

**Revenue Estimating Conference
Tobacco Tax and Surcharge
Executive Summary
July, 2012**

The Revenue Estimating Conference met concerning Tobacco Tax and Surcharge revenues on July 9, 2012. The conference left the forecasts for Cigarette Tax and Surcharge and Other Tobacco Tax (OTP) and Surcharge unchanged. Section 100122 of H. R. 4348 ([Federal Surface Transportation Extension Act of 2012](#)) became law when signed by the President on July 6, 2012. Provisions of the bill would define persons providing machines that roll cigarettes or cigars from loose tobacco for commercial use as manufacturers. As a result, they would be subject to cigarette tax and surcharge, instead of the OTP tax and surcharge. Consequently, the conference anticipates movement of taxes from OTP to Cigarette. For this reason, the conference decided to keep current estimates for Cigarette and OTP taxes and surcharges, even though Cigarette Tax and Surcharge Collections ended fiscal year 2011-12 slightly below estimate, while OTP Tax and Surcharge collections ended the year slightly above estimate.

**Tobacco Tax and Surcharge Conference
Comparison of the Post-Session 2012 and July 2012 Forecasts**

COLLECTIONS					
	2011-12	2012-13	2013-14	2014-15	2015-16
Cigarette Tax					
Post-Session 2012	289.4	286.2	284.0	282.6	281.5
July 2012	287.9	286.2	284.0	282.6	281.5
Difference	-1.5	0.0	0.0	0.0	0.0
Cigarette Surcharge					
Post-Session 2012	866.0	856.5	849.9	845.7	842.3
July 2012	859.5	856.5	849.9	845.7	842.3
Difference	-6.5	0.0	0.0	0.0	0.0
OTP Tax					
Post-Session 2012	27.0	27.3	27.8	28.3	28.7
July 2012	28.0	27.3	27.8	28.3	28.7
Difference	1.0	0.0	0.0	0.0	0.0
OTP Surcharge					
Post-Session 2012	64.8	65.6	66.7	67.8	68.8
July 2012	65.6	65.6	66.7	67.8	68.8
Difference	0.8	0.0	0.0	0.0	0.0
DISTRIBUTIONS					
	2011-12	2012-13	2013-14	2014-15	2015-16
Health Care Trust Fund					
Post-Session 2012	856.3	848.3	843.3	840.4	838.2
July 2012	852.7	848.3	843.3	840.4	838.2
Difference	-3.6	0.0	0.0	0.0	0.0
General Revenue Service Charge					
Post-Session 2012	97.6	96.7	96.1	95.7	95.4
July 2012	95.4	96.7	96.1	95.7	95.4
Difference	-2.2	0.0	0.0	0.0	0.0
General Revenue Excise Tax					
Post-Session 2012	173.2	171.2	162.2	161.4	160.7
July 2012	171.8	171.2	162.2	161.4	160.7
Difference	-1.4	0.0	0.0	0.0	0.0
OTP General Revenue Tax					
Post-Session 2012	27.0	27.3	27.8	28.3	28.7
July 2012	28.0	27.3	27.8	28.3	28.7
Difference	1.0	0.0	0.0	0.0	0.0
Total GR Distributions					
Post-Session 2012	297.8	295.2	286.1	285.3	284.8
July 2012	295.2	295.2	286.1	285.3	284.8
Difference	-2.5	0.0	0.0	0.0	0.0
All Other Funds					
Post-Session 2012	93.1	92.1	99.1	98.6	98.3
July 2012	92.6	92.1	99.1	98.6	98.3
Difference	-0.5	0.0	0.0	0.0	0.0

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**Tobacco Tax and Surcharge Conference
Cigarette Tax and Surcharge Forecast
09-Jul-12**

	Packs (calculated)	% Change	Cigarette Tax									Cigarette Surcharge				
			Cigarette Tax	Refunds	Net Tax	GR Service Charge	AB&T Trust Fund	County Rev Sharing	PMATF	Moffitt Center	Biomedical Research TF	General Revenue	Cigarette Surcharge	Floor Tax	GR Service Charge	Health Care Trust Fund
1991-92	1,263.6		422.3		422.3	30.8	3.8	11.2	113.1	0.0	0.0	114.6				
1992-93	1,294.4	2.4%	432.6		432.6	31.5	3.9	11.5	116.1	0.0	0.0	117.3				
1993-94	1,266.3	-2.2%	423.2		423.2	30.8	3.8	11.3	113.2	0.0	0.0	114.4				
1994-95	1,298.0	2.5%	433.8	0.8	433.0	31.6	3.9	11.5	117.6	0.0	0.0	117.6				
1995-96	1,312.7	1.1%	438.7	1.5	437.2	31.9	3.9	11.7	118.7	0.0	0.0	118.7				
1996-97	1,269.9	-3.3%	424.4	2.4	422.0	30.8	3.8	11.3	113.7	0.0	0.0	114.8				
1997-98	1,337.8	5.3%	447.1	4.0	443.1	32.3	4.0	11.9	120.1	0.0	0.0	121.1				
1998-99	1,294.4	-3.2%	432.6	4.3	428.3	31.3	3.9	10.5	115.6	4.5	0.0	111.9				
1999-2000	1,260.3	-2.6%	421.2	3.3	417.9	30.5	3.8	12.1	112.5	10.5	0.0	103.5				
2000-01	1,254.3	-0.5%	419.2	4.4	414.8	30.6	3.7	11.2	112.8	10.3	0.0	250.0				
2001-02	1,265.4	0.9%	422.9	4.7	418.2	30.7	3.8	11.2	110.3	10.2	0.0	251.9				
2002-03	1,245.1	-1.6%	416.1	5.0	411.1	30.0	3.7	11.1	110.6	11.2	0.0	247.6				
2003-04	1,252.9	0.6%	418.7	3.0	415.7	30.5	3.8	11.1	113.0	11.2	0.0	248.5				
2004-05	1,314.2	4.9%	439.2	1.1	438.1	32.2	4.0	11.7	119.6	15.8	0.0	258.3				
2005-06	1,284.7	-2.2%	429.3	1.0	428.3	31.3	3.9	11.4	115.2	16.0	0.0	250.2				
2006-07	1,259.4	-2.0%	420.9	0.1	420.8	30.7	3.8	11.2	113.2	15.9	0.0	246.1				
2007-08	1,232.5	-2.1%	411.9	0.3	411.6	29.9	3.7	10.9	110.3	15.9	0.0	239.3				
2008-09	1,252.4	1.6%	418.5	0.1	418.5	30.5	3.8	11.1	112.3	10.8	0.0	250.4				
2009-10	959.6	-23.4%	300.7	0.2	300.5	23.6	2.7	8.0	80.3	5.7	0.0	180.2	856.1	97.5	76.3	872.0
2010-11	920.1	-4.1%	303.5	0.2	303.3	24.5	2.8	8.2	82.9	5.6	0.0	186.2	924.2	0.0	74.5	853.0
2011-12																
Post-session 2012	866.5	-5.8%	289.6	0.2	289.4	23.2	2.6	7.6	77.3	5.6	0.0	173.2	866.0	0.0	69.3	796.7
Preliminary actual	860.0	-6.5%	288.1	0.2	287.9	23.0	2.6	7.6	76.8	5.6	0.0	171.8	859.5	0.0	67.3	792.2
2012-13																
Post-session 2012	857.0	-1.1%	286.4	0.2	286.2	22.9	2.6	7.6	76.4	5.6	0.0	171.2	856.5	0.0	68.5	788.0
July 2012	857.0	-0.3%	286.4	0.2	286.2	22.9	2.6	7.6	76.4	5.6	0.0	171.2	856.5	0.0	68.5	788.0
2013-14																
Post-session 2012	850.4	-0.8%	284.2	0.2	284.0	22.7	2.6	7.5	75.8	10.6	2.6	162.2	849.9	0.0	68.0	781.9
July 2012	850.4	-0.8%	284.2	0.2	284.0	22.7	2.6	7.5	75.8	10.6	2.6	162.2	849.9	0.0	68.0	781.9
2014-15																
Post-session 2012	846.2	-0.5%	282.8	0.2	282.6	22.6	2.5	7.5	75.4	10.6	2.6	161.4	845.7	0.0	67.7	778.0
July 2012	846.2	-0.5%	282.8	0.2	282.6	22.6	2.5	7.5	75.4	10.6	2.6	161.4	845.7	0.0	67.7	778.0
2015-16																
Post-session 2012	842.8	-0.4%	281.7	0.2	281.5	22.5	2.5	7.4	75.1	10.6	2.6	160.7	842.3	0.0	67.4	774.9
July 2012	842.8	-0.4%	281.7	0.2	281.5	22.5	2.5	7.4	75.1	10.6	2.6	160.7	842.3	0.0	67.4	774.9

Tobacco Tax and Surcharge Conference
Other Tobacco Products Tax and Surcharge Forecast
09-Jul-12

	Wholesale Volume (calculated)	% Change	Other Tobacco Products Tax to GR	Other Tobacco Products Surcharge			
				Surcharge	Floor Tax	GR Service Charge	Health Care Trust Fund
1989-90	49.8		12.5				
1990-91	57.7	15.9%	14.4				
1991-92	60.3	4.4%	15.1				
1992-93	65.4	8.6%	16.4				
1993-94	70.0	7.0%	17.5				
1994-95	74.4	6.3%	18.6				
1995-96	78.0	4.8%	19.5				
1996-97	77.2	-1.0%	19.3				
1997-98	84.0	8.8%	21.0				
1998-99	82.4	-1.9%	20.6				
1999-2000	87.6	6.3%	21.9				
2000-01	94.0	7.3%	23.5				
2001-02	94.4	0.4%	23.6				
2002-03	100.8	6.8%	25.2				
2003-04	110.8	9.9%	27.7				
2004-05	116.0	4.7%	29.0				
2005-06	110.0	-5.2%	27.5				
2006-07	132.4	20.4%	33.1				
2007-08	130.8	-1.2%	32.7				
2008-09	114.2	-12.7%	28.5				
2009-10	101.5	-11.1%	25.6	55.8	7.3	5.1	57.7
2010-11	107.1	5.5%	27.3	63.7	0	5.1	58.8
2011-12							
Post-session 2012	108.0	0.8%	27.0	64.8	0	5.2	59.6
Preliminary actual	110.1	2.8%	28.0	65.6	0	5.1	60.5
2012-13							
Post-session 2012	109.3	1.2%	27.3	65.6	0	5.2	60.3
July 2012	109.3	-0.7%	27.3	65.6	0	5.2	60.3
2013-14							
Post-session 2012	111.2	1.7%	27.8	66.7	0	5.3	61.4
July 2012	111.2	1.7%	27.8	66.7	0	5.3	61.4
2014-15							
Post-session 2012	113.0	1.6%	28.3	67.8	0	5.4	62.4
July 2012	113.0	1.6%	28.3	67.8	0	5.4	62.4
2015-16							
Post-session 2012	114.7	1.5%	28.7	68.8	0	5.5	63.3
July 2012	114.7	1.5%	28.7	68.8	0	5.5	63.3

Monthly Tobacco Revenues 2011-12 Compared to January 2012 Estimate

Cigarettes	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Total</u>	Actual Ratio	Expected Ratio
Excise Tax															
Actual	25.6	24.1	23.1	25.1	11.0	35.0	29.6	17.8	23.3	24.8	24.8	23.8	287.9	33.50%	33.42%
Estimate	25.6	24.1	23.1	25.1	11.0	35.0	27.4	21.7	23.9	23.2	24.6	24.8	289.4		
Difference	0.0	0.0	0.0	0.0	0.0	0.0	2.2	-3.9	-0.6	1.6	0.2	-1.0			
Cumulative	0.0	0.0	0.0	0.0	0.0	0.0	2.2	-1.7	-2.3	-0.7	-0.5	-1.5			
Surcharge															
Actual	76.5	72.0	69.0	74.4	73.4	64.1	88.0	53.3	70.5	73.6	74.1	70.6	859.5		859.98499
Estimate	76.5	72.0	69.0	74.4	73.4	64.1	82.2	65.1	71.7	69.6	73.8	74.2	866.0		
Difference	0.0	0.0	0.0	0.0	0.0	0.0	5.8	-11.8	-1.2	4.0	0.3	-3.6			
Cumulative	0.0	0.0	0.0	0.0	0.0	0.0	5.8	-6.0	-7.3	-3.3	-2.9	-6.5			33.44%
Total															
Actual	102.2	96.1	92.1	99.5	84.5	99.0	117.6	71.1	93.8	98.4	99.0	94.3	1,147.4		
Estimate	102.2	96.1	92.1	99.5	84.5	99.0	109.6	86.8	95.6	92.8	98.4	99.0	1,155.4		
Difference	0.0	0.0	0.0	0.0	0.0	0.0	8.0	-15.7	-1.8	5.6	0.6	-4.6			
Cumulative	0.0	0.0	0.0	0.0	0.0	0.0	8.0	-7.8	-9.6	-4.0	-3.4	-8.0			

-0.7% estimate
-6.5% last year

Other Tobacco Products	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Total</u>	Actual Ratio	Expected Ratio
Wholesale Tax															
Actual	2.3	2.2	2.7	2.0	2.4	2.2	1.3	2.4	2.8	2.5	2.7	2.4	28.0	42.62%	41.67%
Estimate	2.3	2.2	2.7	2.0	2.4	2.2	2.2	2.1	2.6	2.3	2.0	2.0	27.0		
Difference	0.0	0.0	0.0	0.0	0.0	0.0	-0.9	0.3	0.2	0.2	0.7	0.4			
Cumulative	0.0	0.0	0.0	0.0	0.0	0.0	-0.9	-0.5	-0.3	-0.1	0.6	1.0			
Surcharge															
Actual	5.4	4.9	5.4	4.9	5.6	5.1	5.3	5.9	5.6	5.8	6.9	4.9	65.6		
Estimate	5.4	4.9	5.4	4.9	5.6	5.1	5.6	5.4	6.5	5.8	5.1	5.1	64.8		
Difference	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	0.5	-0.9	0.0	1.8	-0.3			
Cumulative	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	0.2	-0.7	-0.7	1.1	0.8			
Total															
Actual	7.7	7.1	8.1	6.9	7.9	7.3	6.7	8.3	8.4	8.3	9.6	7.3	93.5		
Estimate	7.7	7.1	8.1	6.9	7.9	7.3	7.8	7.5	9.1	8.1	7.1	7.2	91.8		
Difference	0.0	0.0	0.0	0.0	0.0	0.0	-1.1	0.8	-0.7	0.2	2.5	0.1			
Cumulative	0.0	0.0	0.0	0.0	0.0	0.0	-1.1	-0.4	-1.1	-0.9	1.6	1.7			

1.9% estimate
2.9% last year

GR ends the year in total down by \$.4 million, or .2%