

**Revenue Estimating Conference
Tobacco Tax and Surcharge
Executive Summary
November 19, 2014**

The Revenue Estimating Conference reviewed Tobacco Tax and Surcharge revenues on November 19, 2014. The forecasts for cigarette revenues and other tobacco products revenues were both increased from the July 2014 conference results.

Cigarette tax and surcharge revenues were \$13.2 million over estimate for July through October 2014. Because of this, the Conference increased the Fiscal Year 2014-15 forecasts for these components by a combined \$27.5 million, resulting in a 1.45% decrease in revenues compared to Fiscal Year 2013-14, rather than a 4.0% decline as previously projected. Although the expected annual revenues were similarly increased throughout the forecast period, cigarette tax and surcharge revenues still show continuing declines, as people reduce consumption or substitute for alternative products.

The Conference also increased the combined forecasts for other tobacco products (excise and surcharge) by approximately \$6-\$7 million each fiscal year, due to substantially higher monthly revenues fiscal year to date.

The table below summarizes the changes in collections and distributions since the last forecast.

COLLECTIONS						
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Cigarette Tax						
July 2014	259.9	253.4	247.6	242.6	237.8	233.0
November 2014	267.0	261.1	255.6	250.5	245.8	241.3
Difference	7.1	7.7	8.0	7.9	8.0	8.3
Cigarette Surcharge						
July 2014	777.6	758.2	740.8	725.9	711.4	697.2
November 2014	798.0	780.4	764.0	748.7	734.5	721.3
Difference	20.4	22.2	23.2	22.8	23.1	24.1
OTP Tax						
July 2014	26.7	27.0	27.4	27.8	28.2	28.5
November 2014	28.4	29.0	29.4	29.8	30.2	30.6
Difference	1.7	2.0	2.0	2.0	2.0	2.1
OTP Surcharge						
July 2014	63.9	64.9	65.8	66.7	67.6	68.5
November 2014	68.2	69.6	70.6	71.5	72.5	73.5
Difference	4.3	4.7	4.8	4.8	4.9	5.0

DISTRIBUTIONS						
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Health Care Trust Fund						
July 2014	773.5	757.2	742.0	729.2	716.7	704.4
November 2014	796.9	782.0	767.8	754.7	742.5	731.2
Difference	23.4	24.8	25.8	25.5	25.8	26.8
General Revenue Service Charge						
July 2014	88.1	86.1	84.3	82.8	81.3	79.9
November 2014	90.6	88.9	87.2	85.6	84.2	82.9
Difference	2.5	2.8	2.9	2.8	2.9	3.0
General Revenue Excise Tax						
July 2014	142.3	138.4	134.8	131.8	128.9	126.0
November 2014	146.7	143.1	139.7	136.6	133.7	131.0
Difference	4.4	4.7	4.9	4.8	4.8	5.0
OTP General Revenue Tax						
July 2014	26.7	27.0	27.4	27.8	28.2	28.5
November 2014	28.4	29.0	29.4	29.8	30.2	30.6
Difference	1.7	2.0	2.0	2.0	2.0	2.1
Total GR Distributions						
July 2014	257.1	251.5	246.5	242.4	238.4	234.4
November 2014	265.7	260.9	256.3	252.1	248.2	244.5
Difference	8.6	9.4	9.8	9.7	9.8	10.1
All Other Funds						
July 2014	96.5	94.5	92.7	91.1	89.6	88.1
November 2014	98.7	96.9	95.2	93.6	92.1	90.7
Difference	2.2	2.4	2.5	2.5	2.5	2.6

Note: Adjustments were made to the FY 2013-14 revenues for Cigarette Tax, Cigarette Surcharge, and OTP Surcharge to reflect the impact of \$1.48 million in refunds granted associated with a court decision in MICJO, Inc v. DBPR Division of Alcoholic Beverages and Tobacco.

**Tobacco Tax and Surcharge Conference
Comparison of the July and November 2014 Forecasts**

COLLECTIONS							
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Cigarette Tax							
July 2014	271.3	259.9	253.4	247.6	242.6	237.8	233.0
November 2014	271.3	267.0	261.1	255.6	250.5	245.8	241.3
Difference	0.0	7.1	7.7	8.0	7.9	8.0	8.3
Cigarette Surcharge							
July 2014	810.3	777.6	758.2	740.8	725.9	711.4	697.2
November 2014	810.3	798.0	780.4	764.0	748.7	734.5	721.3
Difference	0.0	20.4	22.2	23.2	22.8	23.1	24.1
OTP Tax							
July 2014	27.6	26.7	27.0	27.4	27.8	28.2	28.5
November 2014	27.6	28.4	29.0	29.4	29.8	30.2	30.6
Difference	0.0	1.7	2.0	2.0	2.0	2.0	2.1
OTP Surcharge							
July 2014	64.0	63.9	64.9	65.8	66.7	67.6	68.5
November 2014	64.0	68.2	69.6	70.6	71.5	72.5	73.5
Difference	0.0	4.3	4.7	4.8	4.8	4.9	5.0
DISTRIBUTIONS							
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Health Care Trust Func							
July 2014	811.6	773.5	757.2	742.0	729.2	716.7	704.4
November 2014	811.6	796.9	782.0	767.8	754.7	742.5	731.2
Difference	0.0	23.4	24.8	25.8	25.5	25.8	26.8
General Revenue Service Charge							
July 2014	91.8	88.1	86.1	84.3	82.8	81.3	79.9
November 2014	91.8	90.6	88.9	87.2	85.6	84.2	82.9
Difference	0.0	2.5	2.8	2.9	2.8	2.9	3.0
General Revenue Excise Tax							
July 2014	150.6	142.3	138.4	134.8	131.8	128.9	126.0
November 2014	150.6	146.7	143.1	139.7	136.6	133.7	131.0
Difference	0.0	4.4	4.7	4.9	4.8	4.8	5.0
OTP General Revenue Tax							
July 2014	27.6	26.7	27.0	27.4	27.8	28.2	28.5
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July 2014	269.9	257.1	251.5	246.5	242.4	238.4	234.4
November 2014	269.9	265.7	260.9	256.3	252.1	248.2	244.5
Difference	0.0	8.6	9.4	9.8	9.7	9.8	10.1
All Other Funds							
July 2014	93.2	96.5	94.5	92.7	91.1	89.6	88.1
November 2014	93.2	98.7	96.9	95.2	93.6	92.1	90.7
Difference	0.0	2.2	2.4	2.5	2.5	2.5	2.6

Note: Adjustments were made to the FY 2013-14 revenues for Cigarette Tax, Cigarette Surcharge, and OTP Surcharge to reflect the impact of \$1.48 million in refunds granted associated with a court decision in MICJO, Inc v. DBPR Division of Alcoholic Beverages and Tobacco.

Tobacco Tax and Surcharge Conference
Cigarette Tax and Surcharge Forecast
 November 2014

	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
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	959.7	-23.4%	300.8	0.3	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	920.3	-4.1%	303.7	0.4	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	860.1	-6.5%	288.1	0.2	287.9	23.1	2.6	7.6	76.8	5.8	0.0	171.8	859.5	0.0	68.8	792.3
2012-13	846.3	-1.6%	285.3	0.4	284.9	22.9	2.6	7.7	77.5	5.7	0.0	173.7	843.8	0.0	67.6	770.2
2013-14	810.7	-4.2%	271.3	0.7	270.7	21.7	2.4	7.0	70.7	10.6	2.5	150.6	810.3	0.0	64.9	752.8
2014-15																
July 2014	777.6	-4.08%	259.9	0.3	259.6	20.8	2.3	6.9	69.3	15.6	2.4	142.3	777.6	0.0	62.2	714.8
Nov 2014	798.9	-1.45%	267.0	0.3	266.7	21.3	2.4	7.0	71.2	15.6	2.4	146.7	798.0	0.0	63.8	734.2
2015-16																
July 2014	758.2	-2.50%	253.4	0.3	253.1	20.2	2.3	6.7	67.6	15.6	2.3	138.4	758.2	0.0	60.7	697.5
Nov 2014	781.3	-2.20%	261.1	0.3	260.8	20.9	2.3	6.9	69.6	15.6	2.4	143.1	780.4	0.0	62.4	718.0
2016-17																
July 2014	740.8	-2.30%	247.6	0.3	247.3	19.8	2.2	6.5	66.0	15.6	2.3	134.8	740.8	0.0	59.3	681.5
Nov 2014	764.9	-2.10%	255.6	0.3	255.3	20.4	2.3	6.7	68.2	15.6	2.3	139.7	764.0	0.0	61.1	702.9
2017-18																
July 2014	725.9	-2.00%	242.6	0.3	242.3	19.4	2.2	6.4	64.7	15.6	2.2	131.8	725.9	0.0	58.1	667.9
Nov 2014	749.6	-2.00%	250.5	0.3	250.2	20.0	2.3	6.6	66.8	15.6	2.3	136.6	748.7	0.0	59.9	688.8
2018-19																
July 2014	711.4	-2.00%	237.8	0.3	237.5	19.0	2.1	6.3	63.4	15.6	2.2	128.9	711.4	0.0	56.9	654.5
Nov 2014	735.4	-1.90%	245.8	0.3	245.5	19.6	2.2	6.5	65.5	15.6	2.2	133.7	734.5	0.0	58.8	675.7
2019-20																
July 2014	697.2	-2.00%	233.0	0.3	232.7	18.6	2.1	6.1	62.1	15.6	2.1	126.0	697.2	0.0	55.8	641.4
Nov 2014	722.2	-1.80%	241.3	0.3	241.0	19.3	2.2	6.4	64.3	15.6	2.2	131.0	721.3	0.0	57.7	663.6

Tobacco Tax and Surcharge Conference
Other Tobacco Products Tax and Surcharge Forecast
November 2014

			Other Tobacco Products Tax to GR	Other Tobacco Products Surcharge			
	Total Revenue	% change		Surcharge	Floor Tax	GR Service Charge	Health Care Trust Fund
2003-04	27.7		27.7				
2004-05	29.0	4.7%	29.0				
2005-06	27.5	-5.2%	27.5				
2006-07	33.1	20.4%	33.1				
2007-08	32.7	-1.2%	32.7				
2008-09	28.5	-12.7%	28.5				
2009-10	81.4	185.2%	25.6	55.8	7.3	5.1	57.7
2010-11	91.0	11.7%	27.3	63.7	0	5.1	58.8
2011-12	93.5	2.8%	28.0	65.6	0	5.3	60.3
2012-13	98.5	5.3%	28.4	70.1	0	5.6	64.5
2013-14	91.5	-7.1%	27.6	64.0	0	5.1	58.8
2014-15							
July 2014	90.6	-1.0%	26.7	63.9	0	5.1	58.8
Nov 2014	96.6	5.6%	28.4	68.2	0	5.5	62.7
2015-16							
July 2014	91.9	1.4%	27.0	64.9	0	5.2	59.7
Nov 2014	98.6	2.0%	29.0	69.6	0	5.6	64.0
2016-17							
July 2014	93.2	1.4%	27.4	65.8	0	5.3	60.5
Nov 2014	100.0	1.4%	29.4	70.6	0	5.6	64.9
2017-18							
July 2014	94.5	1.4%	27.8	66.7	0	5.3	61.4
Nov 2014	101.4	1.4%	29.8	71.5	0	5.7	65.8
2018-19							
July 2014	95.8	1.4%	28.2	67.6	0	5.4	62.2
Nov 2014	102.7	1.4%	30.2	72.5	0	5.8	66.7
2019-20							
July 2014	97.0	1.3%	28.5	68.5	0	5.5	63.0
Nov 2014	104.1	1.3%	30.6	73.5	0	5.9	67.6