	2024	\$ 16,866,837	\$ 3,346,595	\$ 418,324			
38	2025	\$ 17,953,646	\$ 3,562,231	\$ 445,279			
39	2026	\$ 19,110,484	\$ 3,791,763	\$ 473,970			
40	2027	\$ -	\$ -	\$ -			
41	2028	\$ -	\$ -	\$ -			
42							
43	# Developers hitting cap at credit level						
44	Year	High	Middle	Low			
45	2023	7.9	1.6	0			
46	2024	8.4	1.7	0			
47	2025	9.0	1.8	0			
48	2026	9.6	1.9	0			
49	2027	0.0	0.0	0			
50	2028	0.0	0.0	0			
51	Impact						
52		High		Middle		Low	
53	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
54	2023-24	\$ (2.5 M)	\$ (16.0 M)	\$ (0.5 M)	\$ (3.2 M)	\$ (0.1 M)	\$ (0.4 M)
55	2024-25	\$ (17.0 M)	\$ (17.0 M)	\$ (3.4 M)	\$ (3.4 M)	\$ (0.4 M)	\$ (0.4 M)
56	2025-26	\$ (18.1 M)	\$ (18.1 M)	\$ (3.6 M)	\$ (3.6 M)	\$ (0.4 M)	\$ (0.4 M)
57	2026-27	\$ (16.2 M)	\$ (16.2 M)	\$ (3.2 M)	\$ (3.2 M)	\$ (0.4 M)	\$ (0.4 M)
58	2027-28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -