



MONTHLY REVENUE REPORT

Office of Economic & Demographic Research

Volume 38, Number 12
June 2018

Revised General Revenue Collections for June 2018 (Sales Tax Data Reported is Unaudited)

General Revenue (GR) collections for June 2018 were \$43.0 M (1.4%) over the estimates adopted by the General Revenue Estimating Conference (GR REC) in February 2018. For Fiscal Year 2017-18, GR collections were \$205.2 M (0.7%) over estimate for the year, which is within the plus or minus 1% range the Conference usually attributes to noise. It is worth noting that more than half of this surplus (approximately \$120.7 M or 58.8%) was associated with one-time events affecting annual collections for four sources (discussed below).

After making adjustments to total Sales Tax collections for local taxes and distributions, audits, bad checks, and transfers to Sales Tax from the Communications Services Tax (CST), Sales Tax GR was under estimate for the month by \$6.5 M (0.3%) but ended the year \$1.9 M (0.01%) over the annual estimate. Total Final Sales Tax Liability was over estimate for the month by \$12.7 M (0.6%) and ended the year \$47.0 M (0.2%) over estimate. The year-end results for the six Sales Tax components were as follows: Business (over by \$179.0 M or 3.6%); Automobiles (over by \$14.8 M or 0.3%); Building (under by \$78.6 M or 4.6%); Consumer Nondurables (under by \$26.8 M or 0.4%); Other Durables (under by \$20.8 M or 1.2%); and Tourism (under by \$20.6 M or 0.4%).

As mentioned above, approximately \$120.7 M of the annual surplus was associated with one-time events affecting four sources. First, Other Nonoperating Revenues was carrying a surplus of \$54.4 M for the year associated with one-time repayments to the State received in prior months. This surplus was offset by lower than expected Fines, Forfeitures, and Judgments, which reduced the annual overage for this source to \$48.3 M. Second, Indian Gaming was carrying a surplus of \$51.7 M related to early true-up payments received in prior months, which is expected to reduce collections in Fiscal Year 2018-19. In June, the State received the expected payment of \$19.5 M; however, this source was under estimate for the month by approximately \$3.6 M because of the timing of the local distribution. Third, Insurance Taxes ended the year \$30.0 M over estimate with approximately \$8.1 M of the overage related to a one-time misdeposit of revenue in Surplus Lines, which is expected to be corrected in Fiscal Year 2018-19. Finally, Parimutuel Taxes were \$10.0 M over estimate for June and \$6.5 M over estimate for the year. The annual surplus was related to a one-time correction of prior year deposits.

Four sources ended both the month and year over estimate as follows: Corporate Income Tax (over by \$80.4 M for the month and \$92.6 M for the year); Beverage Taxes (over by \$11.4 M for the month and \$6.1 M for the year); Corporate Filing Fees (over by \$0.9 M for the month and \$11.0 M for the year); and Counties' Medicaid Share (over by \$0.8 M for the month and \$3.3 M for the year). Two sources were under estimate for June but ended the year over estimate, including Highway Safety Fees (under by \$4.4 M for the month and over by \$5.6 M for the year) and Tobacco Tax (under by \$0.5 M for the month and over by \$7.1 M for the year). Severance Taxes matched the estimate of \$0.1 M for the month and ended the year \$1.0 M over estimate.

Two sources were over estimate for the month but ended the year slightly under estimate, including Documentary Stamp Tax GR (over by \$0.7 M for the month and under by \$0.7 M for the year) and Other Taxes, Licenses, and Fees (over by \$0.7 M for the month and under by \$0.2 M for the year). Four sources were under estimate for both the month and the year as follows: Earnings on Investments (under by \$6.4 M for the month and \$33.4 M for the year); Intangibles Taxes (under by \$3.3 M for the month and \$11.0 M for the year); GR Service Charges (under by \$1.7 M for the month and \$1.3 M for the year); and Article V Fees (under by \$1.1 M for the month and \$4.4 M for the year).

Refunds were under estimate for the month by \$5.5 M but ended the year over estimate by \$8.8 M. For the year, refunds of both Corporate Income Tax and Sales Tax were higher than expected by \$7.0 M and \$6.6 M, respectively. In contrast, Insurance Premium Tax Refunds and Other Refunds were lower than expected by \$4.6 M and \$0.2 M, respectively. Because refunds reduce revenue, coming in over the estimate for the year decreased the bottom-line Net GR.

In summary, Net GR collections were over estimate for June by \$43.0 M and over for the year by \$205.2 M. The figures in the table below show the variance from monthly estimates that are based on the results of the estimating conference held February 9, 2018, as revised on February 23, 2018. Details of the estimates can be found at <http://edr.state.fl.us/Content>. Note that the listing of sources below has been rearranged to reflect each source's overall importance to GR.

Actual General Revenue Collections Compared to the February 9, 2018 Estimates

Month	February	March	April	May	June
Monthly Overage (millions)	14.9	-3.6	83.5	96.6	43.0
Year to Date Overage (millions - cumulative)	-14.4	-17.9	65.6	162.2	205.2
Percent of Monthly Estimate Collected	100.6%	99.9%	102.6%	103.4%	101.4%
Percent of Total Year Estimate Collected	62.9%	70.8%	81.6%	90.9%	100.7%

JUNE 2018 GENERAL REVENUE COLLECTIONS (\$ MILLIONS) BASED ON THE FEBRUARY 2018 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	2,011.6	2,018.0	(6.5)	24,138.7	24,136.8	1.9	22,987.4	5.0%
CORPORATE INCOME TAX	525.1	444.7	80.4	2,413.0	2,320.4	92.6	2,366.4	2.0%
DOCUMENTARY STAMP TAX	88.0	87.4	0.7	867.2	867.9	(0.7)	762.2	13.8%
INSURANCE TAXES	118.8	153.0	(34.2)	799.6	769.6	30.0	708.4	12.9%
HIGHWAY SAFETY FEES	51.4	55.8	(4.4)	538.6	533.0	5.6	489.8	10.0%
SERVICE CHARGES	36.3	38.1	(1.7)	472.0	473.3	(1.3)	464.9	1.5%
INTANGIBLES TAXES	33.1	36.4	(3.3)	371.2	382.2	(11.0)	372.9	-0.4%
CORPORATE FILING FEES	13.0	12.1	0.9	367.0	356.0	11.0	352.9	4.0%
BEVERAGE TAXES	51.2	39.9	11.4	289.2	283.1	6.1	314.7	-8.1%
COUNTIES' MEDICAID SHARE	25.0	24.2	0.8	295.3	292.0	3.3	301.5	-2.0%
INDIAN GAMING	16.0	19.5	(3.6)	328.5	276.9	51.6	116.0	183.2%
EARNINGS ON INVESTMENTS	11.9	18.3	(6.4)	136.1	169.5	(33.4)	131.0	3.9%
TOBACCO TAX	25.6	26.2	(0.5)	182.6	175.5	7.1	183.0	-0.2%
OTHER NONOPERATING REVENUES	8.0	13.6	(5.6)	200.0	151.7	48.3	171.6	16.6%
ARTICLE V FEES AND TRANSFERS	10.1	11.2	(1.1)	104.0	108.4	(4.4)	126.6	-17.9%
OTHER TAXES LICENSES AND FEES	4.6	4.0	0.7	38.8	39.0	(0.2)	39.1	-0.9%
PARIMUTUEL TAXES	10.2	0.2	10.0	28.9	22.4	6.5	22.8	26.5%
SEVERANCE TAXES	0.1	0.1	0.0	12.1	11.1	1.0	11.5	5.7%
TOTAL REVENUE	3,040.2	3,002.8	37.5	31,582.7	31,368.8	213.9	29,922.7	5.5%
LESS REFUNDS	15.6	21.1	(5.5)	364.6	355.8	8.8	328.2	11.1%
NET REVENUE	3,024.6	2,981.7	43.0	31,218.2	31,013.0	205.2	29,594.5	5.5%