

## ***Executive Summary*** ***Documentary Stamp Taxes***

*(a portion of these dollars funds general revenue and the rest are associated with various trust funds)*

The new forecast reflects conditions that prove Florida to be well below normal patterns of construction and real-estate activity. These conditions are generally expected to last throughout calendar year 2008 and most of calendar year 2009, before beginning a relatively strong return to a more sustainable growth pattern. As the primary driver of the five-year run-up in total documentary stamp tax collections, the state of Florida's housing market is inextricably linked to this revenue source.

The boom, characterized by double-digit growth in home sales and price appreciation, played a significant role in Florida's past economic performance. Among other things, recent data has indicated year-over year sales of existing homes dropped for the second consecutive September, with 2007 sales comprising only 43% of the 2005 level. Levels this low have not been seen since prior to 1997 – the first year of official record-keeping by the Florida Association of Realtors. Similarly, median sales prices have declined by 9% since last September, affecting nearly every one of the state's metropolitan statistical areas.

According to the latest Florida Economic Conference, housing starts will continue their low levels through calendar year 2008 before beginning a slight rebound in the early part of 2009. Total construction expenditures follow a similar pattern, never returning to the 2005-06 level during the near-term forecast (through Fiscal Year 2013-14). On the other hand, growth in private nonresidential construction is projected to decelerate to a still healthy 12.2% this year, and then moderate in the out-years. Meanwhile, after posting a 20.2% increase last year, public construction activity is projected to expand another 19.3% this fiscal year before dipping into negative territory next year.

Documentary Stamp tax collections are expected to continue declining as the adjustment to higher interest rates, stricter lending standards and tighter credit conditions take hold. Prices and sales will further weaken – exerting downward pressure on collections until the current housing inventory clears.

Total annual collections were greatest in Fiscal Year 2005-06 at \$4.1 billion. In comparison, the forecast for this year is only \$2.3 billion, a 24.8% decline over last year. Further negative growth is expected in 2008-09 (-2.4%) before growth rebounds and then returns to more normal levels for the remainder of the forecast.

**Documentary Stamp Tax Collections and Distributions**

**Nov-07**

Statutory %'s	F.S.	Statutory % Distributions	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
		Total Documentary Stamp Tax Collections	2,281.1	2,226.0	2,457.5	2,867.9	3,157.6	3,347.1	3,514.5	3,704.3	3,893.2	4,068.4
7.00%	201.15	Less: General Revenue Service Charge	159.7	155.8	172.0	200.8	221.0	234.3	246.0	259.3	272.5	284.8
		Net Available for Distribution	2,121.4	2,070.2	2,285.5	2,667.1	2,936.6	3,112.8	3,268.5	3,445.0	3,620.7	3,783.6
62.63%	201.15(1)	Distribution for General Revenue and Debt Service	1,328.6	1,296.6	1,431.4	1,670.4	1,839.2	1,949.5	2,047.1	2,157.6	2,267.6	2,369.7
	201.15(1)	P2000/Florida Forever/Everglades Restoration Debt Service	398.0	417.0	418.2	417.8	417.8	417.8	152.7	152.5	152.4	152.3
	201.15(11)	Ecosystem Management & Restoration Trust Fund	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
	201.15(11)	Marine Resources Conservation Trust Fund	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
	201.15(11)	General Inspection Trust Fund, oyster management and restoration	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
	201.15(1)(d)	State Transportation Trust Fund	541.8	541.8	541.8	541.8	541.8	541.8	541.8	541.8	541.8	541.8
	201.15(1)(d)	Water Protection and Sustainability Program Trust Fund	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0
	201.15(1)(d)	Public Education Capital Outlay and Debt Service Trust Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	201.15(1)(d)	Dept. of Community Affairs Grants and Donations Trust Fund	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
		Subtotal Other Distributions	1,055.3	1,074.3	1,075.5	1,075.1	1,075.1	1,075.1	810.0	809.8	809.7	809.6
		General Revenue by Formula	273.3	222.3	355.9	595.3	764.1	874.4	1,237.1	1,347.8	1,457.9	1,560.1
	201.15(18)	Additional General Revenue due to Trust Fund Caps	231.3	225.0	288.6	410.8	504.1	565.8	618.3	676.5	735.2	789.8
		<b>Total General Revenue</b>	<b>504.6</b>	<b>447.3</b>	<b>644.5</b>	<b>1,006.1</b>	<b>1,268.2</b>	<b>1,440.2</b>	<b>1,855.4</b>	<b>2,024.3</b>	<b>2,193.1</b>	<b>2,349.9</b>
	201.15(12)	DOR Administrative Costs (Administrative Trust Fund)	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3
		Available for Other Distributions To Other Trust Funds	782.5	763.3	843.8	986.4	1,087.1	1,153.0	1,211.1	1,277.1	1,342.8	1,403.6
2007-08	2008-09											
7.5600%	7.5600%	201.15(2)	Land Acquisition Trust Fund (LATF)	84.9	84.5	86.5	87.8	86.9	86.2	86.2	86.2	86.1
1.9400%	1.9400%	201.15(3)	LATF - Coastal Lands Acquisition & Debt Service	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0
4.2000%	4.2000%	201.15(4)	Water Management Lands Trust Fund	60.5	60.3	61.4	62.1	61.6	61.2	61.2	61.2	61.2
3.5620%	3.1275%	201.15(5)	Conservation and Recreation Lands (CARL) Trust Fund	74.6	63.9	70.6	82.5	91.0	96.5	101.3	106.9	112.4
0.3980%	0.3925%	201.15(5)	State Game Trust Fund (from CARL) - Land Management	8.3	8.0	8.9	10.4	11.4	12.1	12.7	13.4	14.1
2.2800%	2.2800%	201.15(6)	Invasive Plant Control Trust Fund	34.1	34.0	34.6	35.0	34.7	34.5	34.5	34.5	34.5
0.5000%	0.5000%	201.15(7)	State Game Trust Fund - Lake Restoration 2020 Program	9.3	9.3	9.4	9.5	9.4	9.4	9.4	9.4	9.4
0.2500%	0.2500%	201.15(8)	Water Quality Assurance Trust Fund	5.2	5.1	5.6	6.6	7.3	7.7	8.1	8.5	9.0
0.2500%	0.2500%	201.15(8)	General Inspection Trust Fund	5.2	5.1	5.6	6.6	7.3	7.7	8.1	8.5	9.0
3.7650%	3.7650%	201.15(9)(a)	State Housing Trust Fund	53.5	53.3	54.3	54.9	54.5	54.2	54.1	54.2	54.1
3.7650%	3.7650%	201.15(9)(b)	Local Government Housing Trust Fund	53.5	53.3	54.3	54.9	54.5	54.2	54.1	54.2	54.1
1.0825%	1.0825%	201.15(10)(a)	State Housing Trust Fund	17.0	16.9	17.2	17.4	17.3	17.2	17.2	17.2	17.2
7.5775%	7.5775%	201.15(10)(b)	Local Government Housing Trust Fund	119.0	118.6	120.6	121.9	121.0	120.3	120.3	120.3	120.2
37.13%	36.69%		Subtotal Statutory % Distributions	551.2	538.3	555.2	575.6	583.0	587.2	592.8	600.6	607.6

Note: Effective July 1, 2007, certain of the above trust funds have their distributions capped as follows:

F.S.	Trust Fund	Cap FY 07-08
201.15(2)	Land Acquisition Trust Fund (LATF)	84.9
201.15(3)	LATF - Coastal Lands Acquisition & Debt Service	26.0
201.15(4)	Water Management Lands Trust Fund	60.5
201.15(6)	Invasive Plant Control Trust Fund	36.1
201.15(7)	State Game Trust Fund - Lake Restoration 2020 Prog	9.3
201.15(9)(a)	State Housing Trust Fund	53.5
201.15(9)(b)	Local Government Housing Trust Fund	53.5
201.15(10)(a)	State Housing Trust Fund	17.0
201.15(10)(b)	Local Government Housing Trust Fund	119.0

Effective July 1, 2008, the caps are increased by 10% of the growth of total collections from the prior fiscal year, multiplied by the fund's applicable statutory percentage, except for the 215.15(3) cap, which receives no adjustment.