



MONTHLY REVENUE REPORT

Office of Economic & Demographic Research

Volume 37, Number 11
May 2017

Revised General Revenue Collections for May 2017 (Sales Tax Data Reported is Unaudited)

General Revenue (GR) collections for May 2017 were \$82.8 M (3.0%) under the monthly estimate based on the General Revenue forecast adopted March 17, 2017. The error in the estimate is largely attributable to Corporate Income Tax, which was under estimate by \$81.1 M for the month (further discussed below). On net, all other sources, including Refunds, were \$1.7 M (0.1%) under estimate for the month.

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 for the month of May was \$6.2 M (0.3%) over estimate. Final Sales Tax Liability (the sum of all sales tax components, detailed below) was under estimate by \$28.0 M or 1.3% for the month.

While Tourism was slightly over estimate for the month by \$2.9 M (0.6%), the other five Sales Tax components were under estimate as follows: Automobiles (under by \$12.1 M or 3.1%); Business (under by \$7.9 M or 2.0%); Other Durables (under by \$4.2 M or 3.2%); Building (under by \$4.1 M or 2.9%); and Consumer Nondurables (under by \$2.5 M or 0.4%). Note that this Sales Tax report largely reflects activity that occurred in April.

Of the other sources that were over estimate for the month, the largest was Corporate Filing Fees (over by \$9.1 M or 16.0%). Insurance Taxes were over estimate by \$5.4 M (3.7%) including Surplus Lines (over by \$4.4 M) and Insurance Premium Tax GR (over by \$1.0 M). Highway Safety Fees were over by \$4.1 M (8.2%) with three of the four components coming in over estimate: Auto Title and Lien Fees, Driver License Fees, and Motor Vehicle Licenses and Fees. Other sources that were over the estimates for the month include Other Taxes, Licenses, and Fees (over by \$2.5 M); Tobacco Tax (over by \$1.6 M); Other Nonoperating Revenues (over by \$1.6 M); Service Charges (over by \$1.4 M); Intangibles Taxes (over by \$0.9 M); Earnings on Investments (over by \$0.9 M); and Severance Taxes (over by \$0.2 M).

Of the sources that were under estimate for May, the largest shortfall was in Corporate Income Tax (under by \$81.1 M or 27.1%). While this shortfall largely offsets the surplus in April, collections remain \$41.5 M (2.2%) over the estimate for the year. The second largest shortfall was in Beverage Taxes (under by \$10.7 M or 29.4%), although this source also remains slightly over estimate (\$0.7 M) for the year. Other sources coming in under the estimates for the month include Documentary Stamp Tax GR (under by \$6.5 M); Counties' Medicaid Share (under by \$1.1 M); Parimutuel Taxes (under by \$0.8 M); and Article V Fees (under by \$0.2 M).

Indian Gaming revenues were also under estimate for the month by \$6.3 M because the local distribution occurred in May, rather than in March as expected by the REC. As has been done since August 2015, funds received in excess of the adopted forecast are being effectively held in reserve by the State until the final resolution of the legal dispute regarding the operation of banked card games. The portion of the May monthly payment (approximately \$11.7 M) associated with banked card games is not included in the reported collections. The total payments being accounted for separately now equal \$212.3 M.

Refunds were \$10.1 M over estimate for May, with both Corporate Income Tax and Sales Tax Refunds higher than expected by approximately \$9.0 M and \$2.3 M, respectively. In contrast, Insurance Premium Tax and Other Tax Refunds were under the estimates by \$1.1 M and approximately \$0.1 M, respectively. Because refunds reduce revenue, coming in over the estimate in Refunds decreases the bottom-line Net GR.

In summary, Net GR collections for May were under estimate by \$82.8 M. The figures in the table below show the variance from monthly estimates that are based on the results of the March 17, 2017, estimating conference. 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 March 17, 2017 Estimates

Month	March	April	May	June
Monthly Overage (millions)	4.6	99.6	-82.8	
Year to Date Overage (millions - cumulative)	-28.4	71.2	-11.6	
Percent of Monthly Estimate Collected	100.2%	103.5%	97.0%	
Percent of Total Year Estimate Collected	71.4%	81.5%	90.5%	

MAY 2017 GENERAL REVENUE COLLECTIONS (\$ MILLIONS) BASED ON THE MARCH 2017 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	1,971.1	1,964.9	6.2	21,057.3	21,146.7	(89.4)	20,196.0	4.3%
CORPORATE INCOME TAX	218.4	299.5	(81.1)	1,934.5	1,893.0	41.5	1,830.9	5.7%
DOCUMENTARY STAMP TAX	68.6	75.1	(6.5)	680.5	674.3	6.2	666.0	2.2%
INSURANCE TAXES	153.0	147.6	5.4	577.1	568.7	8.4	553.5	4.3%
HIGHWAY SAFETY FEES	54.7	50.6	4.1	439.9	433.8	6.1	350.3	25.6%
SERVICE CHARGES	32.3	30.9	1.4	428.4	425.8	2.5	419.8	2.1%
INTANGIBLES TAXES	34.4	33.5	0.9	340.5	336.6	3.9	303.7	12.1%
CORPORATE FILING FEES	66.1	57.0	9.1	341.0	330.1	10.9	307.2	11.0%
COUNTIES' MEDICAID SHARE	25.5	26.6	(1.1)	274.8	278.4	(3.6)	275.8	-0.4%
BEVERAGE TAXES	25.8	36.5	(10.7)	266.4	265.7	0.7	314.9	-15.4%
TOBACCO TAX	16.4	14.8	1.6	155.7	154.2	1.5	159.0	-2.1%
OTHER NONOPERATING REVENUES	10.5	8.9	1.6	162.9	168.3	(5.5)	169.2	-3.7%
ARTICLE V FEES AND TRANSFERS	10.4	10.6	(0.2)	115.4	115.2	0.2	127.4	-9.5%
INDIAN GAMING	1.5	7.8	(6.3)	108.2	108.2	0.0	193.3	-44.0%
EARNINGS ON INVESTMENTS	12.2	11.3	0.9	117.1	119.4	(2.3)	102.3	14.5%
OTHER TAXES LICENSES AND FEES	4.8	2.3	2.5	35.2	27.6	7.6	29.4	19.5%
PARIMUTUEL TAXES	0.7	1.5	(0.8)	22.1	17.7	4.4	17.7	25.3%
SEVERANCE TAXES	2.5	2.3	0.2	11.4	11.5	(0.1)	11.8	-3.3%
TOTAL REVENUE	2,708.9	2,781.7	(72.8)	27,068.2	27,075.4	(7.2)	26,028.0	4.0%
LESS REFUNDS	30.4	20.3	10.1	306.3	301.8	4.4	427.1	-28.3%
NET REVENUE	2,678.6	2,761.4	(82.8)	26,761.9	26,773.5	(11.6)	25,600.9	4.5%