

Revenue Estimating Conference
Tobacco Tax and Surcharge
Executive Summary
November 17, 2020

The Revenue Estimating Conference met November 17, 2020 and revised the Tobacco Tax and Surcharge estimates for Cigarettes and Other Tobacco Products (OTP). For FY 2020-21, year-to-date combined cigarette tax and surcharge collections were \$8.7 million over estimate, and other tobacco tax and surcharge estimates were right on estimate.

The Department of Business and Professional Regulation entered into a legal settlement agreement in May 2019 to resolve a series of refund claims and related litigation on the taxation of other tobacco products. The payments and tax credits incorporated in this settlement began in August 2019 and will continue through June 2021 pursuant to the settlement terms. For Conference purposes, that agreement is treated as current law, current administration affecting the distribution to the Health Care Trust Fund. The settlement results in refund payments of \$29.9 million in FY 2019-20, and tax credits in the amounts of \$2.4 million in FY 2019-20 and \$10.2 million in FY 2020-21.

The performance of the cigarette tax and surcharge was doing better than originally expected, but most of the overage was realized in one month. As a result, the Conference only modestly increased the combined forecast by \$15.5 million in FY 2020-21 and \$15.1 million in FY 2021-22. Throughout the remainder of the forecast, the overall growth rates were reaffirmed, causing the increase to the estimates to decline each year.

For OTP, the estimates remained unchanged. This reflects the current fiscal year's performance of OTP tax and surcharge collections.

The table on the following page summarizes the changes in collections and distributions since the last forecast.

Tobacco Tax and Surcharge Conference
Comparison of the August 2020 and November 2020 Forecasts

COLLECTIONS						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Cigarette Tax						
August 2020	241.8	236.1	232.0	227.9	223.9	220.0
November 2020	245.7	239.9	235.7	231.5	227.5	223.5
Difference	3.9	3.8	3.7	3.6	3.6	3.5
Cigarette Surcharge						
August 2020	723.5	706.5	694.1	682.0	670.0	658.3
November 2020	735.1	717.8	705.2	692.8	680.7	668.8
Difference	11.6	11.3	11.1	10.8	10.7	10.5
OTP Tax						
August 2020	40.1	40.9	41.7	42.5	43.4	44.2
November 2020	40.1	40.9	41.7	42.5	43.4	44.2
Difference	0.0	0.0	0.0	0.0	0.0	0.0
OTP Surcharge						
August 2020	85.5	97.6	99.6	101.6	103.6	105.8
November 2020	85.5	97.6	99.6	101.6	103.6	105.8
Difference	0.0	0.0	0.0	0.0	0.0	0.0

DISTRIBUTIONS						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Health Care Trust Fund						
August 2020	744.2	739.8	730.2	720.8	711.7	702.9
November 2020	754.9	750.2	740.4	730.8	721.5	712.6
Difference	10.7	10.4	10.2	10.0	9.8	9.7
General Revenue Service Charge						
August 2020	84.1	83.2	82.1	81.0	79.8	78.8
November 2020	85.4	84.4	83.3	82.1	81.0	79.9
Difference	1.3	1.2	1.2	1.1	1.2	1.1
General Revenue Excise Tax						
August 2020	131.7	128.2	125.7	123.2	120.8	118.4
November 2020	134.0	130.5	128.0	125.4	123.0	120.5
Difference	2.3	2.3	2.3	2.2	2.2	2.1
OTP General Revenue Tax						
August 2020	40.1	40.9	41.7	42.5	43.4	44.2
November 2020	40.1	40.9	41.7	42.5	43.4	44.2
Difference	0.0	0.0	0.0	0.0	0.0	0.0
Total GR Distributions						
August 2020	255.9	252.3	249.5	246.7	244.0	241.4
November 2020	259.5	255.8	253.0	250.0	247.4	244.6
Difference	3.6	3.5	3.5	3.3	3.4	3.2
All Other Funds						
August 2020	90.8	89.0	87.7	86.5	85.2	84.0
November 2020	92.0	90.2	88.8	87.6	86.3	85.1
Difference	1.2	1.2	1.1	1.1	1.1	1.1

Tobacco Tax and Surcharge Conference
Comparison of the August 2020 and November 2020 Forecasts
17-Nov-20
FINAL

	Packs		Cigarette Tax										Cigarette Surcharge					Total	
	(calculated)	% 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	Adjustments ¹	Floor Tax	GR Service Charge	Health Care Trust Fund	Revenues	Percentage Change
Aug-19																			
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	74.5	853.0	1227.5	6.13%
2011-12	860.1	-6.5%	288.1	0.2	287.9	0.0	2.6	7.6	76.8	5.8	0.0	171.8	859.5	0.0	0.0	0.0	-65.6	1147.4	-6.53%
2012-13	846.3	-1.6%	285.3	0.4	284.9	0.0	2.6	7.7	77.5	5.7	0.0	173.7	843.8	0.0	0.0	0.0	-70.1	1128.7	-1.63%
2013-14	810.7	-4.2%	271.3	0.6	270.7	0.0	2.4	7.0	70.7	10.6	0.0	150.6	810.3	0.0	0.0	0.0	-65.1	1081.0	-4.23%
2014-15	817.2	0.8%	274.2	0.1	274.2	0.0	2.5	7.2	73.2	15.5	2.7	151.3	816.1	0.0	0.0	0.0	-73.0	1090.3	0.86%
2015-16	828.1	1.3%	280.5	0.1	280.3	0.0	2.5	7.4	74.8	15.5	2.8	155.0	824.4	0.0	66.0	66.0	-78.1	1104.8	1.33%
2016-17	821.3	-0.8%	276.0	0.0	276.0	22.7	2.5	7.3	73.5	15.5	2.5	152.0	819.8	0.0	65.9	65.9	-69.3	1095.8	-0.81%
2017-18	788.9	-3.9%	264.8	0.0	264.8	20.1	2.4	7.0	71.0	15.5	2.4	146.3	787.7	0.0	60.8	60.8	726.9	1052.5	-3.95%
2018-19	761.7	-3.5%	263.0	0.4	262.6	23.2	2.3	6.9	69.5	15.5	2.4	142.8	753.2	0.0	64.7	64.7	688.5	1015.8	-3.48%
2019-20	744.9	-2.2%	240.7	0.0	240.7	18.4	2.2	6.4	64.5	15.5	2.2	131.5	753.1	-29.9	0.0	57.9	665.3	963.9	-5.11%
FORECASTS																			
2020-21																			
August 2020	724.4	-2.75%	242.1	0.3	241.8	19.3	2.2	6.4	64.5	15.5	2.2	131.7	723.5	0.0	0.0	57.9	665.6	965.3	-0.74%
EOG	736.0	-1.20%	246.0	0.3	245.7	19.7	2.2	6.5	65.6	15.5	2.2	134.0	735.1	0.0	0.0	58.8	676.3	980.8	1.75%
EDR	748.0	0.42%	250.0	0.3	249.7	20.0	2.2	6.6	66.7	15.5	2.3	136.4	747.1	0.0	0.0	59.8	687.3	996.8	3.41%
DBPR	748.6	0.50%	250.2	0.3	249.9	20.0	2.2	6.6	66.7	15.5	2.3	136.6	747.7	0.0	0.0	59.8	687.9	997.6	3.50%
November 2020	736.0	-1.20%	246.0	0.3	245.7	19.7	2.2	6.5	65.6	15.5	2.2	134.0	735.1	0.0	0.0	58.8	676.3	980.8	1.75%
2021-22																			
August 2020	707.4	-2.35%	236.4	0.3	236.1	18.9	2.1	6.2	63.0	15.5	2.2	128.2	706.5	0.0	0.0	56.5	650.0	942.6	-2.35%
EOG	718.7	-2.35%	240.2	0.3	239.9	19.2	2.2	6.3	64.0	15.5	2.2	130.5	717.8	0.0	0.0	57.4	660.4	957.7	-2.36%
EDR	729.3	-2.50%	243.7	0.3	243.4	19.5	2.2	6.4	65.0	15.5	2.2	132.6	728.4	0.0	0.0	58.3	670.1	971.8	-2.51%
DBPR	748.6	0.00%	250.2	0.3	249.9	20.0	2.2	6.6	66.7	15.5	2.3	136.6	747.7	0.0	0.0	59.8	687.9	997.6	0.00%
November 2020	718.7	-2.35%	240.2	0.3	239.9	19.2	2.2	6.3	64.0	15.5	2.2	130.5	717.8	0.0	0.0	57.4	660.4	957.7	-2.36%
2022-23																			
August 2020	695.0	-1.75%	232.3	0.3	232.0	18.6	2.1	6.1	61.9	15.5	2.1	125.7	694.1	0.0	0.0	55.5	638.6	926.1	-1.75%
EOG	706.1	-1.75%	236.0	0.3	235.7	18.9	2.1	6.2	62.9	15.5	2.1	128.0	705.2	0.0	0.0	56.4	648.8	940.9	-1.75%
EDR	716.5	-1.75%	239.5	0.3	239.2	19.1	2.2	6.3	63.8	15.5	2.2	130.1	715.6	0.0	0.0	57.2	658.4	954.8	-1.75%
DBPR	744.9	-0.49%	248.9	0.3	248.6	19.9	2.2	6.6	66.4	15.5	2.3	135.7	744.0	0.0	0.0	59.5	684.5	992.6	-0.50%
November 2020	706.1	-1.75%	236.0	0.3	235.7	18.9	2.1	6.2	62.9	15.5	2.1	128.0	705.2	0.0	0.0	56.4	648.8	940.9	-1.75%
2023-24																			
August 2020	682.9	-1.75%	228.2	0.3	227.9	18.2	2.1	6.0	60.8	15.5	2.1	123.2	682.0	0.0	0.0	54.6	627.4	909.9	-1.75%
EOG	693.7	-1.75%	231.8	0.3	231.5	18.5	2.1	6.1	61.8	15.5	2.1	125.4	692.8	0.0	0.0	55.4	637.4	924.3	-1.76%
EDR	704.0	-1.75%	235.3	0.3	235.0	18.8	2.1	6.2	62.7	15.5	2.1	127.6	703.1	0.0	0.0	56.2	646.9	938.1	-1.75%
DBPR	741.2	-0.50%	247.7	0.3	247.4	19.8	2.2	6.5	66.0	15.5	2.3	135.1	740.3	0.0	0.0	59.2	681.1	987.7	-0.49%
November 2020	693.7	-1.75%	231.8	0.3	231.5	18.5	2.1	6.1	61.8	15.5	2.1	125.4	692.8	0.0	0.0	55.4	637.4	924.3	-1.76%
2024-25																			
August 2020	670.9	-1.75%	224.2	0.3	223.9	17.9	2.0	5.9	59.8	15.5	2.0	120.8	670.0	0.0	0.0	53.6	616.4	893.9	-1.76%
EOG	681.6	-1.75%	227.8	0.3	227.5	18.2	2.0	6.0	60.7	15.5	2.1	123.0	680.7	0.0	0.0	54.5	626.2	908.2	-1.74%
EDR	691.7	-1.75%	231.2	0.3	230.9	18.5	2.1	6.1	61.6	15.5	2.1	125.0	690.8	0.0	0.0	55.3	635.5	921.7	-1.75%
DBPR	737.5	-0.50%	246.5	0.3	246.2	19.7	2.2	6.5	65.7	15.5	2.2	134.4	736.6	0.0	0.0	58.9	677.7	982.8	-0.50%
November 2020	681.6	-1.75%	227.8	0.3	227.5	18.2	2.0	6.0	60.7	15.5	2.1	123.0	680.7	0.0	0.0	54.5	626.2	908.2	-1.74%
2025-26																			
August 2020	659.2	-1.75%	220.3	0.3	220.0	17.6	2.0	5.8	58.7	15.5	2.0	118.4	658.3	0.0	0.0	52.7	605.6	878.3	-1.75%
EOG	669.7	-1.75%	223.8	0.3	223.5	17.9	2.0	5.9	59.7	15.5	2.0	120.5	668.8	0.0	0.0	53.5	615.3	892.3	-1.75%
EDR	679.6	-1.75%	227.1	0.3	226.8	18.1	2.0	6.0	60.6	15.5	2.1	122.5	678.7	0.0	0.0	54.3	624.4	905.5	-1.76%
DBPR	733.8	-0.50%	245.2	0.3	244.9	19.6	2.2	6.5	65.4	15.5	2.2	133.5	732.9	0.0	0.0	58.6	674.3	977.8	-0.51%
November 2020	669.7	-1.75%	223.8	0.3	223.5	17.9	2.0	5.9	59.7	15.5	2.0	120.5	668.8	0.0	0.0	53.5	615.3	892.3	-1.75%

1- Adjustments in Fiscal Year 2019-20 reflect a recent settlement agreement. The adjustment includes refunds of \$29.9m for FY 2019-20.

Tobacco Tax and Surcharge Conference
Comparison of the August 2020 and November 2020 Forecasts
17-Nov-20
FINAL

	Tax Base		Total		Other Tobacco		Other Tobacco Products Surcharge						
	(calculated)	% change	Revenue	% change	Products Tax to GR	ABT Refunds ¹	Surcharge	Adjustments ²	GR Service Charge	Health Care Trust Fund	Refunds	Net Health Care Trust Fund After Refunds	Net Surcharge Distributed After Adjustments
2007-08	130.8	-1.2%	32.7	-1.2%	32.7								
2008-09	114.2	-12.7%	28.5	-12.7%	28.5								
2009-10	95.8	-16.1%	81.4	185.2%	25.6		55.8	7.3	5.1	57.7		57.7	55.8
2010-11	107.0	11.7%	91.0	11.7%	27.3		63.7	0.0	5.1	58.8		58.8	63.7
2011-12	110.1	2.8%	93.5	2.8%	28.0		65.6	0.0	0.0	65.6		65.6	65.6
2012-13	115.9	5.3%	98.5	5.3%	28.4		70.1	0.0	0.0	70.1		70.1	70.1
2013-14	109.0	-6.0%	92.6	-6.0%	27.6		65.1	0.0	0.0	65.1	1.1	64.0	64.0
2014-15	121.1	11.1%	102.9	11.1%	30.0		73.0	0.0	0.0	73.0	0.3	72.7	72.7
2015-16	130.2	7.5%	110.6	7.5%	32.5		78.1	0.0	0.0	78.1	0.3	77.9	77.9
2016-17	132.4	1.7%	112.5	1.7%	31.1		81.4	0.0	6.8	74.6	5.3	69.3	76.1
2017-18	143.8	8.7%	122.2	8.7%	36.3		86.0	0.0	6.9	79.1	2.0	77.1	84.0
2018-19	152.3	5.9%	129.4	5.9%	42.0	0.4	87.4	0.0	7.1	80.4	0.9	79.5	86.5
2019-20	157.5	3.4%	133.9	3.4%	36.4	0.0	97.5	-2.4	7.6	87.4	0.5	86.9	94.6
FORECASTS													
2020-21													
August 2020	160.2	1.8%	136.2	1.8%	40.1	0.2	96.1	-10.2	6.9	79.0	0.4	78.6	85.5
EOG	160.2	1.8%	136.2	1.8%	40.1	0.2	96.1	-10.2	6.9	79.0	0.4	78.6	85.5
EDR	160.2	1.8%	136.2	1.8%	40.1	0.2	96.1	-10.2	6.9	79.0	0.4	78.6	85.5
DBPR	162.5	3.2%	138.1	3.2%	40.6	0.2	97.5	-10.2	7.0	80.3	0.4	79.9	86.9
November 2020	160.2	1.8%	136.2	1.8%	40.1	0.2	96.1	-10.2	6.9	79.0	0.4	78.6	85.5
2021-22													
August 2020	163.4	2.0%	138.9	2.0%	40.9	0.2	98.0	0.0	7.8	90.2	0.4	89.8	97.6
EOG	163.4	2.0%	138.9	2.0%	40.9	0.2	98.0	0.0	7.8	90.2	0.4	89.8	97.6
EDR	163.4	2.0%	138.9	2.0%	40.9	0.2	98.0	0.0	7.8	90.2	0.4	89.8	97.6
DBPR	166.5	2.5%	141.5	2.5%	41.6	0.2	99.9	0.0	8.0	91.9	0.4	91.5	99.5
November 2020	163.4	2.0%	138.9	2.0%	40.9	0.2	98.0	0.0	7.8	90.2	0.4	89.8	97.6
2022-23													
August 2020	166.7	2.0%	141.7	2.0%	41.7	0.2	100.0	0.0	8.0	92.0	0.4	91.6	99.6
EOG	166.7	2.0%	141.7	2.0%	41.7	0.2	100.0	0.0	8.0	92.0	0.4	91.6	99.6
EDR	166.7	2.0%	141.7	2.0%	41.7	0.2	100.0	0.0	8.0	92.0	0.4	91.6	99.6
DBPR	170.6	2.5%	145.0	2.5%	42.6	0.2	102.4	0.0	8.2	94.2	0.4	93.8	102.0
November 2020	166.7	2.0%	141.7	2.0%	41.7	0.2	100.0	0.0	8.0	92.0	0.4	91.6	99.6
2023-24													
August 2020	170.0	2.0%	144.5	2.0%	42.5	0.2	102.0	0.0	8.2	93.8	0.4	93.4	101.6
EOG	170.0	2.0%	144.5	2.0%	42.5	0.2	102.0	0.0	8.2	93.8	0.4	93.4	101.6
EDR	170.0	2.0%	144.5	2.0%	42.5	0.2	102.0	0.0	8.2	93.8	0.4	93.4	101.6
DBPR	174.9	2.5%	148.7	2.6%	43.7	0.2	105.0	0.0	8.4	96.6	0.4	96.2	104.6
November 2020	170.0	2.0%	144.5	2.0%	42.5	0.2	102.0	0.0	8.2	93.8	0.4	93.4	101.6
2024-25													
August 2020	173.4	2.0%	147.4	2.0%	43.4	0.2	104.0	0.0	8.3	95.7	0.4	95.3	103.6
EOG	173.4	2.0%	147.4	2.0%	43.4	0.2	104.0	0.0	8.3	95.7	0.4	95.3	103.6
EDR	173.4	2.0%	147.4	2.0%	43.4	0.0	104.0	0.0	8.3	95.7	0.4	95.3	103.6
DBPR	179.2	2.5%	152.3	2.4%	44.8	0.2	107.5	0.0	8.6	98.9	0.4	98.5	107.1
November 2020	173.4	2.0%	147.4	2.0%	43.4	0.0	104.0	0.0	8.3	95.7	0.4	95.3	103.6
2025-26													
August 2020	176.9	2.0%	150.4	2.0%	44.2	0.2	106.2	0.0	8.5	97.7	0.4	97.3	105.8
EOG	176.9	2.0%	150.4	2.0%	44.2	0.2	106.2	0.0	8.5	97.7	0.4	97.3	105.8
EDR	176.9	2.0%	150.4	2.0%	44.2	0.2	106.2	0.0	8.5	97.7	0.4	97.3	105.8
DBPR	183.7	2.5%	156.1	2.5%	45.9	0.2	110.2	0.0	8.8	101.4	0.4	101.0	109.8
November 2020	176.9	2.0%	150.4	2.0%	44.2	0.2	106.2	0.0	8.5	97.7	0.4	97.3	105.8

1 -ABT Refunds has been provided here for information; however, they will be paid out of Beverage Tax and ABT TF GR.
2- Adjustments include floor tax payments which ended in Fiscal Year 2009-10. Adjustments in Fiscal Year 2019-20 reflect a recent settlement agreement. The adjustments includes credits in the following amounts: For FY 2019-20, tax credits of \$2.4m. For FY 2020-21, tax credits in the amount of \$10.2m.