



MONTHLY REVENUE REPORT

Office of Economic & Demographic Research

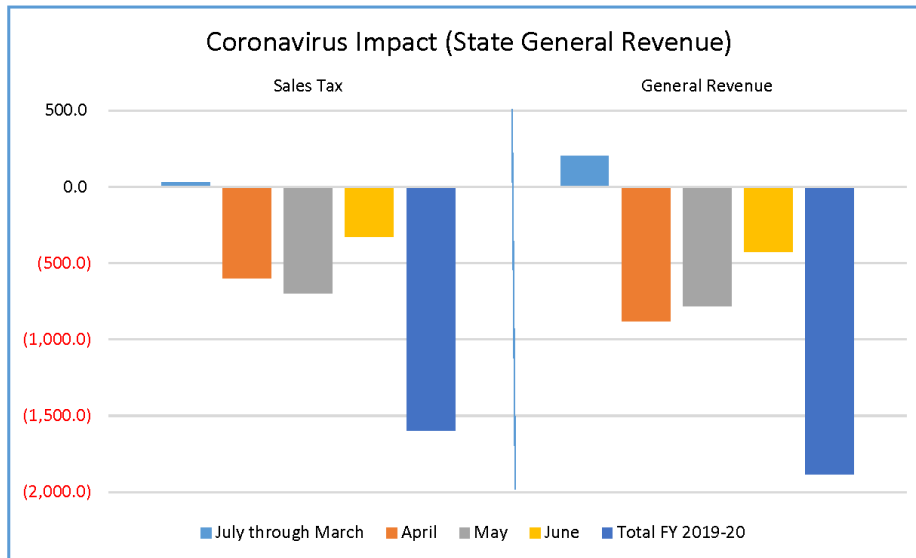
Volume 40, Number 12
June 2020

Revised General Revenue Collections for June 2020 (Sales Tax Data Reported is Unaudited)

Near the end of Florida's 2020 Regular Session, the World Health Organization declared a Global Pandemic (March 11, 2020). At the time, it was clear that the presence of Coronavirus in Florida presented its most serious threat to the sales tax forecast, especially to those taxes collected from tourists. In addition, critical supply chains were already interrupted by the impact to other countries and retail sales displaced as a result of social distancing and crowd-avoidance behaviors.

Fiscal Year 2019-20 finally ended with a loss from the estimate for the General Revenue Fund of nearly \$1.9 billion, down 5.7 percent from the expectations held in January when the last forecast was made. Of the total loss, 84.7 percent came from the Sales Tax distribution, which was down 6.1 percent from the anticipated level. Through March 2020, overall collections posted a gain of \$202.4 million to the estimate. Over the next three months (April, May and June, the last quarter of the state's fiscal year) the Coronavirus impact began to materialize, with a total loss for the quarter of nearly \$2.1 billion across all sources. April provided the greatest loss (42.1 percent of the total for the period), followed consecutively by May (37.4 percent) and June (20.5 percent). Through March, Sales Tax collections were running slightly above estimate (by \$27.2 million, or less than one-tenth of 1 percent). As the pandemic took hold, Sales Tax collections plunged, falling by just over \$1.6 billion from the estimate for the quarter. Following a

Gains / (Losses)	Sales Tax	General Revenue
July through March	27.3	202.4
April	(598.2)	(878.1)
May	(695.4)	(779.6)
June	(328.0)	(427.8)
Total FY 2019-20	(1,594.3)	(1,883.1)
<i>Percent of Total Annual Loss</i>	84.7%	100.0%
<i>Loss from the Annual Estimate</i>	-6.1%	-5.7%



slightly different pattern, the greatest loss for the three-month period occurred in May with 42.9 percent of the pandemic-related sales tax loss for the year. For that month, Sales Tax collections reflected activity that occurred in April (a lagged effect), essentially all of which was affected by the Safer at Home order—as well as voluntary changes to submitted estimated payments in the reported month (a real-time measure). As referred to here, technical changes to estimated payments reallocated the loss over the three months, rather than reflecting the underlying economic harm for any individual month. In contrast to May, April had 36.9 percent of the sales tax loss, and June had 20.2 percent—by far the best performing month. A large part of the loss over the quarter is attributed to declines in the tourism and hospitality-related industries, but the impact was widespread as all categories other than building-related industries were affected.

In addition to Sales Tax, collections of four other revenue sources were materially affected during the quarter by the Safer at Home order or other limitations on activity:

- Documentary Stamp Tax...losing \$32.6 million during the quarter, but finishing the year only \$0.4 million under the annual estimate based on strength coming into the pandemic.
- Article V Fees and Transfers...losing \$10.6 million during the quarter, and finishing the year only slightly better (\$10.2 million under the annual estimate).
- Beverage Taxes...losing \$7.6 million during the quarter, but the declines were limited to the last two months allowing the year to come in only \$3.6 million below the annual estimate.
- Parimutuel Taxes...losing only \$1.2 million during the quarter, but coming in \$2.5 million below the annual estimate.

The combined loss is \$52.0 million for the quarter, leading to a final loss for the year of \$16.7 million.



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Conversely, four revenue sources with losses for the quarter were affected, albeit to varying degrees, by formal state orders delaying payment of the taxes or fees until June or later. All of these sources showed lower annual losses than the quarterly losses based on some demonstration of strength coming into the pandemic.

- Corporate Income Tax...losing \$387.3 million during the quarter, but finishing the year a slightly better \$356.9 million under the annual estimate.
- Highway Safety Fees...losing \$71.7 million during the quarter, but finishing the year a slightly better \$66.1 million under the annual estimate.
- Corporate Filing Fees...losing \$54.5 million during the quarter, but finishing the year only \$43.5 million under the annual estimate.
- Other Taxes, Licenses and Fees...losing \$2.4 million during the quarter, but finishing the year a slightly better \$2.1 million under the annual estimate.

Generating a combined loss of \$515.9 million for the quarter (and ending \$468.6 under the annual estimates), a portion of these declines had begun to be recaptured in June; a partial recoupment will likely continue over the summer months.

Finally, five revenue sources came in over the annual estimate for the fiscal year and three came in below, but they were either unaffected by the negative effects of the Coronavirus outbreak or only marginally so:

- Earnings on Investments...over by \$72.5 million for the fiscal year.
- Intangibles Taxes...over by \$56.2 million for the fiscal year.
- Insurance Taxes...over by \$4.1 million for the fiscal year.
- Other Nonoperating Revenues...over by \$2.1 million for the fiscal year.
- Severance Taxes...over by \$0.6 million for the fiscal year.
- Counties' Medicaid Share...under by \$0.4 million for the fiscal year.
- Tobacco Tax...under by \$4.3 million for the fiscal year.
- Service Charges...under by \$6.5 million for the fiscal year.

Together, these sources generated a total gain of \$124.3 million for the fiscal year.

Coming in lower than the estimate for refunds leaves an unanticipated amount in the General Revenue Fund. For the fiscal year, refunds produced a gain of \$72.2 million.

The figures in the table below show the variance from monthly estimates that are based on the results of the estimating conference held January 15, 2020. Note that the listing of sources below has been rearranged to reflect each source's overall importance to GR.

Month	January	February	March	April	May	June
Monthly Overage (millions)	64.5	63.4	61.3	-878.1	-779.6	-427.8
Year to Date Overage (millions - cumulative)	77.6	141.1	202.4	-675.7	-1,455.3	-1,883.1
Percent of Monthly Estimate Collected	102.2%	102.5%	102.4%	70.6%	73.6%	86.6%
Percent of Total Year Estimate Collected	57.5%	65.2%	73.1%	79.5%	86.0%	94.3%

JUNE 2020 GENERAL REVENUE COLLECTIONS (\$ MILLIONS) BASED ON THE JANUARY 2020 REVENUE ESTIMATING CONFERENCE								
	MONTH			FISCAL YEAR TO DATE				
	ACTUAL CURRENT MONTH	ESTIMATE CURRENT MONTH	OVER/ UNDER ESTIMATE	ACTUAL CURRENT YEAR	ESTIMATE CURRENT YEAR	OVER/ UNDER ESTIMATE	PRIOR YEAR ACTUAL	PERCENT INCREASE/ DECREASE
SALES TAX COLLECTIONS	1,822.2	2,150.2	(328.0)	24,591.3	26,185.6	(1,594.3)	25,385.3	-3.1%
CORPORATE INCOME TAX	415.1	501.3	(86.2)	2,473.5	2,830.4	(356.9)	3,139.9	-21.2%
DOCUMENTARY STAMP TAX	82.1	98.9	(16.9)	983.1	983.5	(0.4)	912.1	7.8%
INSURANCE TAXES	159.1	171.7	(12.6)	972.5	968.4	4.1	877.1	10.9%
HIGHWAY SAFETY FEES	43.3	60.8	(17.5)	439.1	505.2	(66.1)	545.9	-19.6%
SERVICE CHARGES	29.7	40.2	(10.6)	483.7	490.2	(6.5)	481.4	0.5%
CORPORATE FILING FEES	55.4	17.7	37.7	368.2	411.7	(43.5)	398.8	-7.7%
INTANGIBLES TAXES	46.0	38.2	7.7	493.0	436.8	56.2	385.2	28.0%
COUNTIES' MEDICAID SHARE	25.3	25.2	0.2	301.7	302.1	(0.4)	298.7	1.0%
BEVERAGE TAXES	35.3	46.3	(11.0)	296.4	300.0	(3.6)	305.3	-2.9%
EARNINGS ON INVESTMENTS	23.2	19.3	4.0	370.6	298.1	72.5	224.4	65.2%
TOBACCO TAX	21.2	26.1	(5.0)	167.8	172.1	(4.3)	184.9	-9.2%
OTHER NONOPERATING REVENUES	6.5	11.5	(4.9)	165.7	163.6	2.1	215.8	-23.2%
ARTICLE V FEES AND TRANSFERS	4.0	9.0	(5.0)	104.6	114.8	(10.2)	133.4	-21.6%
OTHER TAXES LICENSES AND FEES	2.8	3.5	(0.7)	36.5	38.6	(2.1)	38.7	-5.7%
PARIMUTUEL TAXES	4.8	1.4	3.4	19.6	22.1	(2.5)	22.2	-11.9%
SEVERANCE TAXES	0.0	0.2	(0.2)	10.4	9.8	0.6	11.9	-12.7%
INDIAN GAMING	0.0	0.0	0.0	0.0	0.0	0.0	247.7	-100.0%
TOTAL REVENUE	2,775.9	3,221.5	(445.7)	32,277.7	34,233.0	(1,955.3)	33,808.7	-4.5%
LESS REFUNDS	12.9	30.7	(17.8)	911.5	983.7	(72.2)	394.9	130.8%
NET REVENUE	2,763.0	3,190.8	(427.8)	31,366.2	33,249.3	(1,883.1)	33,413.8	-6.1%