

**Revenue Estimating Conference**  
**Tobacco Tax and Surcharge**  
**Executive Summary**  
**November 17, 2016**

The Revenue Estimating Conference reviewed Tobacco Tax and Surcharge revenues on November 17, 2016 and decreased the forecasts for both cigarette and other tobacco products revenues from the August 2016 forecast.

Cigarette tax and surcharge revenues were \$3.5 million under estimate for August through October 2016. Based on this recent performance, the revenue forecast was slightly decreased compared to the prior estimate. Despite the positive growth in fiscal years 2014-15 and 2015-16, the Conference believes that the overall downward trend in cigarette consumption over the past ten years is likely to continue in the future.

Other Tobacco Products (OTP) tax and surcharge revenues were \$2.2 million under estimate for August through October 2016. The Conference believes that the growth that occurred from a change to premium OTP products was realized in Fiscal Year 2015-16 and that revenues in Fiscal Year 2016-17 will remain at the same level before growth begins again in Fiscal Year 2017-18. The Conference kept the growth rates in fiscal years 2018-19 through 2021-22 the same as the previous forecast.

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

**Tobacco Tax and Surcharge Conference**  
**Comparison of the August and November 2016 Forecasts**

<b>COLLECTIONS</b>							
	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
<b>Cigarette Tax</b>							
August 2016	280.3	276.2	274.2	270.8	266.7	262.7	258.8
November 2016	280.3	274.4	271.7	268.3	264.2	260.3	256.4
Difference	0.0	-1.8	-2.5	-2.5	-2.5	-2.4	-2.4
<b>Cigarette Surcharge</b>							
August 2016	824.4	826.6	820.5	810.2	798.0	786.1	774.3
November 2016	824.4	821.1	812.9	802.7	790.7	778.8	767.1
Difference	0.0	-5.5	-7.6	-7.5	-7.3	-7.3	-7.2
<b>OTP Tax</b>							
August 2016	32.5	34.2	34.4	35.1	35.8	36.6	37.3
November 2016	32.5	32.5	32.9	33.6	34.3	34.9	35.6
Difference	0.0	-1.7	-1.5	-1.5	-1.5	-1.7	-1.7
<b>OTP Surcharge</b>							
August 2016	77.9	80.3	82.6	84.3	86.0	87.7	89.5
November 2016	77.9	77.9	79.0	80.6	82.2	83.9	85.5
Difference	0.0	-2.4	-3.6	-3.7	-3.8	-3.8	-4.0
<b>DISTRIBUTIONS</b>							
	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
<b>Health Care Trust Fund</b>							
August 2016	830.0	834.4	830.8	822.9	813.3	803.8	794.6
November 2016	830.0	827.2	820.5	812.6	803.0	793.5	782.6
Difference	0.0	-7.2	-10.3	-10.3	-10.3	-10.3	-12.0
<b>General Revenue Service Charge</b>							
August 2016	94.6	94.6	94.2	93.2	92.1	91.0	89.9
November 2016	94.6	93.8	93.1	92.1	91.0	89.9	88.8
Difference	0.0	-0.8	-1.1	-1.1	-1.1	-1.1	-1.1
<b>General Revenue Excise Tax</b>							
August 2016	155.0	152.5	151.2	149.1	146.7	144.2	141.8
November 2016	155.0	151.3	149.7	147.6	145.2	142.7	140.4
Difference	0.0	-1.2	-1.5	-1.5	-1.5	-1.5	-1.4
<b>OTP General Revenue Tax</b>							
August 2016	32.5	34.2	34.4	35.1	35.8	36.6	37.3
November 2016	32.5	32.5	32.9	33.6	34.3	34.9	35.6
Difference	0.0	-1.7	-1.5	-1.5	-1.5	-1.7	-1.7
<b>Total GR Distributions</b>							
August 2016	282.1	281.2	279.8	277.5	274.6	271.8	269.0
November 2016	282.1	277.6	275.7	273.3	270.4	267.6	264.8
Difference	0.0	-3.6	-4.1	-4.2	-4.2	-4.2	-4.2
<b>All Other Funds</b>							
August 2016	102.8	101.7	101.0	100.0	98.7	97.5	96.2
November 2016	102.8	101.1	100.3	99.2	97.9	96.7	95.5
Difference	0.0	-0.6	-0.7	-0.8	-0.8	-0.8	-0.7

**Tobacco Tax and Surcharge Conference**  
**Comparison of the August and November 2016 Forecasts**

<b>COLLECTIONS</b>							
	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
<b>Cigarette Tax</b>							
August 2016	280.3	276.2	274.2	270.8	266.7	262.7	258.8
November 2016	280.3	274.4	271.7	268.3	264.2	260.3	256.4
Difference	0.0	-1.8	-2.5	-2.5	-2.5	-2.4	-2.4
<b>Cigarette Surcharge</b>							
August 2016	824.4	826.6	820.5	810.2	798.0	786.1	774.3
November 2016	824.4	821.1	812.9	802.7	790.7	778.8	767.1
Difference	0.0	-5.5	-7.6	-7.5	-7.3	-7.3	-7.2
<b>OTP Tax</b>							
August 2016	32.5	34.2	34.4	35.1	35.8	36.6	37.3
November 2016	32.5	32.5	32.9	33.6	34.3	34.9	35.6
Difference	0.0	-1.7	-1.5	-1.5	-1.5	-1.7	-1.7
<b>OTP Surcharge</b>							
August 2016	77.9	80.3	82.6	84.3	86.0	87.7	89.5
November 2016	77.9	77.9	79.0	80.6	82.2	83.9	85.5
Difference	0.0	-2.4	-3.6	-3.7	-3.8	-3.8	-4.0
<b>DISTRIBUTIONS</b>							
	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
<b>Health Care Trust Fund</b>							
August 2016	830.0	834.4	830.8	822.9	813.3	803.8	794.6
November 2016	830.0	827.2	820.5	812.6	803.0	793.5	782.6
Difference	0.0	-7.2	-10.3	-10.3	-10.3	-10.3	-12.0
<b>General Revenue Service Charge</b>							
August 2016	94.6	94.6	94.2	93.2	92.1	91.0	89.9
November 2016	94.6	93.8	93.1	92.1	91.0	89.9	88.8
Difference	0.0	-0.8	-1.1	-1.1	-1.1	-1.1	-1.1
<b>General Revenue Excise Tax</b>							
August 2016	155.0	152.5	151.2	149.1	146.7	144.2	141.8
November 2016	155.0	151.3	149.7	147.6	145.2	142.7	140.4
Difference	0.0	-1.2	-1.5	-1.5	-1.5	-1.5	-1.4
<b>OTP General Revenue Tax</b>							
August 2016	32.5	34.2	34.4	35.1	35.8	36.6	37.3
November 2016	32.5	32.5	32.9	33.6	34.3	34.9	35.6
Difference	0.0	-1.7	-1.5	-1.5	-1.5	-1.7	-1.7
<b>Total GR Distributions</b>							
August 2016	282.1	281.2	279.8	277.5	274.6	271.8	269.0
November 2016	282.1	277.6	275.7	273.3	270.4	267.6	264.8
Difference	0.0	-3.6	-4.1	-4.2	-4.2	-4.2	-4.2
<b>All Other Funds</b>							
August 2016	102.8	101.7	101.0	100.0	98.7	97.5	96.2
November 2016	102.8	101.1	100.3	99.2	97.9	96.7	95.5
Difference	0.0	-0.6	-0.7	-0.8	-0.8	-0.8	-0.7

**Tobacco Tax and Surcharge Conference**  
**Cigarette Tax and Surcharge Forecast**  
November 2016

	Packs (calculated)	% Change	Cigarette Tax									Cigarette Surcharge				Total Revenues	Percentage Change	
			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	1156.6	
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	1227.5	6.1%
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	1147.4	-6.5%
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	1128.7	-1.6%
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	1081.0	-4.2%
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	1090.3	0.9%
2015-16	828.3	1.3%	280.7	0.3	280.3	22.4	2.5	7.4	74.8	15.5	2.6	155.0	824.4	0.0	66.0	758.3	1104.8	1.3%
<b>2016-17</b>																		
August 2016	827.5	-0.10%	276.5	0.3	276.2	22.1	2.5	7.3	73.7	15.6	2.5	152.5	826.6	0.0	66.1	760.4	1102.8	-0.2%
November 2016	822.0	-0.76%	274.7	0.3	274.4	22.0	2.5	7.2	73.2	15.6	2.5	151.3	821.1	0.0	65.7	755.4	1095.5	-0.8%
<b>2017-18</b>																		
August 2016	821.3	-0.74%	274.5	0.3	274.2	21.9	2.5	7.2	73.2	15.6	2.5	151.2	820.5	0.0	65.6	754.8	1094.6	-0.7%
November 2016	813.8	-1.00%	272.0	0.3	271.7	21.7	2.4	7.2	72.5	15.6	2.5	149.7	812.9	0.0	65.0	747.9	1084.5	-1.0%
<b>2018-19</b>																		
August 2016	811.1	-1.25%	271.1	0.3	270.8	21.7	2.4	7.2	72.3	15.6	2.5	149.1	810.2	0.0	64.8	745.4	1081.0	-1.2%
November 2016	803.6	-1.25%	268.6	0.3	268.3	21.5	2.4	7.1	71.6	15.6	2.4	147.6	802.7	0.0	64.2	738.5	1071.0	-1.3%
<b>2019-20</b>																		
August 2016	798.9	-1.50%	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	1064.8	-1.5%
November 2016	791.6	-1.50%	264.5	0.3	264.2	21.1	2.4	7.0	70.5	15.6	2.4	145.2	790.7	0.0	63.3	727.4	1054.9	-1.5%
<b>2020-21</b>																		
August 2016	787.0	-1.50%	263.0	0.3	262.7	21.0	2.4	6.9	70.1	15.6	2.4	144.2	786.1	0.0	62.9	723.2	1048.8	-1.5%
November 2016	779.7	-1.50%	260.6	0.3	260.3	20.8	2.3	6.9	69.5	15.6	2.4	142.7	778.8	0.0	62.3	716.5	1039.1	-1.5%
<b>2021-22</b>																		
August 2016	775.2	-1.50%	259.1	0.3	258.8	20.7	2.3	6.8	69.1	15.6	2.4	141.8	774.3	0.0	61.9	712.3	1033.0	-1.5%
November 2016	768.0	-1.50%	256.7	0.3	256.4	20.5	2.3	6.8	68.4	15.6	2.3	140.4	767.1	0.0	61.4	705.7	1023.5	-1.5%

**Tobacco Tax and Surcharge Conference**  
**Other Tobacco Products Tax and Surcharge Forecast**  
November 2016

	Total Revenue		Other Tobacco Products Tax to GR	Other Tobacco Products Surcharge			
	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	5.2	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	110.4	7.5%	32.5	77.9	0	6.2	71.7
<b>2016-17</b>							
August 2016	114.5	3.7%	34.2	80.3	0	6.3	74.0
November 2016	110.4	0.0%	32.5	77.9	0	6.2	71.7
<b>2017-18</b>							
August 2016	117.0	2.2%	34.4	82.6	0	6.6	76.0
November 2016	111.9	1.4%	32.9	79.0	0	6.3	72.7
<b>2018-19</b>							
August 2016	119.4	2.0%	35.1	84.3	0	6.7	77.5
November 2016	114.2	2.0%	33.6	80.6	0	6.4	74.1
<b>2019-20</b>							
August 2016	121.9	2.1%	35.8	86.0	0	6.9	79.1
November 2016	116.5	2.0%	34.3	82.2	0	6.6	75.6
<b>2020-21</b>							
August 2016	124.3	2.0%	36.6	87.7	0	7.1	80.6
November 2016	118.8	2.0%	34.9	83.9	0	6.8	77.1
<b>2021-22</b>							
August 2016	126.8	2.0%	37.3	89.5	0	7.2	82.2
November 2016	121.2	2.0%	35.6	85.5	0	6.9	78.6