

**Revenue Estimating Conference
Tobacco Tax and Surcharge
Executive Summary
December 3, 2015**

The Revenue Estimating Conference reviewed Tobacco Tax and Surcharge revenues on December 3, 2015 and increased the forecasts for both cigarette and other tobacco products revenues from the July 2015 forecast.

Cigarette tax and surcharge revenues were \$12.8 million over estimate for July through November 2015. The revenues were also higher than the same period in the previous fiscal year. As a result, the conference added to the estimate for Fiscal Year 2015-16. The conference does not believe that this increasing trend will continue, as the overall downward trend in cigarette consumption over the past ten years is likely to continue in the future. Therefore, the expected revenues in Fiscal Years 2016-17 through 2020-21 are expected to decline, although at a slower rate than expected at the July 2015 conference.

Other Tobacco Products tax and surcharge revenues were \$1.4 million over estimate for July through November 2015. The conference increased the forecast for Fiscal Year 2015-16 because of strong performance fiscal-year-to-date and kept the growth rates in Fiscal Years 2016-17 through 2020-21 the same as the previous forecast, resulting in about \$1.4 million in additional revenues each fiscal year.

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

Tobacco Tax and Surcharge Conference
Comparison of the July and December 2015 Forecasts

COLLECTIONS						
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Cigarette Tax						
July 2015	266.9	261.2	256.0	251.2	246.6	242.2
December 2015	274.9	272.7	268.6	264.5	260.6	256.6
Difference	8.0	11.5	12.6	13.3	14.0	14.4
Cigarette Surcharge						
July 2015	798.5	781.7	766.1	751.5	738.0	724.7
December 2015	822.6	815.8	803.6	791.5	779.6	767.9
Difference	24.1	34.1	37.5	40.0	41.6	43.2
OTP Tax						
July 2015	31.4	32.1	32.8	33.5	34.2	34.8
December 2015	31.8	32.5	33.2	33.9	34.6	35.3
Difference	0.4	0.4	0.4	0.4	0.4	0.5
OTP Surcharge						
July 2015	75.4	77.1	78.8	80.4	82.0	83.6
December 2015	76.3	78.1	79.8	81.4	83.0	84.7
Difference	0.9	1.0	1.0	1.0	1.0	1.1
DISTRIBUTIONS						
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Health Care Trust Fund						
July 2015	804.0	790.1	777.3	765.3	754.3	743.6
December 2015	827.0	822.4	812.7	803.1	793.6	784.4
Difference	23.0	32.3	35.4	37.8	39.3	40.8
General Revenue Service Charge						
July 2015	91.3	89.6	88.1	86.6	85.3	84.0
December 2015	93.9	93.3	92.2	91.0	89.9	88.7
Difference	2.6	3.7	4.1	4.4	4.6	4.7
General Revenue Excise Tax						
July 2015	146.8	143.3	140.2	137.2	134.4	131.7
December 2015	151.7	150.3	147.8	145.3	142.9	140.5
Difference	4.9	7.0	7.6	8.1	8.5	8.8
OTP General Revenue Tax						
July 2015	31.4	32.1	32.8	33.5	34.2	34.8
December 2015	31.8	32.5	33.2	33.9	34.6	35.3
Difference	0.4	0.4	0.4	0.4	0.4	0.5
Total GR Distributions						
July 2015	269.4	265.1	261.1	257.3	253.9	250.6
December 2015	277.4	276.1	273.1	270.2	267.4	264.6
Difference	8.0	11.0	12.0	12.9	13.5	14.0
All Other Funds						
July 2015	98.8	97.0	95.4	93.9	92.5	91.1
December 2015	101.3	100.6	99.3	98.0	96.8	95.6
Difference	2.5	3.6	3.9	4.1	4.3	4.5

**Tobacco Tax and Surcharge Conference
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Difference	0.4	0.4	0.4	0.4	0.4	0.5
OTP Surcharge						
July 2015	75.4	77.1	78.8	80.4	82.0	83.6
December 2015	76.3	78.1	79.8	81.4	83.0	84.7
Difference	0.9	1.0	1.0	1.0	1.0	1.1
DISTRIBUTIONS						
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Health Care Trust Fund						
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General Revenue Excise Tax						
July 2015	146.8	143.3	140.2	137.2	134.4	131.7
December 2015	151.7	150.3	147.8	145.3	142.9	140.5
Difference	4.9	7.0	7.6	8.1	8.5	8.8
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July 2015	269.4	265.1	261.1	257.3	253.9	250.6
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Tobacco Tax and Surcharge Conference
Cigarette Tax and Surcharge Forecast
December 2015

	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	23.0	2.6	7.6	76.8	5.8	0.0	171.8	859.5	0.0	68.7	792.3
2012-13	846.3	-1.6%	285.3	0.4	284.9	22.8	2.6	7.7	77.5	5.7	0.0	173.7	843.8	0.0	67.5	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	64.8	752.8
2014-15	817.4	0.8%	274.5	0.3	274.2	21.9	2.5	7.2	73.2	15.5	2.5	151.3	816.1	0.0	65.3	750.6
2015-16																
July 2015	799.4	-2.20%	267.2	0.3	266.9	21.3	2.4	7.1	71.2	15.6	2.4	146.8	798.5	0.0	63.9	734.6
Dec 2015	823.5	0.75%	275.2	0.3	274.9	22.0	2.5	7.3	73.4	15.6	2.5	151.7	822.6	0.0	65.8	756.8
2016-17																
July 2015	782.6	-2.10%	261.5	0.3	261.2	20.9	2.4	6.9	69.7	15.6	2.4	143.3	781.7	0.0	62.5	719.2
Dec 2015	816.7	-0.82%	273.0	0.3	272.7	21.8	2.5	7.2	72.8	15.6	2.5	150.3	815.8	0.0	65.3	750.6
2017-18																
July 2015	767.0	-2.00%	256.3	0.3	256.0	20.5	2.3	6.8	68.3	15.6	2.3	140.2	766.1	0.0	61.3	704.8
Dec 2015	804.5	-1.50%	268.9	0.3	268.6	21.5	2.4	7.1	71.7	15.6	2.4	147.8	803.6	0.0	64.3	739.3
2018-19																
July 2015	752.4	-1.90%	251.5	0.3	251.2	20.1	2.3	6.6	67.0	15.6	2.3	137.2	751.5	0.0	60.1	691.4
Dec 2015	792.4	-1.50%	264.8	0.3	264.5	21.2	2.4	7.0	70.6	15.6	2.4	145.3	791.5	0.0	63.3	728.2
2019-20																
July 2015	738.9	-1.80%	246.9	0.3	246.6	19.7	2.2	6.5	65.8	15.6	2.2	134.4	738.0	0.0	59.0	678.9
Dec 2015	780.5	-1.50%	260.9	0.3	260.6	20.8	2.3	6.9	69.5	15.6	2.4	142.9	779.6	0.0	62.4	717.3
2020-21																
July 2015	725.6	-1.80%	242.5	0.3	242.2	19.4	2.2	6.4	64.6	15.6	2.2	131.7	724.7	0.0	58.0	666.7
Dec 2015	768.8	-1.50%	256.9	0.3	256.6	20.5	2.3	6.8	68.5	15.6	2.3	140.5	767.9	0.0	61.4	706.5

Tobacco Tax and Surcharge Conference
Other Tobacco Products Tax and Surcharge Forecast
December 2015

	Total Revenue	% change	Other Tobacco Products Tax to GR	Other Tobacco Products Surcharge			
				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	5.2	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	102.7	12.2%	30.0	72.7	0	5.8	66.9
2015-16							
July 2015	106.8	4.0%	31.4	75.4	0	6.0	69.3
Dec 2015	108.1	5.3%	31.8	76.3	0	6.1	70.2
2016-17							
July 2015	109.2	2.3%	32.1	77.1	0	6.2	70.9
Dec 2015	110.6	2.3%	32.5	78.1	0	6.2	71.9
2017-18							
July 2015	111.6	2.2%	32.8	78.8	0	6.3	72.5
Dec 2015	113.0	2.2%	33.2	79.8	0	6.4	73.4
2018-19							
July 2015	113.8	2.0%	33.5	80.4	0	6.4	73.9
Dec 2015	115.3	2.0%	33.9	81.4	0	6.5	74.9
2019-20							
July 2015	116.1	2.0%	34.2	82.0	0	6.6	75.4
Dec 2015	117.6	2.0%	34.6	83.0	0	6.6	76.4
2020-21							
July 2015	118.4	2.0%	34.8	83.6	0	6.7	76.9
Dec 2015	120.0	2.0%	35.3	84.7	0	6.8	77.9