

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Generator Exemption

Bill Number(s): HB803/SB1592

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Representative Roth

Month/Year Impact Begins: July 1, 2018

Date of Analysis: 2/2/2018

Section 1: Narrative

- a. Current Law:** There is no current statute exempting the Sales Tax on equipment used to generate electric energy for Assisted Living Facilities or Nursing Homes in an emergency.

Agency of Health Care Administration – Emergency Rule (59AER17-2) — Nursing Homes and Assisted Living Facilities are required within 45 days of the emergency rule going into effect on September 17, 2017, to submit, in writing, a plan detailing the acquisition of a generator sufficiently capable of running a minimum of 96 hours in the event of a loss of electrical power, and the services necessary to install, maintain, and test equipment and its functions. Furthermore, within 60 days of the acceptance of the compliance plan, every facility should have implemented the plan required under this rule. The Agency for Health Care Administration may revoke the nursing home or Assisted Living Facility's license for failure to comply with this rule. In addition to other remedies provided by law, violation of this rule shall result in a fine or sanction of \$1,000 per day.

Florida Administrative Code 12A-1.087 - Power Farm Equipment Exemption - (7)(a) Generators, motors, and similar types of equipment used exclusively as a power source on a farm or in a forest, as provided in paragraph (1)(a), are exempt from tax. For example: a diesel-powered generator used to supply power to an irrigation pump qualifies for the exemption. A generator used to power equipment used in agricultural production also qualifies for the exemption.

(b) Generators purchased, rented, or leased for use on a poultry farm are exempt from sales tax under Section 212.08(5)(a), F.S. The exemption will not be allowed unless the purchaser or lessee issues to the seller a signed certificate stating the generator is purchased or leased for exclusive use on a poultry farm.

212.08(3) F.S., EXEMPTIONS; CERTAIN FARM EQUIPMENT.— (a) The tax may not be imposed on the sale, rental, lease, use, consumption, repair, or storage for use in this state of power farm equipment or irrigation equipment, including replacement parts and accessories for power farm equipment or irrigation equipment, which are used exclusively on a farm or in a forest in the agricultural production of crops or products produced by those agricultural industries included in s. 570.02(1), or for fire prevention and suppression work with respect to such crops or products. Harvesting may not be construed to include processing activities. This exemption is not forfeited by moving farm equipment between farms or forests.

570.02 F.S., Definitions.—The following words and phrases as used in this chapter and in the agricultural laws of this state, unless the context otherwise requires, shall have the meanings respectively ascribed to them in this section:

- (1) "Agriculture" means the science and art of production of plants and animals useful to humans, including to a variable extent the preparation of these products for human use and their disposal by marketing or otherwise, and includes aquaculture, horticulture, floriculture, viticulture, forestry, dairy, livestock, poultry, bees, and any and all forms of farm products and farm production. For the purposes of marketing and promotional activities, seafood shall also be included in this definition.
- (2) "Agricultural business products" means nonconsumable products used in the producing, processing, distribution, and marketing of consumable farm products, including, but not limited to, machinery, equipment, and supplies.
- (3) "Agricultural marketing facilities" means state-owned wholesale and retail markets managed by the Bureau of State Farmers' Market.

768.137 F.S., Definition; limitation of civil liability for certain farmers; exception. — (1) For the purposes of this section, the term "farmer" means a person who is engaging in the growing or producing of farm produce, either part time or full time, for personal consumption or for sale and who is the owner or lessee of the land or a person designated in writing by the owner or lessee to act as her or his agent.

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b. Proposed Change:

212.08 (5) (a) F.S., is amended to read "...generators used on ~~poultry~~ farms; ..."

212.08 (5) (t) F.S., is added to read "Equipment used to generate emergency electric energy. — 1. The purchase of any equipment that uses natural gas or liquefied petroleum gas to generate emergency electric energy at nursing homes and assisted living facilities. The electric energy which is generated must be used at the facility and meet the fuel needs for emergency generation for that size and class of facility.

2. The purchaser of the emergency electric equipment must provide the dealer with an affidavit certifying that the equipment will only be used as set forth in subparagraph 1. A person furnishing a false affidavit to the dealer is subject to the penalty set forth in s. 212.085 and as otherwise provided by law.

3. The exemption is limited to a maximum of \$30,000 for the purchase of equipment for any one facility.

4. The department may adopt rules to implement this exemption."

Section 2: Description of Data and Sources

<http://wusfnews.wusf.usf.edu/post/nursing-home-generator-costs-estimated-186-million>

Agency of Health Care Administration – Status of Compliance for Nursing Homes and Assisted Living Facilities (as of Dec 1, 2017)

Agency of Health Care Administration – Nursing Home Emergency Rule (59AER17-2)

Agency of Health Care Administration – Assisted Living Facility Emergency Rule (59AER17-2)

Market Research for Generator pricing by size

Agency of Health Care Administration – Historic number of Beds

Section 3: Methodology (Include Assumptions and Attach Details)

Farm Generator Exemption–

Under current law, current administration, the sale of generators used exclusively on farms, as detailed in Florida Administrative Code 12A-1.087 and Florida Statute 212.08(3), are exempt from sales tax. A farmer must sign an affidavit indicating that the purchase and use of the generator is to be exclusively on a farm. There is no impact from striking out the word poultry from this section.

Nursing Homes & Assisted Living Facilities Generator Exemption –

A list of licensed nursing homes and assisted living facilities required by the emergency rule to obtain a generator was obtained from the Agency of Health Care Administration's website. It is assumed that the exemption is for a maximum of \$500,000 of taxable value and exempts \$30,000 of sales tax due on the purchase of a generator. The average emergency generator kW per bed was found through market research. The requirement that the generator use liquified petroleum gas or natural gas is not seen as a significant limitation on the number of generators that would qualify for the exemption. These fuels are preferred fuel sources for generators, and the existence of the exemption should nudge the purchasing decisions even further in that direction. This estimate is comprised of three calculated impacts based on: population growth, replacement rate, and emergency rule compliance status.

The facilities were broken down by number of beds to show any difference in generator price for a given kW demand. It was found that there is a general decline in per kW generator price up to the over 200kW size. The generator prices were found for the smallest and largest facilities in each bracket, and those numbers were averaged. The average generator price was used to find an average price per bed by facility bracket. Assisted living facilities have been broken down in to 5 brackets with the smallest facilities (1-10 beds) getting their own bracket. The remaining brackets have similar cut off points for both facility types. The highest bed group levels have the upper bound set to the largest facility in that group. The largest nursing home has 438 beds and the largest assisted living facility has 350 beds. The kW numbers we are using are only for an emergency generator. A generator capable of providing HVAC services would need to have additional capacity. This additional need is shown as the additional investment in generator for HVAC for each cohort.

The first cohort are the new facilities that will come online as the older population grows. The Agency of Health Care Administration (AHCA) provided historic bed levels for nursing home and assisted living facilities for the most recent 4 years. The 4-year growth rate was used to grow the number of beds, and the additional beds were allocated amongst the brackets based on the initial bracket shares. The new beds per bracket are multiplied by the emergency generator price per bed for that bracket.

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The second cohort is comprised of all facilities replacing generators over three service life schedules. The high assumes that the generator service life of all facilities is 20 years, and the middle assumes 25 years. The low assumes a 30-year service life. For assisted living facilities in group 1 it is assumed that they may buy a smaller, and less durable, generator. So, it is assumed that the effective service life for those generators is 10 years. The rationale for this is that portable generators might be able to be used and they would have a service life of somewhere around 5 years, and the smaller standby generators may have a service life of 15 years. The high assumes that those facilities that have a waiver granted will buy a generator before the effective date of the bill. The middle assumes that those facilities that either have a waiver granted or have a waiver under review will buy a generator before the effective date of the bill. The low assumes that all facilities that do not have a waiver or compliance plan today will either acquire a generator, or be exempt from acquiring a generator, before the effective date of the bill. The total population of facilities is not grown over this time as the service life puts any new facility outside of the replacement window.

The final cohort of nursing homes and assisted living facilities are those where it is unknown whether they have a compliant generator or not. From the data, this cohort is defined as the total number of assisted living facilities and nursing homes in the state that have either not responded, or have submitted a waiver. The high estimate assumes that only the facilities which have been granted a waiver will purchase a generator before the effective date of the bill, and the rest of the cohort of will buy one after. The middle assumes that those facilities where their waiver has either been granted or is still under review will buy a generator before the effective date of the bill. The low estimate assumes that all current facilities where they have either not responded, or have submitted a waiver, will purchase a generator before the effective date of the bill.

It is assumed that any facility looking to buy a generator in advance of the effective date will be able to delay the purchase for one month, so the first-year cash impacts are equal to the recurring.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			\$(1.9 M)	\$(1.9 M)		
2019-20			\$(0.4 M)	\$(0.4 M)		
2020-21			\$(0.4 M)	\$(0.4 M)		
2021-22			\$(0.5 M)	\$(0.5 M)		
2022-23			\$(0.5 M)	\$(0.5 M)		

List of affected Trust Funds: Sales and Use Tax Group

Section 5: Consensus Estimate (Adopted: 02/02/2018): The Conference adopted the proposed estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(1.7)	(1.7)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.2)	(0.2)
2019-20	(0.3)	(0.3)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
2020-21	(0.3)	(0.3)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
2021-22	(0.5)	(0.5)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
2022-23	(0.5)	(0.5)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(0.2)	(0.2)	(0.4)	(0.4)	(2.1)	(2.1)
2019-20	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.4)	(0.4)
2020-21	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.4)	(0.4)
2021-22	(0.1)	(0.1)	(0.1)	(0.1)	(0.6)	(0.6)
2022-23	(0.1)	(0.1)	(0.1)	(0.1)	(0.6)	(0.6)

Summary	A	B	C	D	E	F	G
1	Total New Facility Impact						
2		Nursing Homes		Assisted Living Facilities			
3		High		Middle		Low	
4	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
5	2018-19	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -
6	2019-20	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -
7	2020-21	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -
8	2021-22	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -
9	2022-23	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -
10							
11	Replacement Impact						
12		Nursing Homes		Assisted Living Facilities			
13		High		Middle		Low	
14	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
15	2018-19	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -
16	2019-20	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -
17	2020-21	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -
18	2021-22	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -
19	2022-23	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -
20							
21	Currently Needs Generator						
22		Nursing Homes		Assisted Living Facilities			
23		High		Middle		Low	
24	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
25	2018-19	\$ (0.24 M)	\$ (0.2 M)	\$ (1.2 M)	\$ (1.2 M)	\$ -	\$ -
26	2019-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	2020-21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	2021-22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	2022-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30							
31	Total Impact*						
32		Nursing Homes		Assisted Living Facilities			
33		High		Middle		Total	
34	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
35	2018-19	\$ (0.3 M)	\$ (0.3 M)	\$ (1.6 M)	\$ (1.6 M)	\$ (1.9 M)	\$ (1.9 M)
36	2019-20	\$ (0.1 M)	\$ (0.1 M)	\$ (0.4 M)	\$ (0.4 M)	\$ (0.4 M)	\$ (0.4 M)
37	2020-21	\$ (0.1 M)	\$ (0.1 M)	\$ (0.4 M)	\$ (0.4 M)	\$ (0.4 M)	\$ (0.4 M)
38	2021-22	\$ (0.1 M)	\$ (0.1 M)	\$ (0.4 M)	\$ (0.4 M)	\$ (0.5 M)	\$ (0.5 M)
39	2022-23	\$ (0.1 M)	\$ (0.1 M)	\$ (0.4 M)	\$ (0.4 M)	\$ (0.5 M)	\$ (0.5 M)
40		*As Adopted - Nursing Homes for High Estimate + Middle Estimate for the Assisted Living Facilities					

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Summary

	A	B	C	D	E	F	G
46	2018-19	\$ (10.2 M)	\$ (10.2 M)	\$ (10.4 M)	\$ (10.4 M)	\$ (11.2 M)	\$ (11.2 M)
47	2019-20	\$ (9.9 M)	\$ (9.9 M)	\$ (9.9 M)	\$ (9.9 M)	\$ (9.9 M)	\$ (9.9 M)
48	2020-21	\$ (10.1 M)	\$ (10.1 M)	\$ (10.1 M)	\$ (10.1 M)	\$ (10.1 M)	\$ (10.1 M)
49	2021-22	\$ (10.4 M)	\$ (10.4 M)	\$ (10.4 M)	\$ (10.4 M)	\$ (10.4 M)	\$ (10.4 M)
50	2022-23	\$ (10.6 M)	\$ (10.6 M)	\$ (10.6 M)	\$ (10.6 M)	\$ (10.6 M)	\$ (10.6 M)

	A	B	C	D	E	F	G	H
1		NURSING HOMES	Bracket	Facilities	Beds	% Facilities Per Group	% Beds per Group	
2		Grp 1	1 - 50	30	1,098	4.39%	1.31%	
3		Grp 2	51 - 125	481	50,965	70.32%	60.84%	
4		Grp 3	126 - 175	71	10,627	10.38%	12.69%	
5		Grp 4	176 - 438	102	21,078	14.91%	25.16%	
6		Totals		684	83,768			
7								
8								
9		Historical Data For Nursing Homes						
10			Facilities	Beds	Facility Growth	Bed Growth		
11		2013-14	681	83,270				
12		2014-15	682	83,395	0.15%	0.15%		
13		2015-16	682	83,428	0.00%	0.04%		
14		2016-17	682	83,449	0.00%	0.03%		
15		2017-18	684	83,768	0.29%	0.38%		
16			4 Yr Avg Growth rate		0.11%	0.15%		
17								
18								
19		NURSING HOME BEDS GROWN AT 4YR AVG GROWTH RATE						
20			1.3%	60.8%	12.7%	25.2%		
21			Grp 1	Grp 2	Grp 3	Grp 4	Total beds	Growth Rate
22		2017-18	1,098	50,965	10,627	21,078	83,768	0.15%
23		2018-19	1,100	51,041	10,643	21,109	83,893	0.15%
24		2019-20	1,101	51,117	10,659	21,141	84,018	0.15%
25		2020-21	1,103	51,194	10,675	21,173	84,144	0.15%
26		2021-22	1,105	51,270	10,691	21,204	84,269	0.15%
27		2022-23	1,106	51,347	10,707	21,236	84,395	0.15%
28								
29								
30		FY Price Per Bed Per Group (TAXABLE SALES)						
31			Average Emergency Generator Cost per Bed				Nursing Homes	
32			\$ 432.43	\$ 297.17	\$ 291.67	\$ 772.95	Taxable Sales	Tax
33		2018-19	\$ 709	\$ 22,609	\$ 4,627	\$ 24,321	\$ 52,266	\$ 3,135.97
34		2019-20	\$ 710	\$ 22,643	\$ 4,634	\$ 24,357	\$ 52,344	\$ 3,140.65
35		2020-21	\$ 711	\$ 22,677	\$ 4,641	\$ 24,394	\$ 52,422	\$ 3,145.33
36		2021-22	\$ 712	\$ 22,710	\$ 4,648	\$ 24,430	\$ 52,501	\$ 3,150.03
37		2022-23	\$ 713	\$ 22,744	\$ 4,655	\$ 24,467	\$ 52,579	\$ 3,154.73
38								
39								
40		Additional Investment in Generator for HVAC						
41			High	Middle	Low			
42			100%	75%	0%			
43		2018-19	\$ (0.01)	\$ (0.01)				
44		2019-20	\$ (0.01)	\$ (0.01)				
45		2020-21	\$ (0.01)	\$ (0.01)				
46		2021-22	\$ (0.01)	\$ (0.01)				
47		2022-23	\$ (0.01)	\$ (0.01)				
48								
49								
50								
51								
52								
53								
54								
55								
56								
57								

	I	J	K	L	M	N	O	P
1	ASSISTED LIVING FACILITY	Bracket	Facilities	Beds	% Facilities Per Group	% Beds per Group		
2	Grp 1	1-10	1,795	11,050	57.72%	11.07%		
3	Grp 2	11-50	613	15,505	19.7%	15.53%		
4	Grp 3	51-125	537	45,847	17.3%	45.93%		
5	Grp 4	126-175	121	17,696	3.9%	17.73%		
6	Grp 5	176-350	44	9,720	1.41%	9.74%		
7	Totals		3,110	99,818				
8								
9	Historical Data for Assisted Living Facilities							
10		Facilities	Beds	Facility Growth	Bed Growth			
11	2013-14	3011	85135					
12	2014-15	3030	87405	0.63%	2.67%			
13	2015-16	3065	90716	1.16%	3.79%			
14	2016-17	3091	94423	0.85%	4.09%			
15	2017-18	3110	99818	0.61%	5.71%			
16			4 Yr Avg Growth rate	0.81%	4.06%			
17								
18								
19	ASSISTED LIVING FACILITY BEDS GROWN AT 4YR AVG GROWTH RATE							
20		11.1%	15.5%	45.9%	17.7%	9.7%		
21		Grp 1	Grp 2	Grp 3	Grp 4	Grp 5	Total beds	Growth Rate
22	2017-18	11,050	15,505	45,847	17,696	9,720	99,818	4.06%
23	2018-19	11,499	16,135	47,710	18,415	10,115	103,874	4.06%
24	2019-20	11,966	16,791	49,649	19,163	10,526	108,095	4.06%
25	2020-21	12,453	17,473	51,666	19,942	10,954	112,488	4.06%
26	2021-22	12,959	18,183	53,766	20,753	11,399	117,059	4.06%
27	2022-23	13,485	18,922	55,951	21,596	11,862	121,816	4.06%
28								
29								
30	FY Price Per Bed Per Group (TAXABLE SALES)							
31		Average Emergency Generator Cost per Bed					Assisted Living Facilities	
32		\$ 1,083.33	\$ 520.00	\$ 370.59	\$ 299.66	\$ 599.55	Taxable Sales	Tax
33	2018-19	\$ 486,450	\$ 327,634	\$ 690,424	\$ 215,483	\$ 236,812	\$ 1,956,803	\$ 117,408
34	2019-20	\$ 506,217	\$ 340,948	\$ 718,481	\$ 224,240	\$ 246,435	\$ 2,036,320	\$ 122,179
35	2020-21	\$ 526,788	\$ 354,802	\$ 747,677	\$ 233,352	\$ 256,449	\$ 2,119,068	\$ 127,144
36	2021-22	\$ 548,195	\$ 369,220	\$ 778,060	\$ 242,835	\$ 266,870	\$ 2,205,179	\$ 132,311
37	2022-23	\$ 570,471	\$ 384,224	\$ 809,677	\$ 252,703	\$ 277,715	\$ 2,294,790	\$ 137,687
38								
39								
40	Additional Investment in Generator for HVAC							
41		High	Middle	Low				
42		100%	75%	25%				
43	2018-19	\$ (0.23)	\$ (0.21)					
44	2019-20	\$ (0.24)	\$ (0.21)					
45	2020-21	\$ (0.25)	\$ (0.22)					
46	2021-22	\$ (0.26)	\$ (0.23)					
47	2022-23	\$ (0.28)	\$ (0.24)					
48								
49								
50	Total New Facility Impact							
51		High		Middle		Low		
52	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring	
53	2018-19	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -	
54	2019-20	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -	
55	2020-21	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -	
56	2021-22	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -	
57	2022-23	\$ (0.0 M)	\$ (0.0 M)	\$ (0.2 M)	\$ (0.2 M)	\$ -	\$ -	

Replacements

	A	B	C	D	E	F
1	NURSING HOME	Brackets	Beds	Facilities	\$/Bed*	
2	Grp 1	1 - 50	1,098	30	\$ 432.43	
3	Grp 2	51 - 125	50,965	481	\$ 297.17	
4	Grp 3	126 - 175	10,627	71	\$ 291.67	
5	Grp 4	176 - 438	21,078	102	\$ 772.95	
6	Total		83,768	684		
7	*Average Emergency Generator Cost per Bed					
8						
9						
10			High	Middle	Low	
11	Replacement Rate (Years)		20	25	30	
12						
13	Beds per Group / Replacement	High	Middle	Low		
14	Grp 1	21	12	10		
15	Grp 2	483	303	209		
16	Grp 3	75	47	29		
17	Grp 4	257	181	139		
18	*Bed numbers are adjusted by Assumptions					
19	made about current facilities with out Generators					
20						
21		Price per Bed	High	Middle	Low	
22	Grp 1	\$ 432.43	\$ 8,930	\$ 5,345	\$ 4,454	
23	Grp 2	\$ 297.17	\$ 143,637	\$ 90,031	\$ 62,198	
24	Grp 3	\$ 291.67	\$ 21,948	\$ 13,650	\$ 8,497	
25	Grp 4	\$ 772.95 M	\$ 198,763	\$ 140,027	\$ 107,491	
26		Total Taxable	\$ 373,278	\$ 249,052	\$ 182,640	
27		Tax	\$ 22,397	\$ 14,943	\$ 10,958	
28						
29	Additional Investment in Generator for HVAC					
30						
31		High	Middle	Low		
32		100%	75%	0%		
33		\$ (0.04)	\$ (0.03)	\$ (0.01)		
34						
35						
36	Sales Tax Total	High	Middle	Low		
37	Yearly	\$ (0.04)	\$ (0.17)	\$ -		
38						
39						
40						
41						
42						
43						
44						
45						

Replacements

	G	H	I	J	K	L	M
1	ASSISTED LIVING FACILITY	Brackets	Beds	Facilities	\$/Bed*		
2	Grp 1	1-10	11,050	1,793	\$ 1,083.33		
3	Grp 2	11-50	15,505	613	\$ 520.00		
4	Grp 3	51-125	45,847	537	\$ 370.59		
5	Grp 4	126-175	17,696	121	\$ 299.66		
6	Grp 5	176-350	9,720	44	\$ 599.55		
7	Total		99,818	3,108			
8	*Average Emergency Generator Cost per Bed						
9							
10			High*	Middle	Low		
11	Replacement Rate (Years)		20	25	30		
12			* replacement rate for 1-10 == 10 yrs (portables)				
13	Beds per Group / Replacement	High	Middle	Low			
14	Grp 1	966	827	445			
15	Grp 2	515	357	178			
16	Grp 3	1,201	730	384			
17	Grp 4	419	289	136			
18	Grp 5	216	121	32			
19	*Bed numbers are adjusted by Assumption made about current facilities with out Generators						
20							
21		Price Per Bed	High	Middle	Low		
22	Grp 1	\$ 1,250.00	\$ 1,206,875	\$ 1,033,750	\$ 556,000		
23	Grp 2	\$ 520.00	\$ 267,852	\$ 185,806	\$ 92,595		
24	Grp 3	\$ 370.59	\$ 444,910	\$ 270,352	\$ 142,405		
25	Grp 4	\$ 299.66	\$ 125,437	\$ 86,613	\$ 40,843		
26	Grp 5	\$ 599.55	\$ 129,712	\$ 72,833	\$ 19,146		
27		Total Taxable	\$ 2,174,785	\$ 1,649,354	\$ 850,988		
28		Tax	\$ 130,487	\$ 98,961	\$ 51,059		
29							
30	Additional Investment in Generator for HVAC						
31							
32			High	Middle	Low		
33			100%	75%	25%		
34			\$ (0.26)	\$ (0.17)	\$ (0.06)		
35							
36							
37							
38							
39		High		Middle		Low	
40	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
41	2018-19	\$ (0.04)	\$ (0.04)	\$ (0.17)	\$ (0.17)	\$ -	\$ -
42	2019-20	\$ (0.04)	\$ (0.04)	\$ (0.17)	\$ (0.17)	\$ -	\$ -
43	2020-21	\$ (0.04)	\$ (0.04)	\$ (0.17)	\$ (0.17)	\$ -	\$ -
44	2021-22	\$ (0.04)	\$ (0.04)	\$ (0.17)	\$ (0.17)	\$ -	\$ -
45	2022-23	\$ (0.04)	\$ (0.04)	\$ (0.17)	\$ (0.17)	\$ -	\$ -

	A	B	C	D	E	F	G	H	I	J	K	L
1		High Estimate = Non Responses + waiver applied - waiver Granted										
2		NURSING HOME		Beds	Facilities				ASSISTED LIVING FACILITY	Beds	Facilities	
3	Grp 1	1 to 50		104	3	\$ 432		Grp 1	1 to 10	5,207	840	\$ 1,083
4	Grp 2	51 to 125		3,388	32	\$ 297		Grp 2	11 to 50	4,960	217	\$ 520
5	Grp 3	126 to 175		631	4	\$ 292		Grp 3	51 to 125	12,483	144	\$ 371
6	Grp 4	176 to 438		971	5	\$ 773		Grp 4	126 to 175	4,283	30	\$ 300
7		NURSING HOME Total		5,094	44			Grp 5	175 to 350	3,369	15	\$ 600
8									ASSISTED LIVING FACILITY Total	30,302	1246	
9	Total Emergency Generator Price			As Presented	Fixed							
10	Grp 1	1 to 50		\$ 536	\$ 44,973			Grp 1	1 to 10	\$ 5,640,917		
11	Grp 2	126 to 175		\$ 3,685	\$ 1,006,811			Grp 2	11 to 50	\$ 2,579,200		
12	Grp 3	176 to 438		\$ 923	\$ 184,042			Grp 3	51 to 125	\$ 4,626,053		
13	Grp 4	51 to 125		\$ 1,744	\$ 750,531			Grp 4	126 to 175	\$ 1,283,433		
14		Total Taxable		\$ 6,888	\$ 1,986,357			Grp 5	175 to 350	\$ 2,019,876		
15		Sales Tax		\$ 413	\$ 119,181				Total Taxable	\$ 16,149,478		
16									Sales Tax	\$ 968,969		
17												

	A	B	C	D	E	F	G	H	I	J	K	L
18		Middle Estimate = Non Responses + waiver applied - waiver Granted - Under Review										
19		NURSING HOME		Beds	Facilities				ASSISTED LIVING FACILITY	Beds	Facilities	
20	Grp 1	1 to 50	-	-	\$ 432			Grp 1	1 to 10	3,822	616	\$ 1,083
21	Grp 2	51 to 125	1,295	11	\$ 297			Grp 2	11 to 50	3,591	155	\$ 520
22	Grp 3	126 to 175	296	2	\$ 292			Grp 3	51 to 125	6,710	78	\$ 371
23	Grp 4	176 to 438	357	2	\$ 773			Grp 4	126 to 175	3,137	22	\$ 300
24		NURSING HOME Total	1,948	15				Grp 5	175 to 350	2,079	9	\$ 600
25									ASSISTED LIVING FACILITY Total	19,339	880	
26												
27		Total Emergency Generator Price	As Presented	Fixed				Total Emergency Generator Price				
28	Grp 1	1 to 50	\$ 432	\$ -				Grp 1	1 to 10	\$ 4,140,500		
29	Grp 2	126 to 175	\$ 1,592	\$ 384,835				Grp 2	11 to 50	\$ 1,867,320		
30	Grp 3	176 to 438	\$ 588	\$ 86,333				Grp 3	51 to 125	\$ 1,162,535		
31	Grp 4	51 to 125	\$ 1,130	\$ 275,942				Grp 4	126 to 175	\$ 622,988		
32		Total Taxable	\$ 3,742	\$ 747,110				Grp 5	175 to 350	\$ 4,022,964		
33		Sales Tax	\$ 225	\$ 44,827					Total Taxable	\$ 11,816,307		
34									Sales Tax	\$ 708,978		
35												
36		Low Estimate = All Facilities have obtained and possess generators										
37												
38		Additional Investment in Generator for HVAC										
39		High	Middle	Low								
40		100%	75%	0%								
41		\$ (0.24)	\$ (1.24)	\$ -								
42												
43	Impact											
44		High	Middle	Low								
45	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring					
46	2018-19	\$ (0.24)	\$ (0.24)	\$ (1.24)	\$ (1.24)	\$ -	\$ -					
47	2019-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
48	2020-21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
49	2021-22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
50	2022-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					

High Estimate (excluded group) = Population that has Waiver Granted &/or a Plan

NURSING HOME		Beds	Facilities	
Grp 1	1 to 50	994	27	\$ 432
Grp 2	51 to 125	47,577	449	\$ 297
Grp 3	126 to 175	9,996	67	\$ 292
Grp 4	176 to 438	20,107	97	\$ 773
NURSING HOME Total		78,674	640	

Middle Estimate (excluded group) = Submitted Waiver is Granted, Plan is in place, or curr

ASSISTED LIVING FACILITY		Beds	Facilities	
Grp 1	1 to 10	7,228	1179	\$ 1,083
Grp 2	11 to 50	11,914	458	\$ 520
Grp 3	51 to 125	39,137	459	\$ 371
Grp 4	126 to 175	14,559	99	\$ 300
Grp 5	175 to 350	7,641	35	\$ 600
ASSISTED LIVING FACILITY		80,479	2228	

All facilities without Plans

NURSING HOME		Beds	Facilities	
Grp 1	1 to 50	789	22	\$ 432.43
Grp 2	51 to 125	44,686	419	\$ 297.17
Grp 3	126 to 175	9,753	65	\$ 291.67
Grp 4	176 to 438	16,906	84	\$ 772.95
NURSING HOME Total		72,134	590	

Total Emergency Generator Price		Price x Beds
Grp 1	1 to 50	\$ 429,838
Grp 2	126 to 175	\$ 14,138,448
Grp 3	176 to 438	\$ 2,915,500
Grp 4	51 to 125	\$ 15,541,643
Total Taxable		\$ 17,483,786
Sales Tax		\$ 1,049,027

Currently Under Review

Total Emergency Generator Price		Price x Beds
Grp 1	1 to 10	\$ 7,830,333
Grp 2	11 to 50	\$ 6,195,280
Grp 3	51 to 125	\$ 14,503,712
Grp 4	126 to 175	\$ 4,362,714
Grp 5	175 to 350	\$ 4,581,143
Total Taxable		\$ 37,473,182
Sales Tax		\$ 2,248,391

ASSISTED LIVING Beds			Facilities
Grp 1	1 to 10	6,602	1070
Grp 2	11 to 50	10,163	385
Grp 3	51 to 125	34,319	400
Grp 4	126 to 175	13,607	93
Grp 5	175 to 350	8,762	40
ASSISTED LIVING		73,453	1988

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Citrus Processing Tangible Personal Property

Bill Number(s): Proposed Language

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): N/A

Month/Year Impact Begins: UBL, Affecting 2018-19 Levies

Date of Analysis: February 2, 2018

Section 1: Narrative

a. Current Law: There is no current exemption for tangible personal property affected by citrus greening.

b. Proposed Change: The proposed language creates section 193.4516 F.S., 193.4516 Assessment of citrus packing and processing equipment affected by citrus greening. -

(1) For purposes of ad valorem taxation, tangible personal property owned and operated by a citrus fruit packing or processing facility shall be deemed to have a market value no greater than its value for salvage provided, the tangible personal property is no longer used in the operation of the facility due to the effects of Hurricane Irma or citrus greening.

(2)(a) The valuation provided in subsection (1) remains effective until a citrus fruit packing or processing facility sells or leases the equipment or returns the equipment to operational use.

(b) As used in this section, the term "citrus" has the same definition as that provided in s. 581.011(7).

Section 2: Description of Data and Sources

Department of Agricultural and Consumer Services (DACS) data:

Registered Cannery/Processors 2009-10, 2010-11, 2016-17, 2017-18

Registered Packing Houses 2009-10, 2010-11, 2016-17, 2017-18

2017 Tangible Personal Property (TPP) Tax rolls January 2018

Discussions with industry representatives

Section 3: Methodology (Include Assumptions and Attach Details)

The businesses were matched to the 2017 TPP tax roll to obtain their 2017 Just Values (JV). The industry representatives have provided the total boxes of citrus produced before citrus greening, after citrus greening, and after Hurricane Irma. This reduction amount is applied to all identified businesses except for those businesses that have been identified as being completely closed due to greening and the citrus stands. The citrus stands represent a small piece of the total TPP, and we expect that they will be able to keep all their equipment operating even with substantially reduced harvest numbers.

The equipment affected by greening is assumed to be half way through its depreciable life, and the salvage value is assumed to be 20% of the replacement value. There are several projects underway to mitigate the spread of citrus greening and to breed resistant strains of citrus trees. It seems like the measures to limit the spread have been effective, but it doesn't seem likely that the resistant trees would make a positive difference before the end of the impact period. Absent some clear direction, no growth or decay rates have been applied to the impact.

The effective date is upon becoming law, and affects valuations on or after January 1, 2018. So, the proposed change will apply to the 2018 tax rolls (2018-19 cash values).

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			\$(7.6 M)	\$(7.6 M)		
2019-20			\$(7.6 M)	\$(7.6 M)		
2020-21			\$(7.6 M)	\$(7.6 M)		
2021-22			\$(7.6 M)	\$(7.6 M)		
2022-23			\$(7.6 M)	\$(7.6 M)		

List of affected Trust Funds:

Ad Valorem

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Citrus Processing Tangible Personal Property

Bill Number(s): Proposed Language

Section 5: Consensus Estimate (Adopted: 02/02/2018): The Conference adopted the proposed estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(2.9)	(2.9)	(4.7)	(4.7)	(7.6)	(7.6)
2019-20	(2.9)	(2.9)	(4.7)	(4.7)	(7.6)	(7.6)
2020-21	(2.9)	(2.9)	(4.7)	(4.7)	(7.6)	(7.6)
2021-22	(2.9)	(2.9)	(4.7)	(4.7)	(7.6)	(7.6)
2022-23	(2.9)	(2.9)	(4.7)	(4.7)	(7.6)	(7.6)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	0.0	0.0	0.0	0.0	(7.6)	(7.6)	(7.6)	(7.6)
2019-20	0.0	0.0	0.0	0.0	(7.6)	(7.6)	(7.6)	(7.6)
2020-21	0.0	0.0	0.0	0.0	(7.6)	(7.6)	(7.6)	(7.6)
2021-22	0.0	0.0	0.0	0.0	(7.6)	(7.6)	(7.6)	(7.6)
2022-23	0.0	0.0	0.0	0.0	(7.6)	(7.6)	(7.6)	(7.6)

	A	B	C	D
1	CY 2017 TPP Roll Values			
2	Citrus Production summary			
3		Number of Boxes	% reduced	
4	Before Greening	30,000,000		
5	After Citrus Greening	8,000,000	-73.3%	
6	After Hurricane Irma	5,000,000	-37.5%	
7	Total Reduction Percent		-83.3%	
8				
9	Citrus Processors by Activity			
10	Row Labels	Sum of TAX_VAL	Production Reduction Due to Citrus Greening & Irma	Taxable Value of Affected Equipment
11	Blender	\$ 101,334,510	-83.3%	\$ (84,445,425)
12	Processor	\$ 746,931,942	-83.3%	\$ (622,443,285)
13	Stand	\$ 1,904,154	-83.3%	\$ (1,586,795)
14	Unknown	\$ 3,446,123	-83.3%	\$ (2,871,769)
15	Grand Total	\$ 853,616,729	-83.3%	\$ (711,347,274)
16				
17	Citrus Packing Houses By Status			
18	Row Labels	Sum of TAX_VAL	Production Reduction Due to Citrus Greening & Irma	Taxable Value of Affected Equipment
19	Citrus packing	\$ 14,375,170	-83.3%	\$ (11,979,308)
20	Closed_Greening	\$ 5,337,293	-83.3%	\$ (4,447,744)
21	Grand Total	\$ 19,712,463	-83.3%	\$ (16,427,053)
22				
23	Total TV of Equipment that has been affected			\$ (727,774,327)
24	Salvage Value %			20.0%
25	Value of Exemption*			\$ (436,664,596)
26	*E23*(1-(2*E24))			
27				
28	2017 Millage Rate (School)			6.6455
29	2017 Millage Rate (Non-School)			10.8101
30				
31	Year	Growth	TV of affected equipment	
32	2018	0%	\$ (436,664,596)	
33	2019	0%	\$ (436,664,596)	
34	2020	0%	\$ (436,664,596)	
35	2021	0%	\$ (436,664,596)	
36	2022	0%	\$ (436,664,596)	
37	2023	0%	\$ (436,664,596)	

	A	B	C	D
38				
39	Impact (School)		Middle	
40	Year		Cash	Recurring
41	2018-19		\$ (2.9 M)	\$ (2.9 M)
42	2019-20		\$ (2.9 M)	\$ (2.9 M)
43	2020-21		\$ (2.9 M)	\$ (2.9 M)
44	2021-22		\$ (2.9 M)	\$ (2.9 M)
45	2022-23		\$ (2.9 M)	\$ (2.9 M)
46				
47	Impact (Non-School)		Middle	
48	Year		Cash	Recurring
49	2018-19		\$ (4.7 M)	\$ (4.7 M)
50	2019-20		\$ (4.7 M)	\$ (4.7 M)
51	2020-21		\$ (4.7 M)	\$ (4.7 M)
52	2021-22		\$ (4.7 M)	\$ (4.7 M)
53	2022-23		\$ (4.7 M)	\$ (4.7 M)
54				
55	Total Impact		Middle	
56	Year		Cash	Recurring
57	2018-19		\$ (7.6 M)	\$ (7.6 M)
58	2019-20		\$ (7.6 M)	\$ (7.6 M)
59	2020-21		\$ (7.6 M)	\$ (7.6 M)
60	2021-22		\$ (7.6 M)	\$ (7.6 M)
61	2022-23		\$ (7.6 M)	\$ (7.6 M)

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Disabled Vets/Surviving Spouse 5 Year Requirement

Bill Number(s): proposed language

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s):

Month/Year Impact Begins: July 1, 2018

Date of Analysis: February 2, 2018

Section 1: Narrative

a. Current Law:

Section 196.24, Florida Statutes, provides an exemption for disabled ex-servicemembers and their surviving spouses. A disabled ex-servicemember must provide a certificate of disability from the federal government. In addition, the “unremarried surviving spouse of such a disabled ex-servicemember who, on the date of the disabled ex-servicemember’s death, had been married to the disabled ex-servicemember for at least 5 years is also entitled to the exemption.”

b. Proposed Change:

This bill would remove the requirement that the unremarried surviving spouse must have been married to the ex-servicemember for at least 5 years. It goes into effect July 1, 2018.

Section 2: Description of Data and Sources

2015-2017 Real Property Assessment Rolls (Final)

2015-2016 Tangible Personal Property Assessment Rolls (Final)

2017 Tangible Personal Property Assessment Rolls (Preliminary)

2014-2017 Ad Valorem Data Books

Section 3: Methodology (Include Assumptions and Attach Details)

This impact estimate is based on the number and exemption values of parcels that lost the \$5,000 disabled ex-servicemember exemption and gained a widow or widower’s exemption at the same time. When a parcel loses the \$5,000 disabled ex-servicemember exemption, that exemption change is due to the death of the veteran (unmarried or married less than five years), the sale of the property, or a correction to the roll. Additionally, when one of the owners of a property co-owned by a married couple dies, the surviving spouse becomes eligible for a \$500 exemption under s. 196.202, F.S. Both the real and tangible personal property rolls have exemption codes dedicated to the disabled ex-servicemember exemption (EXMPT_35 for real property, exemption code L for TPP) and codes for the \$500 widow/widower’s exemption. The real property rolls have separate codes for widows (EXMPT_32) and widowers (EXMPT_33), the TPP rolls have one (exemption code K).

The analysis assumes that any parcel (or TPP account) that simultaneously loses the disabled ex-servicemember exemption and gains a widow(er)’s exemption (without being sold in an arms-length transaction) is owned by a surviving spouse whose marriage to a disabled ex-servicemember lasted less than 5 years.

To find these parcel and accounts, the 2015-2017 annual rolls were merged and any records without a disabled ex-servicemember exemption in any year was removed. A flag for a 2016 exemption switch was placed on parcels with EXMPT_35 and without either EXMPT_32 or EXMPT_33 in 2015 and without EXMPT_35 but with one of the widow(er)’s exemptions in 2016. A similar 2017 flag was computed for changes between the 2016 and 2017 rolls. The same filters and flags were computed for the TPP rolls. There were 173 parcels flagged for 2016 and 204 flagged for 2017 exemption switches. Though some TPP accounts lost the ex-servicemember’s disability exemption (10 in 2016, 17 in 2017), none gained a widow(er)’s exemption. The impact to TPP is assumed to be negligible, so the rest of the impact estimate only includes real property.

As one of the possible reasons for an exemption switch is the sale of the parcel, another filter must be added. Parcels with a qualified sale during the year preceding the exemption switch were removed, while unsold parcels and those with unqualified sales were kept. Sale qualification codes are assigned to any transfer of real property based on the circumstances of transfer. Qualified sales (sale qualification code 1 or 2) are considered arms-length transactions. Unqualified sales include any other transfer of property. Any parcels with a qualified sale during the final year with EXMPT_35 was filtered out.

For the remaining parcels, the maximum exemption amounts possible based on the following year’s taxable values was calculated. The change rate between 2016 and 2017’s school and non-school taxable value impacts were 6% for school and 7% for non-school. The 2017 taxable value impacts were increased by the growth rates to calculate the annual taxable value reduction due to newly eligible widow(er)s. As the bill goes into effect on July 1, 2018, the first tax roll with any additional cases will be 2019. Starting in 2020, then, the current year’s newly eligible parcel taxable value reduction is stacked with the reduction

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem**Issue:** Disabled Vets/Surviving Spouse 5 Year Requirement**Bill Number(s):** proposed language

from the prior year's eligible parcels. A decay rate of 3% was built in to the prior years' taxable value impact to account for property sales, remarriages, or deaths.

The 2017 statewide millage rates were applied to the 2018-2022 taxable value impacts to find the base tax impact used for the middle estimate. The high estimate is 300% of the middle to account for any property appraisers who do not automatically add a widow(er)'s exemption when a married co-owner dies. The low estimate is 50% of the middle to account for any non-qualified sales that don't include the surviving spouse as a grantee (i.e., not a corrective or quit claim deed to update the documentation and remove the deceased ex-servicemember as an owner).

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	-	\$ (0.0 M)	-	\$ (0.0 M)	-	\$ (0.0 M)
2019-20	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)
2020-21	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)
2021-22	\$ (0.1 M)	\$ (0.1 M)	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)
2022-23	\$ (0.2 M)	\$ (0.2 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.0 M)	\$ (0.0 M)

List of affected Trust Funds: Ad Valorem**Section 5: Consensus Estimate (Adopted: 02/02/2018): The Conference adopted the middle estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	0.0	0.0	0.0	0.0	0.0	(0.1)	0.0	(0.1)
2019-20	0.0	0.0	0.0	0.0	(Insignificant)	(0.1)	(Insignificant)	(0.1)
2020-21	0.0	0.0	0.0	0.0	(Insignificant)	(0.1)	(Insignificant)	(0.1)
2021-22	0.0	0.0	0.0	0.0	(Insignificant)	(0.1)	(Insignificant)	(0.1)
2022-23	0.0	0.0	0.0	0.0	(Insignificant)	(0.1)	(Insignificant)	(0.1)

	A	B	C	D	E	F	G	H	I	J	K	L
1												
2			Exemption Changes on NAL									
3												
4			Estimate is based on parcels with EXMPT_35 in one year and no widow(er) exemption, with no EXMPT_35 & a widow(er) exemption the following year.									
5			Proposed EXMPT_35 value after exemption loss was calculated on the parcel level, increasing up to \$5,000 or until TV=0.									
6			Parcels with a qualified sale (arm's length transaction) during the last year with EXMPT_35 were filtered out.									
7												
8												
9				Prior Year	First Year without EXMPT_35			Calculations - If EXMPT_35 Survives Late Spouse				
10			Exemption Switch Year	Parcels	Final EXMPT_35 Value	New Widow(er) Ex. Value	Available TV_SD	Available TV_NSD	Proposed EXMPT_35, School Value	New TV_SD	Proposed EXMPT_35, Non-School Value	New TV_NSD
11			2016	89	412,981	39,500	5,682,231	4,326,490	300,510	5,381,721	265,510	4,060,980
12			2017	100	461,821	43,500	7,110,873	5,609,079	320,000	6,790,873	285,000	5,324,079
13												
14			Exemption Changes on NAP									
15												
16			There are analogous exemptions on the TPP rolls for the disabled veteran exemption (code L) and the widow/widowers exemptions (code K).									
17			From 2015-2017, no accounts lost exemption L and gained exemption K in the same year.									
18			Only 17 accounts lost exemption L in 2016, and ten accounts lost it in 2017. None of those accounts had any remaining taxable value the following year.									
19			It is assumed that TPP taxable value will not be strongly affected by this bill, so TPP is excluded from the impact calculations.									
20												
21			Annual Growth Rate									
22												
23				Calculated Impact			Percent Increase					
24			Exemption Switch Year	Parcels	School TV	Non-School TV	Parcels	Tax Impact, School	Tax Impact, Non-School			
25			2016	89	300,510	265,510						
26			2017	100	320,000	285,000	12%	6%	7%			
27												
28			Stacked Annual Taxable Value Impact									
29												
30			Increase	6%	7%							
31			Decay	3%	3%							
32			Year	School TV	Non-School TV							
33			2017	320,000	285,000							
34			2018	340,754	305,921							
35			2019	362,854	328,377							
36			2020	738,356	671,008							
37			2021	1,502,449	1,371,141							
38			2022	3,057,267	2,801,797							
39												
40			Apply Statewide Millage Rates									
41												
42				2017 Statewide Millage Rates								
43				School	Non-School							
44				6.6455	10.8101							
45												
46				TAX IMPACT								
47			FY	School	Non-School	TOTAL						
48			2018-19	\$ (2,264)	\$ (3,307)	\$ (5,572)						
49			2019-20	\$ (2,411)	\$ (3,550)	\$ (5,961)						
50			2020-21	\$ (4,907)	\$ (7,254)	\$ (12,160)						
51			2021-22	\$ (9,985)	\$ (14,822)	\$ (24,807)						
52			2022-23	\$ (20,317)	\$ (30,288)	\$ (50,605)						
53												

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	A	B	C	D	E	F	G	H	I	J	K	L
54			High/Middle/Low Adjustment									
55												
56			Estimate	Adjustment	Reasons							
57			High	300%	Increased inducement of exemption.							
58			Middle	100%	No adjustment							
59			Low	50%	Some remaining parcels with non-qualified sales may have totally new owners.							
60												
61				High	Middle	Low						
62			FY	Cash	Recurring	Cash	Recurring	Cash	Recurring			
63			2018-19	-	\$ (0.0 M)	-	\$ (0.0 M)	-	\$ (0.0 M)			
64			2019-20	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)			
65			2020-21	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)			
66			2021-22	\$ (0.1 M)	\$ (0.1 M)	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)	\$ (0.0 M)			
67			2022-23	\$ (0.2 M)	\$ (0.2 M)	\$ (0.1 M)	\$ (0.1 M)	\$ (0.0 M)	\$ (0.0 M)			

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Multi-Parcel Buildings

Bill Number(s): Proposed Language

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s):

Month/Year Impact Begins: January 2018

Date of Analysis: January 26, 2018

Section 1: Narrative

a. Current Law:

There is currently no law specifying the allocation of land value to parcels in a mixed use multiple parcel building.

Section 197.572, Florida Statutes, concerns the survival of certain easements after tax sales and deeds. The easements that survive are "any easement for conservation purposes as provided in s. 704.06 or telephone, telegraph, pipeline, power transmission, or other public service purpose and shall continue to be subject to any easement for the purposes of drainage or of ingress and egress to and from other land."

Section 197.573, F.S., allows for the survival of restrictions and covenants after tax sale. It reads, in part, "(1) When a deed in the chain of title contains restrictions and covenants running with the land, as hereinafter defined and limited, the restrictions and covenants shall survive and be enforceable after the" tax sale to the same extent they would be after a voluntary sale. It continues, "(2) This section shall apply to the usual restrictions and covenants limiting the use of property; the type, character and location of building; covenants against nuisances and what the former parties deemed to be undesirable conditions, in, upon, and about the property; and other similar restrictions and covenants; but this section shall not protect covenants creating any debt or lien against or upon the property, except one providing for satisfaction or survival of a lien of record held by a municipal or county governmental unit, or requiring the grantee to expend money for any purpose, except one that may require that the premises be kept in a sanitary or slightly condition or one to abate nuisances or undesirable conditions."

b. Proposed Change:

In section 1 of the bill, section 193.0237, Assessment of multiple parcel buildings, is created to read:

(1) As used in this section, the term:

(a) "Multiple parcel building" means a building, other than one consisting entirely of a single condominium, timeshare, or cooperative, which contains separate parcels that are vertically located, in whole or in part, on or over the same land.

(b) "Parcel" means a portion of a multiple parcel building which is identified in a recorded instrument by a legal description that is sufficient for record ownership and conveyance by deed separately from any other portion of the building.

(c) "Recorded instrument" means a declaration, covenant, easement, deed, plat, agreement, or other legal instrument, other than a lease, mortgage, or lien, which describes one or more parcels in a multiple parcel building and which is recorded in the public records of the county where the multiple parcel building is located.

(2) The value of land upon which a multiple parcel building is located, regardless of ownership, may not be separately assessed and must be allocated among and included in the just value of all the parcels in the multiple parcel building as provided in subsection (3).

(3) The property appraiser, for assessment purposes, must allocate all of the just value of the land among the parcels in a multiple parcel building in the same proportion that the just value of the improvements in each parcel bears to the total just value of all the improvements in the entire multiparcel building.

(4) A condominium, timeshare, or cooperative may be created within a parcel in a multiple parcel building. Any land value allocated to the just value of a parcel containing a condominium must be further allocated among the condominium units in that parcel in the manner required in s. 193.023(5). Any land value allocated to the just value of a parcel containing a cooperative must be further allocated among the cooperative units in that parcel in the manner required in s. 719.114.

(5) Each parcel in a multiple parcel building must be assigned a separate tax folio number. However, if a condominium or cooperative is created within any such parcel, a separate tax folio number must be assigned to each condominium unit or cooperative unit, rather than to the parcel in which they were created.

(6) All provisions of a recorded instrument affecting a parcel in a multiple parcel building, which parcel has been sold for taxes or special assessments, survive and are enforceable after the issuance of a tax deed or master's deed, or upon foreclosure of an assessment, a certificate or lien, a tax deed, a tax certificate, or a tax lien, to the same extent that they would be enforceable against a voluntary grantee of the title immediately before the delivery of the tax deed, master's deed, or clerk's certificate of title as provided in s. 197.573.

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Multi-Parcel Buildings

Bill Number(s): Proposed Language

(7) This section applies to any land on which a multiple parcel building is substantially completed as of January 1 of the respective assessment year. This section applies to assessments beginning in the 2018 calendar year.

Section 2 amends s. 197.3631, F.S., adding subsection (2), which states: (2) For non-ad valorem special assessments based on the size or area of the land containing a multiple parcel building, regardless of ownership, the special assessment must be levied on and allocated among all the parcels in the multiple parcel building on the same basis that the land value is allocated among the parcels in s. 193.0237(3). For non-ad valorem assessments not based on the size or area of the land, each parcel in the multiple parcel building shall be subject to a separate assessment. For purposes of this subsection, the terms “multiple parcel building” and “parcel” have the same meaning as provided in in s. 193.0237(1).

Section 3 amends s. 197.572, F.S., to add “support of certain improvements” to the statute title. The bill adds “support of improvements that may be constructed above the lands” to the list of easements that survive on lands sold for the nonpayment of taxes, the issuance of a tax certificate, or pursuant to any tax lien foreclosure proceeding. Easements that survive tax sales and deeds are also expanded to those “for telephone, telegraph, pipeline, power transmission, or other public service purpose.”

Section 4 amends s. 197.573, F.S., Survival of restrictions and covenants after tax sale. S. 197.573(1) is broadened to read “When a deed or other recorded instrument in the chain of title contains restrictions and covenants running with the land, as hereinafter defined and limited, the restrictions and covenants shall survive and be enforceable...” in relevant circumstances. Subsection 2, which explains what restrictions and covenants survive a tax sale and specifically excludes some covenants, is reorganized into paragraphs and amended to exclude covenants that “(a) Create ~~Creating~~ any debt or lien against or upon the property, except one providing for satisfaction or survival of a lien of record held by a municipal or county governmental unit, or one providing a lien for assessments accruing after such tax deed, master’s deed, or clerk’s certificate of title to a condominium association, homeowners’ association, property owners’ association, or other person having assessment powers under such covenants”.

Section 2: Description of Data and Sources

2016-17 Non-Ad valorem assessments
2014 to 2017 Lands available for taxes
2017-18 Statewide millage rates

Section 3: Methodology (Include Assumptions and Attach Details)

Section 2 of the proposed language provides that with respect to those non-ad valorem special assessments that are based on the size or area of the land containing a multi-parcel building, the special assessment must be levied on and allocated among all the parcels in the building on the same basis as the land value is allocated in s, 193.0237(3) . The analyst’s understanding of the imposition of a valid non-ad valorem assessment requires a fair apportionment across all users. The analysts does not understand how an assessment based on such things as total size, per lot, or per front foot could be fairly measured with respect to the parcels within a multiparcel building. For the high, it is assumed that 10% of the 2016-17 amount of non-ad valorem assessments using the uniform method of collection are no longer able to be collected. For the middle, it was assumed that 3% of the of the 2016-17 amount of non-ad valorem assessments using the uniform method of collection are no longer able to be collected. For the low, it was assumed that 0.5% of the 2016-17 amount of non-ad valorem assessments using the uniform method of collection are no longer able to be collected. It was assumed that there was no growth over the forecast period.

Section 4 of the proposed language provides for the survival of certain debts or liens for assessments accruing after such tax deed master’s deed, or clerk’s certificate of title to a condominium association, homeowner’s association, or other person having assessment powers under such covenants. This provision applies to all properties, not just multi-parcel buildings. For purposes of developing an impact, it was assumed that at the margin, tax deeds for properties subject to such assessments will be less desirable than under current law. At the margin, that will result in certain tax deeds that would otherwise have been successfully sold at public auction will instead not be sold and instead placed on the list of lands available for taxes. For the high, it was assumed that the value of lands available for taxes would increase by 400%, for the middle 200% and for the low, 100%. 2017-18 millage rates were then applied. The average value for lands available for taxes for the period 2014 to 2017 was used. It was assumed that there was no growth over the forecast period.

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Multi-Parcel Buildings

Bill Number(s): Proposed Language

Section 4: Proposed Fiscal Impact

Section 2 – Non-Ad Valorem Assessments

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(\$304.7 M)	(\$304.7 M)	(\$91.4 M)	(\$91.4 M)	(\$15.2 M)	(\$15.2 M)
2019-20	(\$304.7 M)	(\$304.7 M)	(\$91.4 M)	(\$91.4 M)	(\$15.2 M)	(\$15.2 M)
2020-21	(\$304.7 M)	(\$304.7 M)	(\$91.4 M)	(\$91.4 M)	(\$15.2 M)	(\$15.2 M)
2021-22	(\$304.7 M)	(\$304.7 M)	(\$91.4 M)	(\$91.4 M)	(\$15.2 M)	(\$15.2 M)
2022-23	(\$304.7 M)	(\$304.7 M)	(\$91.4 M)	(\$91.4 M)	(\$15.2 M)	(\$15.2 M)

List of affected Trust Funds: Non -Ad Valorem Assessments using the Uniform Method of Collection

Section 4 – Liens surviving tax deed

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(\$2.5 M)	(\$2.5 M)	(\$1.3 M)	(\$1.3 M)	(\$0.6 M)	(\$0.6 M)
2019-20	(\$2.5 M)	(\$2.5 M)	(\$1.3 M)	(\$1.3 M)	(\$0.6 M)	(\$0.6 M)
2020-21	(\$2.5 M)	(\$2.5 M)	(\$1.3 M)	(\$1.3 M)	(\$0.6 M)	(\$0.6 M)
2021-22	(\$2.5 M)	(\$2.5 M)	(\$1.3 M)	(\$1.3 M)	(\$0.6 M)	(\$0.6 M)
2022-23	(\$2.5 M)	(\$2.5 M)	(\$1.3 M)	(\$1.3 M)	(\$0.6 M)	(\$0.6 M)

List of affected Trust Funds: Ad Valorem

Section 5: Consensus Estimate (Adopted: 02/02/2018): The Conference adopted a negative indeterminate impact for the bill. The bill has changes that could implicate established case law regarding the two-pronged test for valid special assessments (special benefit and fair apportionment) and surviving tax deeds. See *Collier County v. State*, 733 So. 2d 1012, 1017 (Fla. 1999).

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2019-20	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2020-21	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2021-22	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2022-23	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)

Proposed Language - Multi-Parcel Buildings

	A	B	C	D	E	F	G
1	Section 2 - Non-Ad Valorem Impact						
2							
3							
4							
5	2017-17 non-ad valorem assessments using the uniform collection method				\$3,046,867,683		
6			Impact				
7	High	10%	\$304,686,768				
8	Middle	3%	\$91,406,030				
9	Low	0.5%	\$15,234,338				
10	Section 4 Liens surviving Tax Deed						
11							
12							
13							
14		Value of Lands Available for taxes	Parcels				
15	2014	\$32,990,541	4372	2017-18 Statewide millage			
16	2015	\$37,719,321	2564	School		6.645	
17	2016	\$40,680,274	3075	Non-School		10.8101	
18	2017	\$33,992,113	3112				
19	4 year average	\$36,345,562					
20							
21			School	Non-School	Total		
22	High	400%	\$966,065	\$1,571,597	\$2,537,662		
23	Middle	200%	\$483,033	\$785,798	\$1,268,831		
24	Low	100%	\$241,516	\$392,899	\$634,415		
25							

2017-18 Statewide millage	
School	6.645
Non-School	10.8101

REVENUE ESTIMATING CONFERENCE

Tax: Article V

Issue: Jurisdiction of County Courts

Bill Number(s): HB 7061

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Civil Justice and Claims Subcommittee

Month/Year Impact Begins: July 1, 2018

Date of Analysis: February 2, 2018

Section 1: Narrative

- a. Current Law:** Section 34.01, F.S. states that county courts shall have original jurisdiction in all misdemeanor cases not within the jurisdiction of circuit courts, all violations of municipal and county ordinances, all actions of law in which the matter of controversy does not exceed \$15,000, and disputes involving homeowner's associations. The county court filing fees for civil cases greater than \$2,500 and up to \$15,000 are as follows: \$280 to the Clerk's Fine and Forfeiture Funds (F&FF), \$16 to the State Courts Revenue Trust Fund (SCRTF), \$3.50 to the Courts Education Trust fund (CETF) and \$0.50 to the Department of Financial Services Administrative Trust Fund (DFS ATF). The circuit courts have jurisdiction for civil cases whose matter of controversy is above \$15,000. The filing fees for those cases are \$196 to the Clerk's F&FF, \$196 to the SCRTF, \$3.50 to the CETF and \$5.50 to the DFS ATF.
- b. Proposed Change:** Section 34.01, F.S. is revised to increase the county court jurisdictional threshold from \$15,000 to \$50,000 effective July 1, 2018, for causes of action filed on or after that date regardless of when the cause of action occurred. Beginning July 1, 2020, the Florida Supreme Court shall adjust the jurisdictional limit for county courts every five years by the cumulative percentage change in the preceding five years of the Unadjusted Consumer Price Index for All Urban Consumers, rounded to the nearest \$1,000.

Section 2: Description of Data and Sources

Article V Revenue Estimating Conference held January 11, 2018

National Economic Estimating Conference held January 9, 2018

Phone and email contact with staff from the Office of State Courts Administrator (OSCA)

Staff Analysis by the Civil Justice and Claims Subcommittee for PCB CJC 18-01, prepared January 19, 2018

Section 3: Methodology (Include Assumptions and Attach Details)

Changing the jurisdictional limit for county courts will impact the Clerks F&FF, SCRTF, and DFS ATF because the filing fees for each are different between county court and circuit court (note that the filing fees deposited into the CETF are the same). The third quarter CPI for 2015 and 2020 from the most recent National Economic Estimating Conference was used to calculate the new jurisdictional limit effective July 1, 2020. The most recent Article V REC was used to show the current forecast for circuit/county court fees and derived filings. The derived filings were used to calculate fees which are either not explicitly stated by the conference or grouped with other filings. The derived filings includes cases which are otherwise excluded from the jurisdictional limit. Thus, the total derived filings were reduced by 26% to calculate applicable filings. According to research conducted by OSCA staff, it is assumed that for each \$10,000 interval increase to the jurisdictional limit, approximately 7.4% of applicable filings would shift from circuit court to county court. Applying that rule to the new jurisdictional limit for each year yielded new filings for both circuit court and county court. The applicable fees for each were applied and differences to affected funds observed.

There is a subsequent impact to appellate fees. Current circuit court cases are appealed to the district court of appeals while county court cases are appealed to circuit court. The movement of cases from the circuit court to the county court would move the appellate filings for those cases from the district court of appeals to the circuit courts. The appellate fees in the district court of appeals (which would be lost) are \$100 to the Clerks F&FF, \$250 to the General Revenue Fund, and \$50 to the SCRTF. The appellate fees in the circuit courts (which would be gained) are \$280 to the Clerks F&FF and \$1 to the SCRTF. OSCA provided a 3.4% appellate rate, which was used to calculate the number of appellate filings being shifted and the subsequent fee change.

For the FY 2018-19 cash impact for the non-appellate case shift, there is a one month lag between cash and recurring. The cash impact for appellate filings is impacted by a one year delay between the time the case is filed and when it would be appealed.

REVENUE ESTIMATING CONFERENCE

Tax: Article V

Issue: Jurisdiction of County Courts

Bill Number(s): HB 7061

Section 4: Proposed Fiscal Impact

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			0.0	(0.2)		
2019-20			(0.2)	(0.2)		
2020-21			(0.3)	(0.3)		
2021-22			(0.3)	(0.3)		
2022-23			(0.3)	(0.3)		

TRUST	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			(4.2)	(4.6)		
2019-20			(4.6)	(4.6)		
2020-21			(5.3)	(5.4)		
2021-22			(5.4)	(5.4)		
2022-23			(5.4)	(5.4)		

LOCAL	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			2.0	2.3		
2019-20			2.4	2.4		
2020-21			2.7	2.7		
2021-22			2.7	2.7		
2022-23			2.7	2.7		

List of affected Trust Funds:

General Revenue Fund

State Courts Revenue Trust Fund

Clerk's Fine and Forfeiture Funds

Department of Financial Services Administrative Trust Fund

Court Education Trust Fund

Section 5: Consensus Estimate (Adopted: 02/02/2018): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(0.3)	(0.6)	(3.8)	(4.2)	2.0	2.3	(2.2)	(2.5)
2019-20	(0.6)	(0.6)	(4.3)	(4.3)	2.4	2.4	(2.5)	(2.5)
2020-21	(0.7)	(0.7)	(4.9)	(5.0)	2.7	2.7	(2.8)	(2.9)
2021-22	(0.7)	(0.7)	(5.0)	(5.0)	2.7	2.7	(2.9)	(2.9)
2022-23	(0.7)	(0.7)	(5.0)	(5.0)	2.7	2.7	(2.9)	(2.9)

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2	Current Law												
3		Circuit Court Filings						County Court Filings					
4		Filings*	\$195 to SCRTF	\$1 SCRTF add-on	\$5.50 to DFS ATF	\$3.50 to CETF	\$195 to Clerks	Filings*	\$280 to Clerks	\$15 to SCRTF	\$1 SCRTF add-on	\$3.50 to CETF	\$0.50 to DFS ATF
5	FY 1819	133,735	26.1	0.1	0.7	0.5	26.1	159,322	44.6	2.4	0.2	0.6	0.1
6	FY 1920	135,072	26.3	0.1	0.7	0.5	26.3	161,017	45.1	2.4	0.2	0.6	0.1
7	FY 2021	136,423	26.6	0.1	0.8	0.5	26.6	162,712	45.6	2.4	0.2	0.6	0.1
8	FY 2122	136,423	26.6	0.1	0.8	0.5	26.6	164,407	46.0	2.5	0.2	0.6	0.1
9	FY 2223	136,423	26.6	0.1	0.8	0.5	26.6	166,102	46.5	2.5	0.2	0.6	0.1
10	*Filings are derived												
11													
12		CPI 2015 Q3	237.72										
13		CPI 2020 Q3	262.25										
14													
15	Threshold/Filings Calculations												
16		Current Limit	Proposed Limit	Difference	% per 10,000	% Shifted	Applicable Filings	Filings Shifted					
17	FY 1819	15,000	50,000	35,000	7.4%	25.9%	98,964	25,632					
18	FY 1920	15,000	50,000	35,000	7.4%	25.9%	99,953	25,888					
19	FY 2021	15,000	55,000	40,000	7.4%	29.6%	100,953	29,882					
20	FY 2122	15,000	55,000	40,000	7.4%	29.6%	100,953	29,882					
21	FY 2223	15,000	55,000	40,000	7.4%	29.6%	100,953	29,882					
22													
23	Proposed												
24		Circuit Court Filings						County Court Filings					
25		Filings*	\$195 to SCRTF	\$1 SCRTF add-on	\$5.50 to DFS ATF	\$3.50 to CETF	\$195 to Clerks	Filings*	\$280 to Clerks	\$16 to SCRTF	\$1 SCRTF add-on	\$3.50 to CETF	\$0.50 to DFS ATF
26	FY 1819	108,103	21.1	0.1	0.6	0.4	21.1	184,954	51.8	3.0	0.2	0.6	0.1
27	FY 1920	109,184	21.3	0.1	0.6	0.4	21.3	186,905	52.3	3.0	0.2	0.7	0.1
28	FY 2021	106,541	20.8	0.1	0.6	0.4	20.8	192,594	53.9	3.1	0.2	0.7	0.1
29	FY 2122	106,541	20.8	0.1	0.6	0.4	20.8	194,289	54.4	3.1	0.2	0.7	0.1
30	FY 2223	106,541	20.8	0.1	0.6	0.4	20.8	195,984	54.9	3.1	0.2	0.7	0.1
31	*Filings are derived												
32													
33	Appellate Impact												
34				Current Law (Circuit Ct. Appeal to DCA)			Proposed (County Ct. Appeal to Circuit Ct.)			Change			
35		Filings Shifted	# Appealed*	\$100 to Clerks	\$250 to GR	\$50 to SCRTF	\$280 to Clerks	\$1 to SCRTF	GR	SCRTF	Clerks		
36	FY 1819	25,632	871	0.087	0.218	0.044	0.244	0.001	-0.218	-0.043	0.157		
37	FY 1920	25,888	880	0.088	0.220	0.044	0.246	0.001	-0.220	-0.043	0.158		
38	FY 2021	29,882	1,016	0.102	0.254	0.051	0.284	0.001	-0.254	-0.050	0.183		
39	FY 2122	29,882	1,016	0.102	0.254	0.051	0.284	0.001	-0.254	-0.050	0.183		
40	FY 2223	29,882	1,016	0.102	0.254	0.051	0.284	0.001	-0.254	-0.050	0.183		
41	*Assumed 3.4% appellate rate												
42													
43	Impact												
44		GR		Trust		Local		Total					
45		Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring				
46	FY 1819	0.0	-0.2	-4.2	-4.6	2.0	2.3	-2.2	-2.5				
47	FY 1920	-0.2	-0.2	-4.6	-4.6	2.4	2.4	-2.5	-2.5				
48	FY 2021	-0.3	-0.3	-5.3	-5.4	2.7	2.7	-2.8	-2.9				
49	FY 2122	-0.3	-0.3	-5.4	-5.4	2.7	2.7	-2.9	-2.9				
50	FY 2223	-0.3	-0.3	-5.4	-5.4	2.7	2.7	-2.9	-2.9				

REVENUE ESTIMATING CONFERENCE

Tax: Corporate Filing Fees

Issue: Correction due to Fraud

Bill Number(s): CS/HB661

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Representative Miller

Month/Year Impact Begins: 07/01/2018

Date of Analysis: 01/30/2018

Section 1: Narrative

- a. Current Law:** Currently, to file an article of correction, a corporation and limited partnership must pay \$35 while a limited liability company must pay \$25. A verification system does not appear to be in place for business entities to review the corrections before the records are filed.
- b. Proposed Change:** Provides that a record may be corrected without a fee if the record contains false, misleading, or fraudulent information if the correction is delivered to the department within a specified time.

Section 2: Description of Data and Sources

House Bill Analysis 1/11/2018

Discussions with the Department of State

[Samantha Joseph, How a New Kind of Fraud Puts South Florida Real Estate Owners, Lenders at Risk](#), visited 1/30/2018

Section 3: Methodology (Include Assumptions and Attach Details)

The impact of the bill is estimated to be negative insignificant. The Department of State estimates that “the volume of reported incidents requiring a fee to be paid in order to be correct(ed) is limited”. The Division of Corporations does not track these types of filings in their current system.

The situation being addressed by this bill has been publically known to have happened twice. The verification system being put into place should help avoid these situations

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			(*)	(*)		
2019-20			(*)	(*)		
2020-21			(*)	(*)		
2021-22			(*)	(*)		
2022-23			(*)	(*)		

List of affected Trust Funds:

Section 5: Consensus Estimate (Adopted: 02/02/2018): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)
2019-20	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)
2020-21	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)
2021-22	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)
2022-23	(Insignificant)	(Insignificant)	0.0	0.0	0.0	0.0	(Insignificant)	(Insignificant)

REVENUE ESTIMATING CONFERENCE

Tax: CIT, IPT, Ad Valorem

Issue: Workforce Housing Tax Credits

Bill Number(s): Proposed Language

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): N/A

Month/Year Impact Begins: July 1, 2018

Date of Analysis: 2/1/2018

Section 1: Narrative

a. Current Law: There is no tax credit for provision of workforce housing.

There is no provision preventing a property appraiser from considering tax credits for workforce housing when valuing subject property.

Significant Court Cases – Holly Ridge Limited Partnership v. Pritchett, 936 So. 2d 694
Robbins v. Summit Apartments

b. Proposed Change: Section 1 - The proposed language creates the State workforce housing credit. It makes available the following amounts for the Florida Housing Finance Corporation to allocate:

2019 - \$50 M

2020 - \$25 M

2021 - \$25 M

Provides that the credit allowance amount is equal to 9% of the qualified basis of the Eligible Workforce Housing Development.

Provides for a carryforward of up to 11 years after the tax year in which the allocation was made of any unused credit amount.

Provides for an allocation of credit to related parties if entity receiving the allocation of credit is a partnership, limited liability company, S-corporation, or simple pass thru entity.

Provides that the entity receiving a credit allocation may take a credit for an 11 year period. Except for the first year, the credit amount allocated shall be allowed as a credit against the tax for each of the ten taxable years in the credit period.

Specifies that the credit may be taken against CIT or IPT.

Section 2 –The proposed language provides:

(6) For purposes of implementing this program and assessing the property for ad valorem taxation under s. 193.011, the tax credits and any financing generated by tax credits may not be considered as income to the property, and the actual rental income from rent-restricted units in an eligible workforce housing development must be recognized by the property appraiser. In considering or using the market or cost approaches under s. 193.011, the costs paid for by tax credits and the costs paid for by additional financing proceeds received because the property is in the program may not be included in the valuation.

(7) For the further purpose of implementing this program in this state and in assessing the property for ad valorem taxation under s. 193.011, any extended workforce housing commitment under s. 220.1855(2)(f), and all amendments and supplements thereto, which are recorded and filed in the official public records of the county where the property is located are deemed a land use regulation during the term of any such agreement, amendment, or supplement.

Section 2: Description of Data and Sources

2017-18 Statewide Millage Rates- January 2018 Ad Valorem Conference

Section 3: Methodology (Include Assumptions and Attach Details)

Assumption 1. The analyst was instructed to assume that the proposed language is amended to provide that the annual amount of credit that can be taken cannot exceed 1/10th of the credit allocation amount in a given year.

Assumption 2 – it was assumed that for the first and eleventh year the credit would be 1/20th of the credit allocation amount.

Assumption 3 – The cost, market, and income approach to value will all result in the same valuation of real property for Ad Valorem purposes.

Assumption 4 – the language on line 294 prohibiting the consideration of tax credits in order to arrive at assessed value of the Eligible Workforce Housing Development includes any tax credits authorized by the federal government.

REVENUE ESTIMATING CONFERENCE

Tax: CIT, IPT, Ad Valorem

Issue: Workforce Housing Tax Credits

Bill Number(s): Proposed Language

Methodology – Section 1: modeled the amount of credit that would be taken in a given year if no carryforwards were to occur.

Section 2 – measured the amount of tax credits at the federal level that would be associated with the state credits. Applied 2017-18 statewide millage to that amount. Impact would stack as new credits were issued in 2020 and 2021 representing new properties that would be assessed as provided in the proposed language. This impact is the High. For the low, it was assumed that the current law requires the valuation as specified in the proposed language and therefore has no impact. The impact does not include fees. It assumed the ad valorem change applies to federal credits.

Section 4: Proposed Fiscal Impact

Section 1 – CIT and IPT Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			(\$0 M)	(\$10 M)		
2019-20			(\$2.5 M)	(\$10 M)		
2020-21			(\$6.3 M)	(\$10 M)		
2021-22			(\$8.8 M)	(\$10 M)		
2022-23			(\$10 M)	(\$10 M)		

List of affected Trust Funds: CIT and IPT Groups

Section 2 – Ad Valorem Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(\$0 M)	(\$15.3 M)			\$0	\$0
2019-20	(\$0 M)	(\$15.3 M)			\$0	\$0
2020-21	(\$7.6 M)	(\$15.3 M)			\$0	\$0
2021-22	(\$11.5 M)	(\$15.3 M)			\$0	\$0
2022-23	(\$15.3 M)	(\$15.3 M)			\$0	\$0

List of affected Trust Funds: Ad Valorem Group

Section 5: Consensus Estimate (Adopted: 02/02/2018): The Conference adopted the proposed estimate for section 1 and the high estimate for section 2. The Section 1 impact is broken out 90% to CIT and 10% IPT.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	0.0	(10.0)	0.0	0.0	0.0	(15.3)	0.0	(25.3)
2019-20	(2.5)	(10.0)	0.0	0.0	0.0	(15.3)	(2.5)	(25.3)
2020-21	(6.3)	(10.0)	0.0	0.0	(7.6)	(15.3)	(13.9)	(25.3)
2021-22	(8.8)	(10.0)	0.0	0.0	(11.5)	(15.3)	(20.3)	(25.3)
2022-23	(10.0)	(10.0)	0.0	0.0	(15.3)	(15.3)	(25.3)	(25.3)

	A	B	C	D	E	F
1						
2	Section 1					
3	Credit Allocation amount					
4	2019	\$50,000,000				
5	2020	\$25,000,000				
6	2021	\$25,000,000				
7						
8						
9	Schedule for taking of credit					
10						
11		2019 Allocation	2020 Allocation	2021 Allocation	Total Impact	FY
12	2019	\$2,500,000			\$2,500,000	19-20
13	2020	\$5,000,000	\$1,250,000		\$6,250,000	20-21
14	2021	\$5,000,000	\$2,500,000	\$1,250,000	\$8,750,000	21-22
15	2022	\$5,000,000	\$2,500,000	\$2,500,000	\$10,000,000	22-23
16	2023	\$5,000,000	\$2,500,000	\$2,500,000	\$10,000,000	
17	2024	\$5,000,000	\$2,500,000	\$2,500,000	\$10,000,000	
18	2025	\$5,000,000	\$2,500,000	\$2,500,000	\$10,000,000	
19	2026	\$5,000,000	\$2,500,000	\$2,500,000	\$10,000,000	
20	2027	\$5,000,000	\$2,500,000	\$2,500,000	\$10,000,000	
21	2028	\$5,000,000	\$2,500,000	\$2,500,000	\$10,000,000	
22	2029	\$2,500,000	\$2,500,000	\$2,500,000	\$7,500,000	
23	2030		\$1,250,000	\$2,500,000	\$3,750,000	
24	2031			\$1,250,000	\$1,250,000	
25						
26						
27	Section 2					
28	Florida Credit Allocation amount		Florida Credit as a Percent of Qualified Basis	Federal Credit as a Percent of Qualified Basis	Federal credit amount	Total Value not able to be assessed
29	2019	\$50,000,000	9%	70%	\$388,888,889	\$438,888,889
30	2020	\$25,000,000	9%	70%	\$194,444,444	\$219,444,444
31	2021	\$25,000,000	9%	70%	\$194,444,444	\$219,444,444
32						
33	Impact - Taxes					
34	Impact - Value		School Impact	Non-School Impact	Total Impact	
35	2020-21	\$438,888,889	\$2,916,636	\$4,744,433	\$7,661,069	
36	2021-22	\$658,333,333	\$4,374,954	\$7,116,649	\$11,491,603	
37	2022-23	\$877,777,778	\$5,833,272	\$9,488,866	\$15,322,138	
39						
40	2017-18 Statewide Millage					
41	School	6.6455				
42	Non-School	10.8101				

REVENUE ESTIMATING CONFERENCE

Tax: Motor Fuel Tax

Issue: Fuel Used for Agricultural Transportation

Bill Number(s): Proposed Language

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s):

Month/Year Impact Begins: Retroactively, starting September 10, 2017

Date of Analysis: 2/2/2018

Section 1: Narrative

a. Current Law:

Gas – 206.41 (c) 1 F.S., reads “Any person who uses any motor fuel for agricultural, aquacultural, commercial fishing, or commercial aviation purposes on which fuel the tax imposed by paragraph (1)(e), paragraph (1)(f), or paragraph (1)(g) has been paid is entitled to a refund of such tax.

2. For the purposes of this paragraph, “agricultural and aquacultural purposes” means motor fuel used in any tractor, vehicle, or other farm equipment which is used exclusively on a farm or for processing farm products on the farm, and no part of which fuel is used in any vehicle or equipment driven or operated upon the public highways of this state. This restriction does not apply to the movement of a farm vehicle, farm equipment, citrus harvesting equipment, or citrus fruit loaders between farms. The transporting of bees by water and the operating of equipment used in the apiary of a beekeeper shall be also deemed an agricultural purpose.”

Diesel – 206.874 (3) (a) F.S., exempts use of dyed diesel on a farm for farming purposes.

b. Proposed Change:

Section 1. Refund of taxes on fuel used for agricultural shipment after Hurricane Irma.—

(1) Fuel purchased and used in this state during the period from September 10, 2017 through June 30, 2018, which is used in any motor vehicle driven or operated upon the public highways of this state for agricultural shipment is exempt from all state and county taxes authorized or imposed under chapter 206, Florida Statutes. The exemption provided by this section is available to the fuel purchaser in an amount equal to the total fuel tax imposed on fuel purchased for agricultural shipment during the period from September 10, 2017 through June 30, 2018. The exemption provided by this section is only available through a refund from the Department of Revenue.

(2) For purposes of the exemption provided in this section, the term:

(a) “Fuel” means motor fuel or diesel fuel, as defined in ss. 206.01 and 206.86, respectively.

(b) “Fuel tax” means and includes all state and county taxes authorized or imposed under chapter 206, Florida Statutes on fuel.

(c) “Motor vehicle” and “public highways” have the same meaning as in s. 206.01, Florida Statutes.

(d) “Agricultural shipment” means the transportation of any agricultural product from a farm, nursery, grove, orchard, vineyard, garden, or apiary to an agricultural processing or storage facility.

(e) “Agricultural product” means the natural products of a farm, nursery, grove, orchard, vineyard, garden, or apiary, including livestock as defined in s. 585.01.

(f) “Agricultural processing or storage facility” means property used or useful in the separation, cleaning, processing, converting, packaging, handling, storing, and other activities necessary for the preparation of crops, livestock, related products, and other products of agriculture, including nonfarm facilities for production of agricultural products in whole or in part through natural processes, animal husbandry, and apiaries.

(3) To receive a refund pursuant to this section, the fuel purchaser must apply to the Department of Revenue by December 31, 2018. The refund application must include the following information:

(a) The name and address of the person claiming the refund.

(b) The name and address of up to three owners of a farm, nursery, grove, orchard, vineyard, garden, or apiary whose agricultural product was shipped by the person seeking the refund pursuant to this section.

(c) The sales invoice or other proof of purchase of the fuel, showing the number of gallons of fuel purchased, the type of fuel purchased, the date of purchase, and the name and place of business of the dealer from whom the fuel was purchased. (d) The license number, or other identification number, of the motor vehicle that used the exempt fuel.

The remaining sections of the language address rules and administration of the refund.

REVENUE ESTIMATING CONFERENCE

Tax: Motor Fuel Tax

Issue: Fuel Used for Agricultural Transportation

Bill Number(s): Proposed Language

Section 2: Description of Data and Sources

USDA – Livestock report 2016-2017

USDA – Poultry & Egg Report 2015-2016

US Forestry – 2015 Harvest values

Florida Department of Agriculture and Consumer Services – Ag by the Numbers 2014

FLHSMV – Total Receipts from IFTA Reconciliation 2017-18 – July-December

HSMV - Light Trucks and Heavy Trucks (% Agriculture Use)

<https://www.statista.com>

Section 3: Methodology (Include Assumptions and Attach Details)

Our main assumption is that the majority of farms utilize undyed diesel fuel as a means of transporting goods for processing. The trucks are assigned two MPG rates based on weight class. Under 44,000 lbs is assumed to operate at 11 MPG while those over 44,000 lbs operate at 6 MPG. These rates were found based on industry data from various forums and search results.

A list of produce and total production was obtained from DACS website and converted to pounds. Truck weights were assigned based on average produce dimensions to get an estimated number of trips each year. Average distance traveled for produce was determined by taking a selection of Orange Orchards in the state of Florida and mapping the distance to production plants in the vicinity, assuming that farms would transport fresh produce to the nearest reasonable location. The citrus range was applied to non-citrus produce as well and using the MPG assigned to truck weight, gallons were derived. From the gallons, the tax is applied to get the estimated tax by crop. For some crops, harvest time would be impacted by the hurricane, so we applied a percentage representing the amount of the harvest fulfilled in 2017 if their harvest periods, based on DACS' data, would fall into the period of Hurricane Irma's landfall forestalling harvest during that period. After applying the timing factor, we get a discounted total fuel tax per crop.

For lumber, through industry & forestry data, we found the average load per truck in cords of wood, converted using the weight per cord of wood to get the average weight per truck, found the total weight of wood harvested in 2016, calculated the number of trips, applied an industry average distance traveled for logging trucks from field to processing, applied the MPG, the tax rate, and discounted the period of time of 10 months out of 12 to reflect the period of the exemption.

For Livestock, using industry data from the USDA, we found truck load data using average quantity of animal per truck load and applied the average weight per livestock group to get to a total weight. Using the total weight of heads of cattle slaughtered in 2016 and truckload weight per trip, we calculated the number of trips, applied an average range to slaughterhouses from a randomly chosen group of farms and applied this average distance to the number of trips to get the number of miles driven. We then applied the 6 MPG or 11 MPG based on the weight per truckload to get the gallons used, applied the fuel taxes on undyed diesel and discounted by the exemption period of 10/12ths to get the total fuel tax for livestock.

Milk is transported by tanker from farms to production vats for processing. The average number of trips per day and the average weight per tanker truck was obtained from industry & market data. The average trips per day and a total weight was found after multiplying it with the average weight per truck. The number of trips per year was determined using the trips per day multiplied by 365 and then the average distance traveled using the livestock numbers is applied to get the number of miles per year. The 6 MPG is then applied to get the total gallons, the tax is applied to the total gallons, and then discounted for the exemption period of 10/12ths.

Eggs produced in Florida was found from the USDA Poultry and Egg (2016) data. Using the total production in 2016, the average weight per egg was applied to get the total weight of all eggs produced in Florida for 2016. The truck load is found from industry data indicating nearly 180,000 eggs transferred per tractor trailer. Applying the weight per egg, a truck load weight is found, and a number of trips calculated using the weight of total eggs produced divided by the total weight of an average truck load. The number of miles is calculated using the number of trips and the average distance of random egg farms to their nearest processing locations, including grocers. Using 11 MPG, the number of gallons consumed is calculated and the fuel taxes on undyed diesel is applied. The fuel tax is discounted by the exemption period of 10/12ths of the year.

Because of the IFTA interaction with interstate transportation, FLAIR total receipts data was obtained from Florida Department of Highway Safety & Motor Vehicles. The months available are July through December. The 6-month period was averaged, then January through June was simulated by multiplying the average by 6 and then adding September through December to complete the impact period total. To this total, we applied the agriculture use (heavy & forestry) truck percentage to get a Total Agriculture and Forestry apportionment of IFTA total receipts for the impact period.

The final total sums up the various groups of produce, eggs, milk, livestock, lumber and the IFTA total, and grosses the total up by 10% to account for some portion of the industry utilizing gasoline motor fuel. This total is taken as the low scenario. The middle is 1.5 times the low, and the high is double the low.

REVENUE ESTIMATING CONFERENCE

Tax: Motor Fuel Tax

Issue: Fuel Used for Agricultural Transportation

Bill Number(s): Proposed Language

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	\$(5.5 M)	-	\$(4.2 M)	-	\$(2.8 M)	-
2019-20	-	-	-	-	-	-
2020-21	-	-	-	-	-	-
2021-22	-	-	-	-	-	-
2022-23	-	-	-	-	-	-

List of affected Trust Funds: State and Local

Section 5: Consensus Estimate (Adopted: 02/02/2018): The Conference adopted the average of an adjusted middle and low. The adjustment is a correction to the months of harvest assumption.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	0.0	0.0	(2.5)	0.0	(1.2)	0.0	(3.7)	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Proposed Language - Fuel Used for Agricultural Transportation

Produce	A	B	C	D	E
1	Agriculture Truck Weight Group	Miles Per Gallon			
2	Ag Trucks < 44,000 lbs	11		Conversions:	
3	Ag Trucks > 44,000 lbs	6		CWT	112
4	Fuel taxes on Undyed Diesel	\$ 0.323		Tons to Lbs	2,000
5	Average Distance to Processing				
6		Citrus/Fruit	Livestock/Broilers	Eggs	
7		Mi. (1-way) (in-state)	Mi. (1-way) (in-state)	Mi. (1-way) (in-state)	
8	Min	7	7	15	
9	Max	50	64	60	
10	Average	27	35	38	
11	Total	325	424	457	
12					
13	Produce	Production (in Lbs)	Lbs per truck	# of trips	Total miles
14	Oranges	7,354,000,000	50,000	147,080	3,987,094
15	Strawberries	245,728,000	45,000	5,461	148,028
16	Tomatoes	815,360,000	50,000	16,307	442,061
17	Peppers	426,272,000	45,000	9,473	256,789
18	Sweet corn	560,336,000	45,000	12,452	337,551
19	Grapefruit	918,000,000	45,000	20,400	553,010
20	Hay	1,620,000,000	50,000	32,400	878,310
21	Melons	857,808,000	45,000	19,062	516,750
22	Cucumbers	432,656,000	45,000	9,615	260,635
23	Peanuts	554,800,000	45,000	12,329	334,216
24	Beans	168,224,000	45,000	3,738	101,339
25	Potatoes	602,784,000	45,000	13,395	363,122
26	Cotton	94,080,000	45,000	2,091	56,674
27	Cotton Seed	110,000,000	45,000	2,444	66,265
28	Blueberries	14,600,000	45,000	324	8,795
29	Cabbage	300,832,000	45,000	6,685	181,223
30	Tangerines	134,000,000	45,000	2,978	80,723
31	Squash	74,704,000	45,000	1,660	45,002
32	Corn, Grain	324,800,000	45,000	7,218	195,662
33	Corn, Silage	1,330,000,000	45,000	29,556	801,202
34	Avocados	47,800,000	45,000	1,062	28,795
35	Soybeans	62,640,000	45,000	1,392	37,735
36	Tangelos	36,000,000	45,000	800	21,687
37	Wheat, Winter	30,600,000	45,000	680	18,434
38	Sugarcane	33,808,000,000	45,000	751,289	20,366,190
39					

Proposed Language - Fuel Used for Agricultural Transportation

Produce	F	G	H	I	J
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11				Sept'17 - June'18	
12					
13	Gallons	Applied Fuel Taxes	Harvest Timing	% harvest during impact window	Timing Factor
14	664,516	\$ 214,638.54	Sept-May	100%	\$ 214,638.54
15	13,457.12	\$ 4,346.65	February-April	100%	\$ 4,346.65
16	73,677	\$ 23,797.62	Oct-June	100%	\$ 23,797.62
17	42,798	\$ 13,823.83	Nov-May	100%	\$ 13,823.83
18	56,258	\$ 18,171.47	Oct - June	100%	\$ 18,171.47
19	92,168	\$ 29,770.37	Sept-May	100%	\$ 29,770.37
20	146,385	\$ 47,282.36	March-May/Oct-Nov	100%	\$ 47,282.36
21	86,125	\$ 27,818.37	Apr-July	75%	\$ 20,863.78
22	43,439	\$ 14,030.86	Oct-Dec & Mar-May	100%	\$ 14,030.86
23	55,703	\$ 17,991.94	Jan-Nov	91%	\$ 16,356.31
24	16,890	\$ 5,455.44	Nov-May	100%	\$ 5,455.44
25	60,520	\$ 19,548.04	Feb-June	100%	\$ 19,548.04
26	9,446	\$ 3,050.98	Sept-Nov	100%	\$ 3,050.98
27	11,044	\$ 3,567.26	Sept-Nov	100%	\$ 3,567.26
28	1,466	\$ 473.47	Apr-May	100%	\$ 473.47
29	30,204	\$ 9,755.86	Dec-May	100%	\$ 9,755.86
30	13,454	\$ 4,345.57	Sept-May	100%	\$ 4,345.57
31	7,500	\$ 2,422.62	Oct-May	100%	\$ 2,422.62
32	32,610	\$ 10,533.13	Jul - Oct	50%	\$ 5,266.57
33	133,534	\$ 43,131.37	Jul - Oct	50%	\$ 21,565.68
34	4,799	\$ 1,550.13	July-January	63%	\$ 968.83
35	6,289	\$ 2,031.39	Oct-Dec	100%	\$ 2,031.39
36	3,614	\$ 1,167.47	Sept-May	100%	\$ 1,167.47
37	3,072	\$ 992.35	Oct - Apr	100%	\$ 992.35
38	3,394,365	\$ 1,096,379.88	June - Dec	72%	\$ 783,911.61
39				Total:	\$ 1,267,604.92

Proposed Language - Fuel Used for Agricultural Transportation
Lumber, Livestock, Milk, Eggs

	A	B	C	D	E	F	G	H
1	Fuel Tax on Undyed Diesel	\$ 0.32						
2								
3	Lumber			Cubic ft wood	484,800,000			
4	Load (cords)	10		lbs per cubic ft of wood	53.665			
5	lbs per cord	5232		Avg Dist. to Processing	62.5			
6	Per Truck	52,320						
7	Total Weight (lbs)	26,016,792,000		Weights (2016)	91.40%	1.50%	7.10%	100.00%
8	# of trips	497,263		Timber	Pine	Cypress	Oak	Average lbs
9	# of miles	31,078,928		lbs per cubic ft	53	50	63	
10	Gallons	5,179,821.29		weighted Avg	48.44	0.75	4.47	53.665
11	Applied Fuel Taxes	\$ 1,673,082.28						
12	% during impact window	83%						
13	Total	\$ 1,394,235.23						
14								
15	Avg Distance (mi)	35.3						
16	Livestock (2016 totals)*							
17		Cattle	Calf	Hogs	Sheep & lambs	Chickens		
18	Quantity					67,953,000		
19	Truckload (lbs)	69,500	33,750	45,600	52,992	48,600		
20	Total Weight (lbs)*	80,325,000	209,000	12,210,000	788,000	397,853,000		
21	# of Trips	1,156	6	268	15	8,186		
22	# of miles	40,789	219	9,450	525	288,907		
23	Gallons	6,798.09	19.87	1,574.97	87.47	48,151.22		
24	Applied Fuel Taxes	\$ 2,195.78	\$ 6.42	\$ 508.71	\$ 28.25	\$ 15,552.84		
25	% during impact window	83%	83%	83%	83%	83%		
26	Total	\$ 1,829.82	\$ 5.35	\$ 423.93	\$ 23.54	\$ 12,960.70		
27								

Proposed Language - Fuel Used for Agricultural Transportation
Lumber, Livestock, Milk, Eggs

	A	B	C	D	E	F	G	H
28								
29	Milk							
30	loads of milk (2016)	1.3						
31	Truck load (lbs)	47,700						
32	Total weight (lbs)*	22,633,650						
33	# of Trips	475						
34	# of miles	29,894						
35	Gallons	4,982.25						
36	Applied Fuel Taxes	\$ 1,609.27						
37	% during impact window	83%						
38	Total	\$ 1,341.06						
39								
40	Eggs							
41	Egg weight (lbs):	0.13						
42	Eggs produced (2016)	2,308,100,000						
43	Total Weight (in Lbs)	288,512,500						
44	Average eggs per truck	180,000						
45	Truck load (lbs)	22,500						
46	# of Trips	12,823						
47	# of Miles	488,334						
48	Gallons	44,394						
49	Applied Fuel Taxes	\$ 14,339.27						
50	% during impact window	83%						
51	Total	\$ 11,949.39						

Proposed Language - Fuel Used for Agricultural Transportation
IFTA impact

	A	B	C	D	E	F	G
1							
2	IFTA Impact	Total Receipts					
3	July	\$ 834,826					
4	Aug	\$ 995,711					
5	Sept	\$ 2,196,250					
6	Oct	\$ 815,918					
7	Nov	\$ 637,372					
8	Dec	\$ 2,755,327					
9							
10	Average	\$ 1,372,567.23					
11	January through June	\$ 8,235,403.36					
12	+September through December	\$ 14,640,269.93					
13	% of Agriculture Use (Heavy & Forestry)	0.23%					
14	*Source: January 2018 HSMV REC						
15							
16	Total Ag & Forestry Apportioned	\$ 33,952.86					
17							
18	Grand Total	\$ (2,690,373.93)					
19	10% gross up (MtrFuel)	\$ (2,959,411.33)					
20	Adding in Total Ag & Forestry Apportionment	\$ (2,993,364.19)					
21							
22		High	Middle	Low			
23		200%	150%	0%			
24		\$ (5,986,728.38)	\$ (4,490,046.28)	\$ (2,993,364.19)			
25							
26		High		Middle		Low	
27		Cash	Recurring	Cash	Recurring	Cash	Recurring
28	2018-19	\$ (6.0 M)	-	\$ (4.5 M)	-	\$ (3.0 M)	-
29	2019-20	-	-	-	-	-	-
30	2020-21	-	-	-	-	-	-
31	2021-22	-	-	-	-	-	-
32	2022-23	-	-	-	-	-	-
33							
34							
35							
36			\$ (4.5)				

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Building Materials Refund – Farm Buildings

Bill Number(s): Proposed Language

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s):

Month/Year Impact Begins: September 10, 2017

Date of Analysis: February 2, 2018

Section 1: Narrative

a. Current Law: There is no current statute exempting the Sales Tax on building materials used to repair a nonresidential farm building damaged as a direct result of Hurricane Irma.

b. Proposed Change:

The proposed language reads:

“Building materials used in the repair of nonresidential farm buildings damaged by Hurricane Irma.—

(1) Building materials used to repair a nonresidential farm building damaged as a direct result of the impact of Hurricane Irma, and purchased during the period from September 10, 2017 through May 31, 2018, are exempt from the tax imposed under chapter 212, Florida Statutes. The exemption provided by this section is available only through a refund of previously paid taxes.

(2) For purposes of the exemption provided in this section, the term:

(a) “Building materials” means tangible personal property that becomes a component part of a nonresidential farm building.

(b) “Nonresidential farm building” has the same meaning as in s. 604.50, Florida Statutes.

(3) To receive a refund pursuant to this section, the owner of the building materials must apply to the Department of Revenue by December 31, 2018. The refund application must include the following information:

(a) The name and address of the person claiming the refund.

(b) An address and assessment roll parcel number of the real property where the building materials will be used.

(c) The sales invoice or other proof of purchase of the building materials, showing the amount of sales tax paid, the date of purchase, and the name and address of the sales tax dealer from whom the materials were purchased.

(d) An affidavit executed by the owner of the building materials including a statement that the building materials were or will be used to repair the nonresidential farm building damaged as a direct result of the impact of Hurricane Irma.

(4) The Department of Revenue may, and all conditions are deemed met to, adopt emergency rules pursuant to s. 120.54(4), Florida Statutes, governing the manner and format of refund applications and may establish guidelines as to the requisites for an affirmative showing of qualification for exemption under this section.

(5) A person furnishing a false affidavit to the Department of Revenue pursuant to subsection (3) is subject to the penalty set forth in s. 212.085 and as otherwise provided by law.”

Section 2: Description of Data and Sources

Florida Department of Agriculture and Consumer Services

Section 3: Methodology (Include Assumptions and Attach Details)

The Florida Department of Agriculture and Consumer Services data comes from a direct survey of affected farmers and ranchers. The survey data includes estimates for the labor necessary to install or make the repairs. The estimate makes an adjustment for the labor component to get to the initial materials only portion. While some operations, such as beef cattle, rely on extensive fencing there are other large crops, like sugar, that do not use much fencing. The share of fence damage to structure damage was determined based on the type of farming operation.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			\$(7.9 M)			
2019-20						
2020-21						
2021-22						

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Building Materials Refund – Farm Buildings

Bill Number(s): Proposed Language

2022-23						
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List of affected Trust Funds:

Sales and Use Tax Group

Section 5: Consensus Estimate (Adopted: 02/02/2018): The Conference adopted the proposed estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(7.0)	0.0	(Insignificant)	0.0	(0.2)	0.0	(0.7)	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(0.9)	0.0	(1.8)	0.0	(8.8)	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0

Proposed language-
Building Materials Hurricane Irma Damage

	A	B	C	D	E	F	G	H
1								
2	Survey of Agricultural Damage Courtesy of Florida Department of Agriculture and Consumer Services							
3								
4	Type	Estimated Damage to Structures and Fences	Conference Adjustment	Estimated Damage per Farm with Infrastructure Loss	Total Number of Farms (USDA)	Estimated Farms with Infrastructure Loss (FDACS)	Labor %	Material portion of Damage est. (post Conference adjustment)
5	Citrus	\$36,373,011	100%	\$30,286	3,639	1,201	50%	\$18,186,506
6	Beef Cattle	\$90,000,000	100%	\$15,000	18,433	6,000	50%	\$45,000,000
7	Dairy	\$2,000,000	100%	\$50,000	120	40	50%	\$1,000,000
8	Aquaculture	\$6,750,000	100%	\$45,000	404	150	50%	\$3,375,000
9	Fruits & Vegetables	\$53,984,786	100%	\$30,294	5,401	1,782	50%	\$26,992,393
10	Nurseries	\$141,703,450	100%	\$81,020	5,299	1,749	50%	\$70,851,725
11	Sugar	\$1,449,323	100%	\$30,194	145	48	50%	\$724,662
12	Field Crops	\$12,354,230	100%	\$30,280	1,236	408	50%	\$6,177,115
13	TOTAL	\$344,614,800		9938	34,677	11,378		\$172,307,400
14								
15	Damage Allocated by Material							
16								
17	Type	Fencing Material (% of damage)	Fencing Material(\$)	Structure Building Material (% of damage)	Structure Building Material (\$)	Fencing Material Sales Tax Refund	Structure Building Material Sales Tax Refund	Total Impact
18	Citrus	10%	\$1,818,651	90%	\$16,367,855.13	\$109,119	\$982,071	\$1,091,190
19	Beef Cattle	35%	\$15,750,000	65%	\$29,250,000	\$945,000	\$1,755,000	\$2,700,000
20	Dairy	20%	\$200,000	80%	\$800,000	\$12,000	\$48,000	\$60,000
21	Aquaculture	10%	\$337,500	90%	\$3,037,500	\$20,250	\$182,250	\$202,500
22	Fruits & Vegetables	50%	\$13,496,196	50%	\$13,496,196	\$809,772	\$809,772	\$1,619,544
23	Nurseries	10%	\$7,085,173	90%	\$63,766,553	\$425,110	\$3,825,993	\$4,251,104
24	Sugar	10%	\$72,466	90%	\$652,195	\$4,348	\$39,132	\$43,480
25	Field Crops	25%	\$1,544,279	75%	\$4,632,836	\$92,657	\$277,970	\$370,627
26	Totals		\$40,304,264		\$132,003,136	\$2,418,256	\$7,920,188	\$10,338,444
27								
28		High		Middle		Low		
29		Cash	Recurring	Cash	Recurring	Cash	Recurring	
30	2018-19			\$ (7.9 M)				

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Disaster Preparedness Holiday, One 7-Day Holiday

Bill Number(s): Proposed Language

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): N/A

Month/Year Impact Begins: The proposed language is effective upon becoming law/ impact begins June 1, 2018 (affecting the 2018-19 fiscal year because of the one-month collection lag).

Date of Analysis: February 2, 2018

Section 1: Narrative

- a. Current Law:** Under current law in Ch. 212, all of the items listed in the proposed language are subject to the 6% Sales and Use Tax when purchased.
- b. Proposed Change:** The proposed language provides an exemption from sales tax for the items listed below that are purchased during the time period from June 1 – 7, 2018 (seven days, first day on a Friday).

Portable self-powered light source	\$ 20 or less
Portable self-powered radio, two-way radio or weather band radio	\$ 50 or less
Tarpaulin or other flexible waterproof sheeting	\$ 50 or less
Ground anchor system or tie-down kit	\$ 50 or less
Gas or diesel fuel tank	\$ 25 or less
Package of AA-cell, C-cell, D-cell, 6-volt or 9-volt batteries, excluding automobile and boat batteries	\$ 30 or less
Non-electric food storage cooler	\$ 30 or less
Reusable ice	\$ 10 or less
Portable generator	\$ 750 or less

The tax exemption does not apply to sales within a theme park or entertainment complex, within a public lodging establishment, or within an airport.

Section 2: Description of Data and Sources

- Final Report on Hurricane Claims from Florida Office of Insurance Regulation (August 2006) for reported claims and total loss claims from 2004 Hurricanes Charley, Frances, Ivan, and Jeanne and 2005 Hurricanes Dennis, Katrina, Rita, and Wilma and October 20, 2008 Tropical Storm Fay Report at <http://www.flor.com/office/hurricane/season/seasoninfo.aspx>.
- Submitted claims as of January 2018 for 2016 Hurricanes Hermine and Matthew and 2017 Hurricane Irma at <https://www.flor.com/Sections/PandC/ProductReview/CatastropheReporting.aspx>
- Various websites for price comparisons: www.lowes.com; www.walmart.com; www.target.com; www.homedepot.com; www.bestbuy.com.
- U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, 2016.
- U.S. Census Bureau, American Community Survey, 2016.
- Florida Demographic Estimating Conference, December 2017.
- Florida Economic Estimating Conferences, January 2018.
- Various news articles on the 2016 and 2017 hurricane impacts.
- REC Impact Consensus Estimate for Proposed Language - Disaster Preparedness Holiday – 3 One-Week Periods (Governor’s Proposal) adopted December 20, 2017. Available at: http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2018/_pdf/page240-245.pdf

Section 3: Methodology (Include Assumptions and Attach Details) See attached.

Household Purchases: A ten-day holiday impact is calculated using the December 2017 estimated number of Florida households for 2018, along with the percentage of households reporting losses in the most recent major storms (occurring in 2004, 2005, 2008, 2016, and 2017). Based on the 12/20 REC consensus estimate for the Governor’s recommended sales tax holiday, the estimate for this proposed language assumes that 6.5% of households would participate in the holiday.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Disaster Preparedness Holiday, One 7-Day Holiday

Bill Number(s): Proposed Language

Also based on the 12/20 consensus estimate, it is assumed that each participating household will spend approximately \$119 for miscellaneous household equipment and home maintenance, repairs, insurance, and other expenses, based on the 2016 Consumer Expenditure Survey (with underlying assumptions updated to reflect the January 2018 Florida Economic Estimating Conference). The Day-by-Day Matrix is used to adjust the 10-day holiday to a 7-day holiday (66.5% adjustment).

Portable Generators: Based on the 12/20 consensus estimate, it is assumed that 1.1% of households (=89,989) will purchase a tax-exempt generator during the tax-free holiday at a price of \$750 per generator. The Day-by-Day Matrix is used to adjust the 10-day holiday to a 7-day holiday (66.5% adjustment).

Section 4: Proposed Fiscal Impact

	High		Middle (Proposed)		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18						
2018-19 <u>June Holiday</u> Household Purchases Portable Generators			(2.5) (2.7)			
TOTAL			(5.2)			
2019-20						
2020-21						
2021-22						
2022-23						

List of affected Trust Funds: Sales and Use Tax Grouping

Section 5: Consensus Estimate (Adopted: 02/02/2018) : The Conference adopted the proposed estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(4.6)	0.0	(Insignificant)	0.0	(0.2)	0.0	(0.4)	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(0.6)	0.0	(1.2)	0.0	(5.8)	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0

Proposed Language - Agenda Item #10
2018 Sales Tax Holiday - Disaster Preparedness

7 Days
Friday, June 1 - Thursday, June 7

1. # HOUSEHOLD PURCHASING ASSUMPTIONS:	
2004 Indices based on FINAL REPORT (4 hurricanes)	
Reported Loss % HHs	3.2%
Total Loss % HHs	2.3%
2005 Indices based on FINAL REPORT (4 hurricanes)	
Reported Loss % HHs	8.5%
Total Loss % HHs	5.8%
2008 Index based on Oct 20 2008 Report for Fay (1 storm)	
Reported Loss % HHs	2.7%
2016 Index based on Claims Data as of Jan 2018 (2 hurricanes)	
Reported Loss % HHs	2.9%
2017 Index based on Claims Data as of Jan 2018 (1 hurricane)	
Reported Loss % HHs	4.8%
Average Reported Loss %	4.4%

2. AVAILABLE CASH FOR PURCHASES ASSUMPTIONS:					Methodology for HH Income
Using Florida After-Tax Income per Household					Florida Median HH income is based on the 2015 American Community Survey reported Florida median HH income in the last 12 months (\$61,289). This value is grown by the Jan 2018 Florida Economic Estimating Conference growth in Personal Income. The growth rates are: <div>20173.2%</div> <div>20184.3%</div> Ratio of Avg Annual Expendts to Income Before Taxes, 2016 CES (76.76%) is used to produce after-tax income.
(2016 American Community Survey: Florida)					
		2016	2017	2018	
		FY 2015-16	FY 2016-17	FY 2017-18	
Median Florida Household After-Tax Income		\$47,045	\$48,550	\$50,638	
Using average annual expenditures from the 2016 Consumer Expenditure Survey, all consumer units:		Fla \$ per HH	Fla \$ per HH	Fla \$ per HH	
<u>Shares of expenditures:</u>					
Food & alcoholic beverage	13.70%	\$6,445	\$6,651	\$6,937	
Housing (includes * below)	33.30%	\$15,666	\$16,167	\$16,862	
Apparel & services	3.10%	\$1,458	\$1,505	\$1,570	
Transportation	17.60%	\$8,280	\$8,545	\$8,912	
Health care	8.60%	\$4,046	\$4,175	\$4,355	
Entertainment	5.30%	\$2,493	\$2,573	\$2,684	
All others	18.40%	\$8,656	\$8,933	\$9,317	
*Maintenance, repairs, insurance & other expenses	2.40%	\$1,129	\$1,165	\$1,215	
*Miscellaneous household equipment	1.50%	\$706	\$728	\$760	
Assume 6.5% of households purchase exempt items equivalent to approximately 22 days of spending.					

Assume 6.5% of households purchase exempt items equivalent to approximately 22 days of spending.

3. PORTABLE GENERATOR INFORMATION AND ASSUMPTIONS:

Approximately 12% of households in the U.S. own a portable generator and 3% own a standby generator. Various news articles reported surges in generator sales before Hurricanes Matthew and Irma. Assume 1.1% of Florida households purchase a tax-exempt generator at \$750 per generator.

Estimate for 7-Day Holiday	
	Household Purchases
	<u>Proposed</u>
TOTAL Amount Purchased/HH	\$119.00
TOTAL Fla Households	8,180,791
TOTAL HHs Purchasing	531,752
TOTAL Expenditures (\$M)	\$ 63.3
Sales Tax for 10-Day Holiday	\$ (3.8)
Sales Tax for 7-Day Holiday	\$ (2.5)
	Portable Generators
	<u>Proposed</u>
TOTAL Amount Purchased/HH	\$ 750
TOTAL Generators Purchased	89,989
TOTAL Expenditures (\$M)	\$ 67.5
Sales Tax for 10-Day Holiday	\$ (4.0)
Sales Tax for 7-Day Holiday	\$ (2.7)
Total Estimated Impact (7-Day)	\$ (5.2)

Comparison of Exempt Items -- Disaster Preparedness Holiday Proposals

<u>Item/Issue</u>	<u>CS/SB 620 with Amendment</u>	<u>Governor Recs</u>	<u>Proposed Amendment to CS/SB 620</u>	<u>Proposed Language Agenda Item #10</u>	<u>Proposed Language Agenda Item #11</u>
Timing	10 Days Fri - Sun	3 7-Day Periods April (Sun - Sat) May (Tue - Mon) June (Fri - Thu)	2 7-Day Periods June (Fri - Thu) July (Fri - Thu)	7 Days June (Fri - Thu)	2 7-Day Periods May (Tue - Mon) June (Fri - Thu)
Household Purchases					
Portable self-powered light source	\$20 or less	\$20 or less	\$20 or less	\$20 or less	\$20 or less
Portable self-powered radio, two-way radio or weather band radio	\$75 or less	\$50 or less	\$75 or less	\$50 or less	\$50 or less
Tarpaulin or other flexible waterproof sheeting	\$50 or less	\$50 or less	\$50 or less	\$50 or less	\$50 or less
Ground anchor system or tie-down kit	\$50 or less	\$50 or less	\$50 or less	\$50 or less	\$50 or less
Gas or diesel fuel tank	\$25 or less	\$25 or less	\$25 or less	\$25 or less	\$25 or less
Package of AA-cell, C-cell, D-cell, 6-volt or 9-volt batteries, excluding automobile and boat batteries	--	\$30 or less	--	\$30 or less	\$30 or less
Package of AAA-cell, AA-cell, C-cell, D-cell, 6-volt or 9-volt batteries, excluding automobile and boat batteries	\$30 or less	--	\$30 or less	--	--
Cellular telephone battery	\$60 or less	--	--	--	--
Portable power bank	--	--	\$75 or less	--	--
Cellular telephone charger	\$40 or less	--	\$40 or less	--	--
Non-electric food storage cooler	\$30 or less	\$30 or less	\$30 or less	\$30 or less	\$30 or less
Reusable ice	\$10 or less	\$10 or less	\$10 or less	\$10 or less	\$10 or less
Carbon monoxide alarm/detector	\$75 or less	--	\$75 or less	--	--
Portable Generators	\$1,000 or less	\$750 or less	\$1,000 or less	\$750 or less	\$750 or less
Storm Shutters	\$200 or less	--	--	--	--
Single product consisting of two or more listed items	\$75 or less	--	\$75 or less	--	--
Beacons					
Personal locator beacon	\$600 or less	--	\$600 or less	--	--
Emergency position-indicating radio beacon	\$1,500 or less	--	\$1,500 or less	--	--
Hard Drives/Inverters					
External Portable Computer Hard Drive	\$200 or less	--	--	--	--
Inverter Charger/Power Inverter/Uninterruptable Power Supply	\$200 or less	--	--	--	--
Standby Generators	\$5,000 or less	--	\$5,000 or less	--	--

Daily Factors - Hurricane Preparedness Sales Tax Holiday Analysis

Assume:

Depending upon what SET OF DAYS are included, the most impact will come from the weekend.

As long as an ENTIRE WEEKEND is included, the most impact will occur on Friday, Saturday, and Sunday.

Weekdays add less to the impact.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Calibrate to 12-day holiday	Calibrate to 10-day holiday
Example:	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE		
15-Day Holiday	2.0%	2.0%	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	1.0%	103.8%	107.0%
14-Day Holiday	X	2.0%	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	1.0%	102.0%	105.2%
13-Day Holiday	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	1.0%	101.0%	104.1%
12-Day Holiday	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	X	100.0%	103.1%
11-Day Holiday	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	X	99.0%	102.1%
10-Day Holiday	X	X	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	X	97.0%	100.0%
9-Day Holiday	X	X	X	X	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	X	91.5%	94.3%
8-Day Holiday	X	X	X	X	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	X	X	X	81.5%	84.0%
7-Day Holiday	X	X	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	X	X	X	X	X	64.5%	66.5%
6-Day Holiday	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	X	X	X	X	X	X	X	64.5%	66.5%
5-Day Holiday	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	X	X	X	X	X	X	X	X	63.5%	65.5%
4-Day Holiday	X	X	2.0%	5.5%	35.0%	20.0%	X	X	X	X	X	X	X	X	X	62.5%	64.4%
3-Day Holiday	X	X	X	5.5%	35.0%	20.0%	X	X	X	X	X	X	X	X	X	60.5%	62.4%
2-Day Holiday	X	X	X	X	35.0%	20.0%	X	X	X	X	X	X	X	X	X	55.0%	56.7%
1-Day Holiday	X	X	X	X	35.0%	X	X	X	X	X	X	X	X	X	X	35.0%	36.1%

58.14%

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Disaster Preparedness Holiday, 2 7-Day Holidays

Bill Number(s): Proposed Language

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): N/A

Month/Year Impact Begins: The proposed language is effective upon becoming law/ impact begins May 1, 2018 (affecting the 2017-18 and 2018-19 fiscal years because of the one-month collection lag).

Date of Analysis: February 2, 2018

Section 1: Narrative

- a. Current Law:** Under current law in Ch. 212, all of the items listed in the proposed language are subject to the 6% Sales and Use Tax when purchased.
- b. Proposed Change:** The proposed language provides an exemption from sales tax for the items listed below that are purchased during the following time periods: May 1 – 7, 2018 (seven days, first day on Tuesday) and June 1 – 7, 2018 (seven days, first day on a Friday).

Portable self-powered light source	\$ 20 or less
Portable self-powered radio, two-way radio or weather band radio	\$ 50 or less
Tarpaulin or other flexible waterproof sheeting	\$ 50 or less
Ground anchor system or tie-down kit	\$ 50 or less
Gas or diesel fuel tank	\$ 25 or less
Package of AA-cell, C-cell, D-cell, 6-volt or 9-volt batteries, excluding automobile and boat batteries	\$ 30 or less
Non-electric food storage cooler	\$ 30 or less
Reusable ice	\$ 10 or less
Portable generator	\$ 750 or less

The tax exemption does not apply to sales within a theme park or entertainment complex, within a public lodging establishment, or within an airport.

Section 2: Description of Data and Sources

- Final Report on Hurricane Claims from Florida Office of Insurance Regulation (August 2006) for reported claims and total loss claims from 2004 Hurricanes Charley, Frances, Ivan, and Jeanne and 2005 Hurricanes Dennis, Katrina, Rita, and Wilma and October 20, 2008 Tropical Storm Fay Report at <http://www.flor.com/office/hurricane/seasonsinfo.aspx>.
- Submitted claims as of January 2018 for 2016 Hurricanes Hermine and Matthew and 2017 Hurricane Irma at <https://www.flor.com/Sections/PandC/ProductReview/CatastropheReporting.aspx>
- Various websites for price comparisons: www.lowes.com; www.walmart.com; www.target.com; www.homedepot.com; www.bestbuy.com.
- U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, 2016.
- U.S. Census Bureau, American Community Survey, 2016.
- Florida Demographic Estimating Conference, December 2017.
- Florida Economic Estimating Conferences, January 2018.
- Various news articles on the 2016 and 2017 hurricane impacts.
- REC Impact Consensus Estimate for Proposed Language - Disaster Preparedness Holiday – 3 One-Week Periods (Governor's Proposal) adopted December 20, 2017. Available at: http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2018/_pdf/page240-245.pdf

Section 3: Methodology (Include Assumptions and Attach Details) See attached.

Household Purchases: A ten-day holiday impact is calculated using the December 2017 estimated number of Florida households for 2018, along with the percentage of households reporting losses in the most recent major storms (occurring in 2004, 2005, 2008, 2016, and 2017). Based on the 12/20 REC consensus estimate for the Governor's recommended sales tax holiday, the estimate for this proposed language assumes that 6.5% of households would participate in the holiday.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Disaster Preparedness Holiday, 2 7-Day Holidays

Bill Number(s): Proposed Language

Also based on the 12/20 consensus estimate, it is assumed that each participating household will spend approximately \$119 for miscellaneous household equipment and home maintenance, repairs, insurance, and other expenses, based on the 2016 Consumer Expenditure Survey (with underlying assumptions updated to reflect the January 2018 Florida Economic Estimating Conference). The Day-by-Day Matrix is used to adjust the 10-day holiday to a 7-day holiday (66.5% adjustment).

Portable Generators: Based on the 12/20 consensus estimate, it is assumed that 1.1% of households (=89,989) will purchase a tax-exempt generator during the tax-free holiday at a price of \$750 per generator. The Day-by-Day Matrix is used to adjust the 10-day holiday to a 7-day holiday (66.5% adjustment).

Adjustment to 14-Day Holiday

The Day-by-Day Matrix is used to adjust the 7-day holiday to a 14-day holiday (58.1% upward adjustment), for a 14 day impact of \$8.2 million. However, because the matrix assumes the 14-day holiday period to be consecutive days, a further adjustment is made to account for the effect of additional advertising affects that will occur in the three weeks before the second 7-day holiday period. Therefore, the difference between the 7-day impact and the 14-day impact is increased by an additional 10% advertising behavioral factor, to produce a combined 14-day holiday impact of \$8.5 million.

Section 4: Proposed Fiscal Impact

	High		Middle (Proposed)		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2017-18 <u>May Holiday</u> Household Purchases Portable Generators			(1.64) (1.77)			
TOTAL			(3.4)			
2018-19 <u>June Holiday</u> Household Purchases Portable Generators			(2.46) (2.66)			
TOTAL			(5.1)			
2019-20						
2020-21						
2021-22						
2022-23						

List of affected Trust Funds: Sales and Use Tax Grouping

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Disaster Preparedness Holiday, 2 7-Day Holidays

Bill Number(s): Proposed Language

Section 5: Consensus Estimate (Adopted: 02/02/2018) : The conference adopted the proposed estimate. There is an impact to the current fiscal year of **-\$3.0m to GR, (*) to TF, and -0.8m to Local.**

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(4.5)	0.0	(Insignificant)	0.0	(0.2)	0.0	(0.4)	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(0.6)	0.0	(1.2)	0.0	(5.7)	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0

Proposed Language - Agenda Item #11
2018 Sales Tax Holiday - Disaster Preparedness

7 Days (x2)
Tuesday, May 1 - Monday, May 7
Friday, June 1 - Thursday, June 7

1. # HOUSEHOLD PURCHASING ASSUMPTIONS:	
2004 Indices based on FINAL REPORT (4 hurricanes)	
Reported Loss % HHs	3.2%
Total Loss % HHs	2.3%
2005 Indices based on FINAL REPORT (4 hurricanes)	
Reported Loss % HHs	8.5%
Total Loss % HHs	5.8%
2008 Index based on Oct 20 2008 Report for Fay (1 storm)	
Reported Loss % HHs	2.7%
2016 Index based on Claims Data as of Jan 2018 (2 hurricanes)	
Reported Loss % HHs	2.9%
2017 Index based on Claims Data as of Jan 2018 (1 hurricane)	
Reported Loss % HHs	4.8%
Average Reported Loss %	4.4%

2. AVAILABLE CASH FOR PURCHASES ASSUMPTIONS:				Methodology for HH Income
Using Florida After-Tax Income per Household				
(2016 American Community Survey: Florida)				
	2016	2017	2018	
	FY 2015-16	FY 2016-17	FY 2017-18	
Median Florida Household After-Tax Income	\$47,045	\$48,550	\$50,638	Florida Median HH income is based on the 2015 American Community Survey reported Florida median HH income in the last 12 months (\$61,289).
Using average annual expenditures from the 2016 Consumer Expenditure Survey, all consumer units:	Fla \$ per HH	Fla \$ per HH	Fla \$ per HH	This value is grown by the Jan 2018 Florida Economic Estimating Conference growth in Personal Income.
<i>Shares of expenditures:</i>				The growth rates are:
Food & alcoholic beverage	13.70%	\$6,445	\$6,651	2017 3.2%
Housing (includes * below)	33.30%	\$15,666	\$16,167	2018 4.3%
Apparel & services	3.10%	\$1,458	\$1,505	
Transportation	17.60%	\$8,280	\$8,545	
Health care	8.60%	\$4,046	\$4,175	
Entertainment	5.30%	\$2,493	\$2,573	
All others	18.40%	\$8,656	\$8,933	
*Maintenance, repairs, insurance & other expenses	2.40%	\$1,129	\$1,165	\$1,215
*Miscellaneous household equipment	1.50%	\$706	\$728	\$760

Assume 6.5% of households purchase exempt items equivalent to approximately 22 days of spending.

3. PORTABLE GENERATOR INFORMATION AND ASSUMPTIONS:

Approximately 12% of households in the U.S. own a portable generator and 3% own a standby generator.
Various news articles reported surges in generator sales before Hurricanes Matthew and Irma.
Assume 1.1% of Florida households purchase a tax-exempt generator at \$750 per generator.

Estimate for 7-Day Holiday	
	Household Purchases
	<u>Proposed</u>
TOTAL Amount Purchased/HH	\$119.00
TOTAL Fla Households	8,180,791
TOTAL HHs Purchasing	531,752
TOTAL Expenditures (\$M)	\$ 63.3
Sales Tax for 10-Day Holiday	\$ (3.8)
Sales Tax for 7-Day Holiday	\$ (2.5)
	Portable Generators
	<u>Proposed</u>
TOTAL Amount Purchased/HH	\$ 750
TOTAL Generators Purchased	89,989
TOTAL Expenditures (\$M)	\$ 67.5
Sales Tax for 10-Day Holiday	\$ (4.0)
Sales Tax for 7-Day Holiday	\$ (2.7)
Total Estimated Impact (7-Day)	\$ (5.2)

Proposed Language - Agenda Item #11
2018 Sales Tax Holiday - Disaster Preparedness

7 Days (x2)
Tuesday, May 1 - Monday, May 7
Friday, June 1 - Thursday, June 7

Adjustments for 14-Day Holiday	
Adjust 7-Day to 14-Day Holiday	Proposed
Household Purchases	\$ (4.0)
Generators	\$ (4.3)
Total Estimated Impact (14-Day)	\$ (8.2)
Adjust for Advertising Behavioral Factor (10%)	
Household Purchases	\$ (4.1)
Generators	\$ (4.4)
Total Estimated Impact (14-Day with Behavioral Factor)	\$ (8.5)

Apportion Impact to Two Weeks	
Estimated Impact of May Holiday (FY 2017-18)	Proposed
Household Purchases	\$ (1.64)
Portable Generators	\$ (1.77)
TOTAL	\$ (3.41)
Estimated Impact of June Holiday (FY 2018-19)	
Household Purchases	\$ (2.46)
Portable Generators	\$ (2.66)
TOTAL	\$ (5.12)
TOTAL IMPACT FY 2017-18	\$ (3.4)
TOTAL IMPACT FY 2018-19	\$ (5.1)
TOTAL ESTIMATED IMPACT	\$ (8.5)

Comparison of Exempt Items -- Disaster Preparedness Holiday Proposals

<u>Item/Issue</u>	<u>CS/SB 620 with Amendment</u>	<u>Governor Recs</u>	<u>Proposed Amendment to CS/SB 620</u>	<u>Proposed Language Agenda Item #10</u>	<u>Proposed Language Agenda Item #11</u>
Timing	10 Days Fri - Sun	3 7-Day Periods April (Sun - Sat) May (Tue - Mon) June (Fri - Thu)	2 7-Day Periods June (Fri - Thu) July (Fri - Thu)	7 Days June (Fri - Thu)	2 7-Day Periods May (Tue - Mon) June (Fri - Thu)
Household Purchases					
Portable self-powered light source	\$20 or less	\$20 or less	\$20 or less	\$20 or less	\$20 or less
Portable self-powered radio, two-way radio or weather band radio	\$75 or less	\$50 or less	\$75 or less	\$50 or less	\$50 or less
Tarpaulin or other flexible waterproof sheeting	\$50 or less	\$50 or less	\$50 or less	\$50 or less	\$50 or less
Ground anchor system or tie-down kit	\$50 or less	\$50 or less	\$50 or less	\$50 or less	\$50 or less
Gas or diesel fuel tank	\$25 or less	\$25 or less	\$25 or less	\$25 or less	\$25 or less
Package of AA-cell, C-cell, D-cell, 6-volt or 9-volt batteries, excluding automobile and boat batteries	--	\$30 or less	--	\$30 or less	\$30 or less
Package of AAA-cell, AA-cell, C-cell, D-cell, 6-volt or 9-volt batteries, excluding automobile and boat batteries	\$30 or less	--	\$30 or less	--	--
Cellular telephone battery	\$60 or less	--	--	--	--
Portable power bank	--	--	\$75 or less	--	--
Cellular telephone charger	\$40 or less	--	\$40 or less	--	--
Non-electric food storage cooler	\$30 or less	\$30 or less	\$30 or less	\$30 or less	\$30 or less
Reusable ice	\$10 or less	\$10 or less	\$10 or less	\$10 or less	\$10 or less
Carbon monoxide alarm/detector	\$75 or less	--	\$75 or less	--	--
Portable Generators	\$1,000 or less	\$750 or less	\$1,000 or less	\$750 or less	\$750 or less
Storm Shutters	\$200 or less	--	--	--	--
Single product consisting of two or more listed items	\$75 or less	--	\$75 or less	--	--
Beacons					
Personal locator beacon	\$600 or less	--	\$600 or less	--	--
Emergency position-indicating radio beacon	\$1,500 or less	--	\$1,500 or less	--	--
Hard Drives/Inverters					
External Portable Computer Hard Drive	\$200 or less	--	--	--	--
Inverter Charger/Power Inverter/Uninterruptable Power Supply	\$200 or less	--	--	--	--
Standby Generators	\$5,000 or less	--	\$5,000 or less	--	--

Daily Factors - Hurricane Preparedness Sales Tax Holiday Analysis

Assume:

Depending upon what SET OF DAYS are included, the most impact will come from the weekend.

As long as an ENTIRE WEEKEND is included, the most impact will occur on Friday, Saturday, and Sunday.

Weekdays add less to the impact.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Calibrate to 12-day holiday	Calibrate to 10-day holiday	
Example:	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE			
15-Day Holiday	2.0%	2.0%	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	1.0%	103.8%	107.0%	
14-Day Holiday	X	2.0%	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	1.0%	102.0%	105.2%	58.14%
13-Day Holiday	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	1.0%	101.0%	104.1%	
12-Day Holiday	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	X	100.0%	103.1%	
11-Day Holiday	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	X	99.0%	102.1%	
10-Day Holiday	X	X	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	X	97.0%	100.0%	
9-Day Holiday	X	X	X	X	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	X	91.5%	94.3%	
8-Day Holiday	X	X	X	X	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	X	X	X	81.5%	84.0%	
7-Day Holiday	X	X	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	X	X	X	X	X	64.5%	66.5%	
6-Day Holiday	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	X	X	X	X	X	X	X	64.5%	66.5%	
5-Day Holiday	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	X	X	X	X	X	X	X	X	63.5%	65.5%	
4-Day Holiday	X	X	2.0%	5.5%	35.0%	20.0%	X	X	X	X	X	X	X	X	X	62.5%	64.4%	
3-Day Holiday	X	X	X	5.5%	35.0%	20.0%	X	X	X	X	X	X	X	X	X	60.5%	62.4%	
2-Day Holiday	X	X	X	X	35.0%	20.0%	X	X	X	X	X	X	X	X	X	55.0%	56.7%	
1-Day Holiday	X	X	X	X	35.0%	X	X	X	X	X	X	X	X	X	X	35.0%	36.1%	

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Fencing Materials Refund

Bill Number(s): Proposed Language

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s):

Month/Year Impact Begins: September 10, 2017

Date of Analysis: February 2, 2018

Section 1: Narrative

a. Current Law: There is no current statute exempting the Sales Tax on fencing materials used to repair damage to fences that occurred as a direct result of the impact of Hurricane Irma.

b. Proposed Change:

The proposed language reads:

"Fencing materials used in agriculture.—

(1) The purchase of fencing materials is exempt from the tax imposed under chapter 212, Florida Statutes, during the period from September 10, 2017 through May 31, 2018, if the fencing materials are used to repair damage to fences that occurred as a direct result of the impact of Hurricane Irma. The exemption provided by this section is available only through a refund from the Department of Revenue of previously paid taxes.

(2) For purposes of the exemption provided in this section, the term:

(a) "Agricultural land" means a farm, as defined in s. 823.14, land that is an integral part of a farm operation, or land that is classified as agricultural land under s. 193.461.

(b) "Fencing materials" means hog wire and nylon mesh netting used on agricultural land for protection from predatory or destructive animals; and barbed wire fencing, including gates and materials used to construct or repair such fencing, used on a beef or dairy cattle farm.

(3) To receive a refund pursuant to this section, the owner of the fencing materials must apply to the Department of Revenue by December 31, 2018. The refund application must include the following information:

(a) The name and address of the person claiming the refund.

(b) An address and assessment roll parcel number of the agricultural land where the fencing materials will be used.

(c) The sales invoice or other proof of purchase of the fencing materials, showing the amount of sales tax paid, the date of purchase, and the name and address of the sales tax dealer from whom the materials were purchased.

(d) An affidavit executed by the owner of the fencing materials including a statement that the fencing materials were or will be used to repair fencing damaged as a direct result of the impact of Hurricane Irma.

(4) The Department of Revenue may, and all conditions are deemed met to, adopt emergency rules pursuant to s. 120.54(4), Florida Statutes, governing the manner and format of refund applications and may establish guidelines as to the requisites for an affirmative showing of qualification for exemption under this section.

(5) A person furnishing a false affidavit to the Department of Revenue pursuant to subsection (3) is subject to the penalty set forth in s. 212.085 and as otherwise provided by law."

Section 2: Description of Data and Sources

Florida Department of Agriculture and Consumer Services

Revenue Estimating Conference Estimates for Fencing

Section 3: Methodology (Include Assumptions and Attach Details)

The Florida Department of Agriculture and Consumer Services data comes from a direct survey of affected farmers and ranchers. The survey data includes estimates for the labor necessary to install or make the repairs. The estimate makes an adjustment for the labor component to get to the initial materials only portion. While some operations, such as beef cattle, rely on extensive fencing there are other large crops, like sugar, that do not use much fencing. The share of fence damage to structure damage was determined based on the type of farming operation.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Fencing Materials Refund

Bill Number(s): Proposed Language

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			\$(2.4 M)			
2019-20						
2020-21						
2021-22						
2022-23						

List of affected Trust Funds:

Sales and Use Tax Group

Section 5: Consensus Estimate (Adopted: 02/02/2018): The Conference adopted the proposed estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(2.1)	0.0	(Insignificant)	0.0	(0.1)	0.0	(0.2)	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(0.3)	0.0	(0.6)	0.0	(2.7)	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0

Proposed language-
Fencing Materials Hurricane Irma Damage

	A	B	C	D	E	F	G	H
1								
2	Survey of Agricultural Damage Courtesy of Florida Department of Agriculture and Consumer Services							
3								
4	Type	Estimated Damage to Structures and Fences	Conference Adjustment	Estimated Damage per Farm with Infrastructure Loss	Total Number of Farms (USDA)	Estimated Farms with Infrastructure Loss (FDACS)	Labor %	Material portion of Damage est. (post Conference adjustment)
5	Citrus	\$36,373,011	100%	\$30,289	3,639	1,201	50%	\$18,186,506
6	Beef Cattle	\$90,000,000	100%	\$15,000	18,433	6,000	50%	\$45,000,000
7	Dairy	\$2,000,000	100%	\$50,000	120	40	50%	\$1,000,000
8	Aquaculture	\$6,750,000	100%	\$45,000	404	150	50%	\$3,375,000
9	Fruits & Vegetables	\$53,984,786	100%	\$30,289	5,401	1,782	50%	\$26,992,393
10	Nurseries	\$141,703,450	100%	\$81,035	5,299	1,749	50%	\$70,851,725
11	Sugar	\$1,449,323	100%	\$30,289	145	48	50%	\$724,662
12	Field Crops	\$12,354,230	100%	\$30,289	1,236	408	50%	\$6,177,115
13	TOTAL	\$344,614,800		\$9,937.85	34,677	11,378		\$172,307,400
14								
15	Damage Allocated by Material							
16								
17	Type	Fencing Material (% of damage)	Fencing Material(\$)	Structure Building Material (% of damage)	Structure Building Material (\$)	Fencing Material Sales Tax Refund	Structure Building Material Sales Tax Refund	Total Impact
18	Citrus	10%	\$1,818,651	90%	\$16,367,855	\$109,119	\$982,071	\$1,091,190
19	Beef Cattle	35%	\$15,750,000	65%	\$29,250,000	\$945,000	\$1,755,000	\$2,700,000
20	Dairy	20%	\$200,000	80%	\$800,000	\$12,000	\$48,000	\$60,000
21	Aquaculture	10%	\$337,500	90%	\$3,037,500	\$20,250	\$182,250	\$202,500
22	Fruits & Vegetables	50%	\$13,496,196	50%	\$13,496,196	\$809,772	\$809,772	\$1,619,544
23	Nurseries	10%	\$7,085,173	90%	\$63,766,553	\$425,110	\$3,825,993	\$4,251,104
24	Sugar	10%	\$72,466	90%	\$652,195	\$4,348	\$39,132	\$43,480
25	Field Crops	25%	\$1,544,279	75%	\$4,632,836	\$92,657	\$277,970	\$370,627
26	Totals		\$40,304,264		\$132,003,136	\$2,418,256	\$7,920,188	\$10,338,444
27								
28		High		Middle		Low		
29		Cash	Recurring	Cash	Recurring	Cash	Recurring	
30	2018-19			\$ (2.4 M)				

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Generator Exemption – 15K Exemption cap

Bill Number(s): Proposed Language

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s):

Month/Year Impact Begins: Upon becoming Law

Date of Analysis: 2/2/2018

Section 1: Narrative

- a. Current Law:** There is no current statute exempting the Sales Tax on equipment used to generate electric energy for Assisted Living Facilities or Nursing Homes in an emergency.

Agency of Health Care Administration – Emergency Rule (59AER17-2) — Nursing Homes and Assisted Living Facilities are required within 45 days of the emergency rule going into effect on September 17, 2017, to submit, in writing, a plan detailing the acquisition of a generator sufficiently capable of running a minimum of 96 hours in the event of a loss of electrical power, and the services necessary to install, maintain, and test equipment and its functions. Furthermore, within 60 days of the acceptance of the compliance plan, every facility should have implemented the plan required under this rule. The Agency for Health Care Administration may revoke the nursing home or Assisted Living Facility's license for failure to comply with this rule. In addition to other remedies provided by law, violation of this rule shall result in a fine or sanction of \$1,000 per day.

- b. Proposed Change:**

The proposed language reads:

“Equipment used to generate emergency electric energy. —

(1) The purchase of any equipment that uses natural gas or liquefied petroleum gas to generate emergency electric energy at nursing homes and assisted living facilities is exempt from the tax imposed under this chapter during the period from July 1, 2017 through December 31, 2018. The electric energy which is generated must be used at the facility and meet the fuel needs for emergency generation for that size and class of facility.

(2) The purchaser of the emergency electric equipment must provide the dealer with an affidavit certifying that the equipment will only be used as set forth in subparagraph 1. the penalty set forth in s. 212.085 and as otherwise provided by law.

3. The exemption is limited to a maximum of \$15,000 for the purchase of equipment for any one facility.

(4)(a) The exemption under this section may be applied at the time of purchase or is available through a refund from the department of previously paid taxes. For purchases made prior to the effective date of this section, an application for refund must be submitted to the department within 6 months of the effective date of this section. For purchases made on or after the effective date of this section, if the exemption was not applied to the purchase, an application for refund must be submitted to the department with 6 months of the date of purchase.

(b) The purchaser of the emergency electric equipment applying for a refund under this subsection must provide the department with an affidavit certifying that the equipment will only be used as set forth in subsection (1).

(5) A person furnishing a false affidavit to the dealer pursuant to subsection (2) or the department pursuant to subsection (4) is subject to the penalty set forth in s. 212.085 and as otherwise provided by law.

(6) The Department of Revenue may, and all conditions are deemed met to, adopt emergency rules pursuant to ss. 120.536(1) and 120.54, Florida Statutes, to administer this section, including the manner and form of refund applications and guidelines as to the requisites for an affirmative showing of qualification for the exemption provided for in this section.

(7) This section is repealed June 30, 2019.”

Section 2: Description of Data and Sources

<http://wusfnews.wusf.usf.edu/post/nursing-home-generator-costs-estimated-186-million>

Agency of Health Care Administration – Status of Compliance for Nursing Homes and Assisted Living Facilities (as of Dec 1, 2017)

Agency of Health Care Administration – Nursing Home Emergency Rule (59AER17-2)

Agency of Health Care Administration – Assisted Living Facility Emergency Rule (59AER17-2)

Market Research for Generator pricing by size

Agency of Health Care Administration – Historic number of Beds

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Generator Exemption – 15K Exemption cap

Bill Number(s): Proposed Language

Section 3: Methodology (Include Assumptions and Attach Details)

It is assumed for the purposes of this impact that this proposed language will be inserted into 212 in the appropriate sections to correctly exempt generator purchases. As it is currently written, there is no statutory section associated with this language.

A list of licensed nursing homes and assisted living facilities required by the emergency rule to obtain a generator was obtained from the Agency of Health Care Administration's website. The average emergency generator kW per bed was found through market research. The requirement that the generator use liquified petroleum gas or natural gas is not seen as a significant limitation on the number of generators that would qualify for the exemption. These fuels are preferred fuel sources for generators, and the existence of the exemption should nudge the purchasing decisions even further in that direction. This estimate is comprised of three calculated impacts based on: facility population growth, replacement rate, and emergency rule compliance status.

The facilities were broken down by number of beds to show any difference in generator price for a given kW demand. It was found that there is a general decline in per kW generator price up to the over 200kW size. The generator prices were found for the smallest and largest facilities in each bracket, and those numbers were averaged. The average generator price was used to find an average price per bed by facility bracket. Assisted living facilities have been broken down in to 5 brackets with the smallest facilities (1-10 beds) getting their own bracket. The remaining brackets have similar cut off points for both facility types. The highest bed group levels have the upper bound set to the largest facility in that group. The largest nursing home has 438 beds and the largest assisted living facility has 350 beds. The kW numbers we are using are only for an emergency generator. A generator capable of providing HVAC services would need to have additional capacity. This additional need is shown as the additional investment in generator for HVAC for each cohort.

The first cohort are the new facilities that will come online as the older population grows. The Agency of Health Care Administration (AHCA) provided historic bed levels for nursing home and assisted living facilities for the most recent 4 years. The 4-year growth rate was used to grow the number of beds, and the additional beds were allocated amongst the brackets based on the initial bracket shares. The new beds per bracket are multiplied by the emergency generator price per bed for that bracket. The total Sales tax collections estimated is then grossed up as additional Investment in Generators for HVAC services. Due to the effective dates of the exemption, all of the new facilities from 2017-18 and half of the new facilities from 2018-19 are combined to generate an 18 Month total Sales tax impact that would occur in 2018-19.

The second cohort is comprised of all facilities replacing generators over three service life schedules. This estimate assumes that the generator service life of all facilities is 20 years for Nursing Homes, and 25 years for Assisted Living Facilities. For Assisted Living Facilities in group 1 it is assumed that they may buy a smaller, and less durable, generator. So, it is assumed that the effective service life for those generators is 10 years. The rationale for this is that portable generators might be able to be used and they would have a service life of somewhere around 5 years, and the smaller standby generators may have a service life of 15 years. The high assumes that all facilities that have a waiver granted, or have a plan, will buy a generator within the effective dates of the bill. This removes them from the pool of facilities that are able to buy a replacement generator. The middle assumes that those facilities that either have a waiver granted will not be compelled to buy a generator within the time frame of the exemption, but may still be eligible to buy a replacement generator. The low assumes that all facilities that have a waiver granted or are under review will not be compelled to buy a generator within the time frame of the exemption, but may still be eligible to buy a replacement generator. The total population of facilities is not grown over this time as the service life puts any new facility outside of the replacement window. The annual values are reduced by the non-exempt portion of sales tax for the three Nursing Homes that we found would not be fully exempt. A 100% gross up is performed for Nursing Homes and 75% gross up for Assisted Living Facilities to reflect additional purchase of generators for HVAC systems. Due to the effective dates of the exemption, all of the replacement activity from 2017-18 and half of the replacement activity from 2018-19 are combined to generate an 18-month total sales tax impact that would occur in 2018-19. To reflect that some facilities would accelerate their replacement plans for their nearly depreciated generators, and take advantage of the proposed exemption, an additional 6-months of replacement activity is added to the final total

The final cohort of nursing homes and assisted living facilities are those where it is unknown whether they have a compliant generator or not. From the data, this cohort is defined as the total number of assisted living facilities and nursing homes in the state that have either not responded, or have submitted a waiver. The high estimate assumes that the entire cohort will purchase a generator within the effective dates of the bill. The middle assumes that those facilities where their waiver has been granted will not be compelled to buy a generator within the effective dates of the bill. The low estimate assumes that those facilities where either their waiver has been granted, or their waiver is under review, will not be compelled to buy a generator within the effective dates of the bill. The total sales tax exempted in the high, middle, and low are grossed up by 100% for Nursing Homes, and 75% for Assisted Living Facilities to reflect additional investment of generators for HVAC systems.

Section 4: Proposed Fiscal Impact

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Generator Exemption – 15K Exemption cap

Bill Number(s): Proposed Language

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			\$(6.00 M)			
2019-20						
2020-21						
2021-22						
2022-23						

List of affected Trust Funds: Sales and Use Tax Group

Section 5: Consensus Estimate (Adopted: 02/02/2018): The Conference adopted the middle estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(5.3)	0.0	(Insignificant)	0.0	(0.2)	0.0	(0.5)	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(0.7)	0.0	(1.4)	0.0	(6.7)	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0

Proposed Language - 15K Exemption Cap
Summary

	A	B	C	D	E	F	G
1	Total New Facility Impact						
2		Nursing Homes		Assisted Living Facilities			
3		High		Middle		Total	
4	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
5	2018-19	\$ (0.02 M)	\$ (0.02 M)	\$ (0.38 M)	\$ (0.38 M)	\$ (0.40 M)	\$ (0.40 M)
6	2019-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	2020-21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	2021-22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	2022-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10							
11	Replacement Impact						
12		Nursing Homes		Assisted Living Facilities			
13		High		Middle		Total	
14	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
15	2018-19	\$ (0.02 M)	\$ (0.02 M)	\$ (0.35 M)	\$ (0.35 M)	\$ (0.37 M)	\$ (0.37 M)
16	2019-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	2020-21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	2021-22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	2022-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20							
21	Currently Needs Generator						
22		Nursing Homes		Assisted Living Facilities			
23		High		Middle		Total	
24	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
25	2018-19	\$ (3.54 M)	\$ (3.5 M)	\$ (1.7 M)	\$ (1.7 M)	\$ (5.2 M)	\$ (5.2 M)
26	2019-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	2020-21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	2021-22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	2022-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30							
31	Total Impact*						
32		Nursing Homes		Assisted Living Facilities			
33		High		Middle		Total	
34	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
35	2018-19	\$ (3.6 M)	\$ (3.6 M)	\$ (2.4 M)	\$ (2.4 M)	\$ (6.00 M)	\$ (6.00 M)
36	2019-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	2020-21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	2021-22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	2022-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40		*As Adopted - Nursing Homes for High Estimate + Middle Estimate for the Assisted Living Facilities					

Proposed Language - 15K Exemption Cap
Nursing Homes

	A	B	C	D	E	F	G
1	New Facilities						
2	NURSING HOM	Bracket	Facilities	Beds	% Facilities Per Group	% Beds per Group	
3	Grp 1	1 - 50	30	1,098	4.39%	1.31%	
4	Grp 2	51 - 125	481	50,965	70.32%	60.84%	
5	Grp 3	126 - 175	71	10,627	10.38%	12.69%	
6	Grp 4	176 - 438	102	21,078	14.91%	25.16%	
7	Totals		684	83,768			
8							
9	Historical Data For Nursing Homes						
10		Facilities	Beds	Facility Growth	Bed Growth		
11	2013-14	681	83,270				
12	2014-15	682	83,395	0.15%	0.15%		
13	2015-16	682	83,428	0.00%	0.04%		
14	2016-17	682	83,449	0.00%	0.03%		
15	2017-18	684	83,768	0.29%	0.38%		
16		4 Yr Avg Growth rate		0.11%	0.15%		
17							
18	NURSING HOME BEDS GROWN AT 4YR AVG GROWTH RATE						
19		1.3%	60.8%	12.7%	25.2%		
20		Grp 1	Grp 2	Grp 3	Grp 4	Total beds	Growth Rate
21	2016-17	1,093.8	50,771	10,587	20,998	83,449	0.03%
22	2017-18	1,098.0	50,965	10,627	21,078	83,768	0.15%
23	2018-19	1,099.6	51,041	10,643	21,109	83,893	0.15%
24	FY Price Per Bed Per Group (TAXABLE SALES)						
25		Average Emergency Generator Cost per Bed					
26		\$ 432.43	\$ 297.17	\$ 291.67	\$ 772.95	Taxable Sales	Tax
27	2017-18	\$ 1,808	\$ 57,675	\$ 11,803	\$ 62,043	\$ 133,330	\$ 8,000
28	2018-19	\$ 709	\$ 22,609	\$ 4,627	\$ 24,321	\$ 52,266	\$ 3,136
29							
30	Additional Investment in Generator for HVAC						
31		High	Middle	Low			
32		100%	100%	100%			
33	2018-19	\$ (0.02)	\$ (0.02)	\$ (0.02)			

Proposed Language - 15K Exemption Cap
Nursing Homes

	I	J	K	L	M	N
1	Replacement of Old Generators					
2	NURSING HOME	Brackets	Beds	Facilities		
3	Grp 1	1 - 50	1,098	30		
4	Grp 2	51 - 125	50,965	481		
5	Grp 3	126 - 175	10,627	71		
6	Grp 4	176 - 438	21,078	102		
7	Total		83,768	684		
8	*Average Emergency Generator Cost per Bed					
9						
10			High	Middle	Low	
11	Replacement Rate (Years)		20	20	20	
12						
13	Beds/Grp/Replc.	High	Middle	Low		
14	Grp 1	15	50	55		
15	Grp 2	314	2,379	2,484		
16	Grp 3	44	500	517		
17	Grp 4	209	1,005	1,036		
18	*Bed numbers are adjusted by Assumptions					
19	made about current facilities with out Generators					
20						
21		High	Middle	Low	Price per Bed	
22	Grp 1	\$ 6,681	\$ 21,492	\$ 23,741	\$ 432.43	
23	Grp 2	\$ 93,296	\$ 706,922	\$ 738,021	\$ 297.17	
24	Grp 3	\$ 12,746	\$ 145,775	\$ 150,660	\$ 291.67	
25	Grp 4	\$ 161,237	\$ 777,082	\$ 800,812	\$ 772.95	
26	Total Taxable	\$ 273,960	\$ 1,651,271	\$ 1,713,234		
27	Tax	\$ 6,573.61	\$ 89,212.29	\$ 92,930.03		
28						
29	Additional Investment in Generator for HVAC					
30		High	Middle	Low		
31		100%	100%	100%		
32		\$ (0.01)	\$ (0.18)	\$ (0.19)		
33						
34	Sales Tax Total	High	Middle	Low		
35	Yearly	\$ (0.01)	\$ (0.18)	\$ (0.19)		
36	18 mo. Adj. (1.5x)	\$ (0.02)	\$ (0.27)	\$ (0.28)		1.5
37						
38	Accelerated Replacement Generator Purchases (additional 6 months of replacements)					
39	Yearly	\$ (0.01)	\$ (0.09)	\$ (0.09)		0.5
40						
41	Combined Total	\$ (0.03)	\$ (0.36)	\$ (0.37)		
42						
43	Note: All but 3 businesses are fully Exempt in the 15K analysis.					
44	All entities are exempt in 30K					
45	For 15K, yearly value reduced by the non-exempt portion:					\$ 9,864

Proposed Language - 15K Exemption Cap
Nursing Homes

	P	Q	R	S	T
1	Currently Without Generator				
2	High Estimate :: Non-responses + waiver applied purchase within time frame				
3		NURSING HOME	Beds	Facilities	
4	Grp 1	1 to 50	789	22	\$ 432
5	Grp 2	51 to 125	44,686	419	\$ 297
6	Grp 3	126 to 175	9,753	65	\$ 292
7	Grp 4	176 to 438	16,906	84	\$ 773
8		NURSING HOME Total	72,134	590	
9					
10	Total Emergency Generator Price				
11	Grp 1	1 to 50	\$ 341,189		
12	Grp 2	126 to 175	\$ 13,279,330		
13	Grp 3	176 to 438	\$ 2,844,625		
14	Grp 4	51 to 125	\$ 13,067,440		
15		Total Taxable	\$ 29,532,584		
16		Sales Tax	\$ 1,771,955		
17					
18	Middle Estimate :: Non Responses + waiver applied - waiver Granted				
19		NURSING HOME	Beds	Facilities	
20	Grp 1	1 to 50	104	3	\$ 432
21	Grp 2	51 to 125	3,388	32	\$ 297
22	Grp 3	126 to 175	631	4	\$ 292
23	Grp 4	176 to 438	971	5	\$ 773
24		NURSING HOME Total	5,094	44	
25					
26	Total Emergency Generator Price				
27	Grp 1	1 to 50	\$ 44,973		
28	Grp 2	126 to 175	\$ 1,006,811		
29	Grp 3	176 to 438	\$ 184,042		
30	Grp 4	51 to 125	\$ 750,531		
31		Total Taxable	\$ 1,986,357		
32		Sales Tax	\$ 119,181		
33					
34	Low Estimate = Non Responses + waiver applied - waiver Granted - Under Review				
35		NURSING HOME	Beds	Facilities	
36	Grp 1	1 to 50	-	-	\$ 432
37	Grp 2	51 to 125	1,295	11	\$ 297
38	Grp 3	126 to 175	296	2	\$ 292
39	Grp 4	176 to 438	357	2	\$ 773
40		NURSING HOME Total	1,948	15	
41					
42	Total Emergency Generator Price				
43	Grp 1	1 to 50	\$ -		
44	Grp 2	126 to 175	\$ 384,835		
45	Grp 3	176 to 438	\$ 86,333		
46	Grp 4	51 to 125	\$ 275,942		
47		Total Taxable	\$ 747,110		
48		Sales Tax	\$ 44,827		
49					
50	Additional Investment in Generator for HVAC				
51		High	Middle	Low	
52		100%	100%	100%	
53		\$ (3.54)	\$ (0.24)	\$ (0.09)	

Proposed Language - 15K Exemption cap
Assisted Living Facilities

	A	B	C	D	E	F	G	H
1	New Facilities							
2	ASSISTED LIVING FACILITY	Bracket	Facilities	Beds	% Facilities Per Group	% Beds per Group		
3	Grp 1	1-10	1,795	11,050	4079.55%	11.07%		
4	Grp 2	11-50	613	15,505	1393.2%	15.53%		
5	Grp 3	51-125	537	45,847	1220.5%	45.93%		
6	Grp 4	126-175	121	17,696	275.0%	17.73%		
7	Grp 5	176-350	44	9,720	100.00%	9.74%		
8	Totals		3,110	99,818				
9								
10	Historical Data for Assisted Living Facilities							
11		Facilities	Beds	Facility Growth	Bed Growth			
12	2013-14	3011	85135					
13	2014-15	3030	87405	0.63%	2.67%			
14	2015-16	3065	90716	1.16%	3.79%			
15	2016-17	3091	94423	0.85%	4.09%			
16	2017-18	3110	99818	0.61%	5.71%			
17		4 Yr Avg Growth rate		0.81%	4.06%			
18								
19	ASSISTED LIVING FACILITY BEDS GROWN AT 4YR AVG GROWTH RATE							
20		11.1%	15.5%	45.9%	17.7%	9.7%		
21		Grp 1	Grp 2	Grp 3	Grp 4	Grp 5	Total beds	Growth Rate
22	2016-17	10,453	14,667	43,369	16,740	9,195	94,423	0
23	2017-18	11,050	15,505	45,847	17,696	9,720	99,818	0
24	2018-19	11,499	16,135	47,710	18,415	10,115	103,874	4.06%
25	FY Price Per Bed Per Group (TAXABLE SALES)							
26		Average Emergency Generator Cost per Bed			Assisted Living Facilities			
27		\$ 1,083	\$ 520	\$ 371	\$ 300	\$ 600	Taxable Sales	Tax
28	2017-18	\$ 647,004	\$ 435,770	\$ 918,301	\$ 286,604	\$ 314,972	\$ 2,602,652	\$ 156,159
29	2018-19	\$ 486,450	\$ 327,634	\$ 690,424	\$ 215,483	\$ 236,812	\$ 1,956,803	\$ 117,408
30								
31	Additional Investment in Generator for HVAC							
32		High	Middle	Low				
33		75%	75%	75%				
34	2018-19	\$ (0.38)	\$ (0.38)	\$ (0.38)				

Proposed Language - 15K Exemption cap
Assisted Living Facilities

	J	K	L	M	N	O
1	Replacement of Old Generators					
2	ASSISTED LIVING FACILITY	Brackets	Beds	Facilities		
3	Grp 1	1-10	11,050	1,793		
4	Grp 2	11-50	15,505	613		
5	Grp 3	51-125	45,847	537		
6	Grp 4	126-175	17,696	121		
7	Grp 5	176-350	9,720	44		
8	Total		99,818	3,108		
9	*Average Emergency Generator Cost per Bed					
10						
11			High*	Middle	Low	
12	Replacement Rate (Years)		25	25	25	
13			* replacement rate for 1-10 == 10 yrs (portables)			
14	Beds/Grp/Replc.	High	Middle	Low		
15	Grp 1	445	584	723		
16	Grp 2	534	1,055	1,191		
17	Grp 3	1,153	3,336	3,914		
18	Grp 4	409	1,341	1,456		
19	Grp 5	96	635	764		
20	*Bed numbers are adjusted by Assumption made about current facilities with out Generators					
21						
22		High	Middle	Low	Price Per Bed	
23	Grp 1	\$ 556,000	\$ 730,375	\$ 903,500	\$ 1,250.00	
24	Grp 2	\$ 277,784	\$ 548,340	\$ 619,528	\$ 520.00	
25	Grp 3	\$ 427,214	\$ 1,236,431	\$ 1,450,371	\$ 370.59	
26	Grp 4	\$ 122,530	\$ 401,931	\$ 436,271	\$ 299.66	
27	Grp 5	\$ 57,437	\$ 380,773	\$ 458,114	\$ 599.55	
28	Total Taxable	\$ 1,440,965	\$ 3,297,849	\$ 3,867,785		
29	Tax	\$ 86,458	\$ 197,871	\$ 232,067		
30						
31	Additional Investment in Generator for HVAC					
32		High	Middle	Low		
33		75%	75%	75%		
34		\$ (0.15)	\$ (0.35)	\$ (0.41)		
35						
36	Sales Tax Total	High	Middle	Low		
37	Yearly	\$ (0.15)	\$ (0.35)	\$ (0.41)		
38	18 mo. Adj. (1.5x)	\$ (0.23)	\$ (0.52)	\$ (0.61)		1.5
39						
40	Accelerated Replacement Generator Purchases (additional 6 months of replacements)					
41	Yearly	\$ (0.11)	\$ (0.26)	\$ (0.30)		0.5
42						
43	Combined Total	\$ (0.34)	\$ (0.78)	\$ (0.91)		
44						
45						
46	Note: All ALFs are exempted in both bills.					

Proposed Language - 15K Exemption cap
Assisted Living Facilities

	Q	R	S	T	U
1	Currently Without Generator				
2	High Estimate :: Non-responses + waiver applied purchase within time frame				
3		ASSISTED LIVING FACILITY	Beds	Facilities	
4	Grp 1	1 to 10	6,602	1,070	\$ 1,083
5	Grp 2	11 to 50	10,163	385	\$ 520
6	Grp 3	51 to 125	34,319	400	\$ 371
7	Grp 4	126 to 175	13,607	93	\$ 300
8	Grp 5	175 to 350	8,762	40	\$ 600
9		ASSISTED LIVING FACILITY Tot	73,453	1988	
10					
11	Grp 1	1 to 10	\$ 7,152,167		
12	Grp 2	11 to 50	\$ 5,284,760		
13	Grp 3	51 to 125	\$ 12,718,218		
14	Grp 4	126 to 175	\$ 4,077,440		
15	Grp 5	175 to 350	\$ 5,253,235		
16		Total Taxable	\$ 34,485,820		
17		Sales Tax	\$ 2,069,149		
18					
19	Middle Estimate :: Non Responses + waiver applied - waiver Granted				
20		ASSISTED LIVING FACILITY	Beds	Facilities	
21	Grp 1	1 to 10	5,207	840	\$ 1,083
22	Grp 2	11 to 50	4,960	217	\$ 520
23	Grp 3	51 to 125	12,483	144	\$ 371
24	Grp 4	126 to 175	4,283	30	\$ 300
25	Grp 5	175 to 350	3,369	15	\$ 600
26		ASSISTED LIVING FACILITY Tot	30,302	1246	
27					
28	Grp 1	1 to 10	\$ 5,640,917		
29	Grp 2	11 to 50	\$ 2,579,200		
30	Grp 3	51 to 125	\$ 4,626,053		
31	Grp 4	126 to 175	\$ 1,283,433		
32	Grp 5	175 to 350	\$ 2,019,876		
33		Total Taxable	\$ 16,149,478		
34		Sales Tax	\$ 968,969		
35					
36	Low Estimate = Non Responses + waiver applied - waiver Granted - Under Review				
37		ASSISTED LIVING FACILITY	Beds	Facilities	
38	Grp 1	1 to 10	3,822	616	\$ 1,083
39	Grp 2	11 to 50	3,591	155	\$ 520
40	Grp 3	51 to 125	6,710	78	\$ 371
41	Grp 4	126 to 175	3,137	22	\$ 300
42	Grp 5	175 to 350	2,079	9	\$ 600
43		ASSISTED LIVING FACILITY Tot	19,339	880	
44					
45	Total Emergency Generator Price				
46	Grp 1	1 to 10	\$ 4,140,500		
47	Grp 2	11 to 50	\$ 1,867,320		
48	Grp 3	51 to 125	\$ 1,162,535		
49	Grp 4	126 to 175	\$ 622,988		
50	Grp 5	175 to 350	\$ 4,022,964		
51		Total Taxable	\$ 11,816,307		
52		Sales Tax	\$ 708,978		
53					
54		High	Middle	Low	
55		75%	75%	75%	
56		\$ (3.62)	\$ (1.70)	\$ (1.24)	

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Generator Exemption – 30K Exemption Cap

Bill Number(s): Proposed Language

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s):

Month/Year Impact Begins: Upon becoming Law

Date of Analysis: 2/2/2018

Section 1: Narrative

- a. Current Law:** There is no current statute exempting the Sales Tax on equipment used to generate electric energy for Assisted Living Facilities or Nursing Homes in an emergency.

Agency of Health Care Administration – Emergency Rule (59AER17-2) — Nursing Homes and Assisted Living Facilities are required within 45 days of the emergency rule going into effect on September 17, 2017, to submit, in writing, a plan detailing the acquisition of a generator sufficiently capable of running a minimum of 96 hours in the event of a loss of electrical power, and the services necessary to install, maintain, and test equipment and its functions. Furthermore, within 60 days of the acceptance of the compliance plan, every facility should have implemented the plan required under this rule. The Agency for Health Care Administration may revoke the nursing home or Assisted Living Facility's license for failure to comply with this rule. In addition to other remedies provided by law, violation of this rule shall result in a fine or sanction of \$1,000 per day.

- b. Proposed Change:**

The proposed language reads:

“Equipment used to generate emergency electric energy. —

(1) The purchase of any equipment that used to generate emergency electric energy at nursing homes and assisted living facilities is exempt from the tax imposed under this chapter during the period from July 1, 2017 through December 31, 2018. The electric energy which is generated must be used at the facility and meet the fuel needs for emergency generation for that size and class of facility.

(2) The purchaser of the emergency electric equipment must provide the dealer with an affidavit certifying that the equipment will only be used as set forth in subparagraph 1. the penalty set forth in s. 212.085 and as otherwise provided by law.

3. The exemption is limited to a maximum of \$30,000 for the purchase of equipment for any one facility.

(4)(a) The exemption under this section may be applied at the time of purchase or is available through a refund from the department of previously paid taxes. For purchases made prior to the effective date of this section, an application for refund must be submitted to the department within 6 months of the effective date of this section. For purchases made on or after the effective date of this section, if the exemption was not applied to the purchase, an application for refund must be submitted to the department with 6 months of the date of purchase.

(b) The purchaser of the emergency electric equipment applying for a refund under this subsection must provide the department with an affidavit certifying that the equipment will only be used as set forth in subsection (1).

(5) A person furnishing a false affidavit to the dealer pursuant to subsection (2) or the department pursuant to subsection (4) is subject to the penalty set forth in s. 212.085 and as otherwise provided by law.

(6) The Department of Revenue may, and all conditions are deemed met to, adopt emergency rules pursuant to ss. 120.536(1) and 120.54, Florida Statutes, to administer this section, including the manner and form of refund applications and guidelines as to the requisites for an affirmative showing of qualification for the exemption provided for in this section.

(7) This section is repealed June 30, 2019.”

Section 2: Description of Data and Sources

<http://wusfnews.wusf.usf.edu/post/nursing-home-generator-costs-estimated-186-million>

Agency of Health Care Administration – Status of Compliance for Nursing Homes and Assisted Living Facilities (as of Dec 1, 2017)

Agency of Health Care Administration – Nursing Home Emergency Rule (59AER17-2)

Agency of Health Care Administration – Assisted Living Facility Emergency Rule (59AER17-2)

Market Research for Generator pricing by size

Agency of Health Care Administration – Historic number of Beds

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Generator Exemption – 30K Exemption Cap

Bill Number(s): Proposed Language

Section 3: Methodology (Include Assumptions and Attach Details)

It is assumed for the purposes of this impact that this proposed language will be inserted into 212 in the appropriate sections to correctly exempt generator purchases. As it is currently written, there is no statutory section associated with this language.

A list of licensed nursing homes and assisted living facilities required by the emergency rule to obtain a generator was obtained from the Agency of Health Care Administration's website. The average emergency generator kW per bed was found through market research. The requirement that the generator use liquified petroleum gas or natural gas is not seen as a significant limitation on the number of generators that would qualify for the exemption. These fuels are preferred fuel sources for generators, and the existence of the exemption should nudge the purchasing decisions even further in that direction. This estimate is comprised of three calculated impacts based on: facility population growth, replacement rate, and emergency rule compliance status.

The facilities were broken down by number of beds to show any difference in generator price for a given kW demand. It was found that there is a general decline in per kW generator price up to the over 200kW size. The generator prices were found for the smallest and largest facilities in each bracket, and those numbers were averaged. The average generator price was used to find an average price per bed by facility bracket. Assisted living facilities have been broken down in to 5 brackets with the smallest facilities (1-10 beds) getting their own bracket. The remaining brackets have similar cut off points for both facility types. The highest bed group levels have the upper bound set to the largest facility in that group. The largest nursing home has 438 beds and the largest assisted living facility has 350 beds. The kW numbers we are using are only for an emergency generator. A generator capable of providing HVAC services would need to have additional capacity. This additional need is shown as the additional investment in generator for HVAC for each cohort.

The first cohort are the new facilities that will come online as the older population grows. The Agency of Health Care Administration (AHCA) provided historic bed levels for nursing home and assisted living facilities for the most recent 4 years. The 4-year growth rate was used to grow the number of beds, and the additional beds were allocated amongst the brackets based on the initial bracket shares. The new beds per bracket are multiplied by the emergency generator price per bed for that bracket. The total Sales tax collections estimated is then grossed up as additional Investment in Generators for HVAC services. Due to the effective dates of the exemption, all of the new facilities from 2017-18 and half of the new facilities from 2018-19 are combined to generate an 18 Month total Sales tax impact that would occur in 2018-19.

The second cohort is comprised of all facilities replacing generators over three service life schedules. This estimate assumes that the generator service life of all facilities is 20 years for Nursing Homes, and 25 years for Assisted Living Facilities. For Assisted Living Facilities in group 1 it is assumed that they may buy a smaller, and less durable, generator. So, it is assumed that the effective service life for those generators is 10 years. The rationale for this is that portable generators might be able to be used and they would have a service life of somewhere around 5 years, and the smaller standby generators may have a service life of 15 years. The high assumes that all facilities that have a waiver granted, or have a plan, will buy a generator within the effective dates of the bill. This removes them from the pool of facilities that are able to buy a replacement generator. The middle assumes that those facilities that either have a waiver granted will not be compelled to buy a generator within the time frame of the exemption, but may still be eligible to buy a replacement generator. The low assumes that all facilities that have a waiver granted or are under review will not be compelled to buy a generator within the time frame of the exemption, but may still be eligible to buy a replacement generator. The total population of facilities is not grown over this time as the service life puts any new facility outside of the replacement window. A 100% gross up is performed for Nursing Homes and 75% gross up for Assisted Living Facilities to reflect additional purchase of generators for HVAC systems. Due to the effective dates of the exemption, all of the replacement activity from 2017-18 and half of the replacement activity from 2018-19 are combined to generate an 18-month total sales tax impact that would occur in 2018-19. In order to reflect that some facilities would accelerate their replacement plans for their nearly depreciated generators, and take advantage of the proposed exemption, an additional 6-months of replacement activity is added to the final total.

The final cohort of nursing homes and assisted living facilities are those where it is unknown whether they have a compliant generator or not. From the data, this cohort is defined as the total number of assisted living facilities and nursing homes in the state that have either not responded, or have submitted a waiver. The high estimate assumes that the entire cohort will purchase a generator within the effective dates of the bill. The middle assumes that those facilities where their waiver has been granted will not be compelled to buy a generator within the effective dates of the bill. The low estimate assumes that those facilities where either their waiver has been granted, or their waiver is under review, will not be compelled to buy a generator within the effective dates of the bill. The total sales tax exempted in the high, middle, and low are grossed up by 100% for Nursing Homes, and 75% for Assisted Living Facilities to reflect additional investment of generators for HVAC systems.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Generator Exemption – 30K Exemption Cap

Bill Number(s): Proposed Language

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			\$(6.03 M)			
2019-20						
2020-21						
2021-22						
2022-23						

List of affected Trust Funds: Sales and Use Tax Group

Section 5: Consensus Estimate (Adopted: 02/02/2018): The Conference adopted the proposed estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(5.3)	0.0	(Insignificant)	0.0	(0.2)	0.0	(0.5)	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(0.7)	0.0	(1.4)	0.0	(6.7)	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0

Proposed Language - 30K Exemption Cap
Summary

	A	B	C	D	E	F	G
1	Total New Facility Impact						
2		Nursing Homes		Assisted Living Facilities			
3		High		Middle		Total	
4	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
5	2018-19	\$ (0.02 M)	\$ (0.02 M)	\$ (0.38 M)	\$ (0.38 M)	\$ (0.40 M)	\$ (0.40 M)
6	2019-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	2020-21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	2021-22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	2022-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10							
11	Replacement Impact						
12		Nursing Homes		Assisted Living Facilities			
13		High		Middle		Total	
14	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
15	2018-19	\$ (0.05 M)	\$ (0.05 M)	\$ (0.35 M)	\$ (0.35 M)	\$ (0.40 M)	\$ (0.40 M)
16	2019-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	2020-21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	2021-22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	2022-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20							
21	Currently Needs Generator						
22		Nursing Homes		Assisted Living Facilities			
23		High		Middle		Total	
24	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
25	2018-19	\$ (3.54 M)	\$ (3.5 M)	\$ (1.7 M)	\$ (1.7 M)	\$ (5.2 M)	\$ (5.2 M)
26	2019-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	2020-21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	2021-22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	2022-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30							
31	Total Impact*						
32		Nursing Homes		Assisted Living Facilities			
33		High		Middle		Total	
34	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
35	2018-19	\$ (3.6 M)	\$ (3.6 M)	\$ (2.4 M)	\$ (2.4 M)	\$ (6.03 M)	\$ (6.03 M)
36	2019-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	2020-21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	2021-22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	2022-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40		*As Adopted - Nursing Homes for High Estimate + Middle Estimate for the Assisted Living Facilities					

Proposed Language - 30K Exemption Cap
Nursing Homes

	A	B	C	D	E	F	G
1	New Facilities						
2	NURSING HOMES	Bracket	Facilities	Beds	% Facilities Per Group	% Beds per Group	
3	Grp 1	1 - 50	30	1,098	4.39%	1.31%	
4	Grp 2	51 - 125	481	50,965	70.32%	60.84%	
5	Grp 3	126 - 175	71	10,627	10.38%	12.69%	
6	Grp 4	176 - 438	102	21,078	14.91%	25.16%	
7	Totals		684	83,768			
8							
9	Historical Data For Nursing Homes						
10		Facilities	Beds	Facility Growth	Bed Growth		
11	2013-14	681	83,270				
12	2014-15	682	83,395	0.15%	0.15%		
13	2015-16	682	83,428	0.00%	0.04%		
14	2016-17	682	83,449	0.00%	0.03%		
15	2017-18	684	83,768	0.29%	0.38%		
16		4 Yr Avg Growth rate		0.11%	0.15%		
17							
18	NURSING HOME BEDS GROWN AT 4YR AVG GROWTH RATE						
19		1.3%	60.8%	12.7%	25.2%		
20		Grp 1	Grp 2	Grp 3	Grp 4	Total beds	Growth Rate
21	2016-17	1,094	50,771	10,587	20,998	83,449	0.03%
22	2017-18	1,098	50,965	10,627	21,078	83,768	0.15%
23	2018-19	1,100	51,041	10,643	21,109	83,893	0.15%
24	FY Price Per Bed Per Group (TAXABLE SALES)						
25		Average Emergency Generator Cost per Bed					
26		\$ 432.43	\$ 297.17	\$ 291.67	\$ 772.95	Taxable Sales	Tax
27	2017-18	\$ 1,808	\$ 57,675	\$ 11,803	\$ 62,043	\$ 133,330	\$ 8,000
28	2018-19	\$ 709	\$ 22,609	\$ 4,627	\$ 24,321	\$ 52,266	\$ 3,136
29							
30	Additional Investment in Generator for HVAC						
31		High	Middle	Low			
32		100%	100%	100%			
33	2018-19	\$ (0.02)	\$ (0.02)	\$ (0.02)			

Proposed Language - 30K Exemption Cap
Nursing Homes

	I	J	K	L	M	N
1	Replacement of Old Generators					
2	NURSING HOME	Brackets	Beds	Facilities		
3	Grp 1	1 - 50	1,098	30		
4	Grp 2	51 - 125	50,965	481		
5	Grp 3	126 - 175	10,627	71		
6	Grp 4	176 - 438	21,078	102		
7	Total		83,768	684		
8	*Average Emergency Generator Cost per Bed					
9						
10			High	Middle	Low	
11	Replacement Rate (Years)		20	20	20	
12						
13	Beds/Grp/Replc.	High	Middle	Low		
14	Grp 1	15	50	55		
15	Grp 2	314	2,379	2,484		
16	Grp 3	44	500	517		
17	Grp 4	209	1,005	1,036		
18	*Bed numbers are adjusted by Assumptions					
19	made about current facilities with out Generators					
20						
21		High	Middle	Low	Price per Bed	
22	Grp 1	\$ 6,681	\$ 21,492	\$ 23,741	\$ 432.43	
23	Grp 2	\$ 93,296	\$ 706,922	\$ 738,021	\$ 297.17	
24	Grp 3	\$ 12,746	\$ 145,775	\$ 150,660	\$ 291.67	
25	Grp 4	\$ 161,237	\$ 777,082	\$ 800,812	\$ 772.95	
26	Total Taxable	\$ 273,960	\$ 1,651,271	\$ 1,713,234		
27	Tax	\$ 16,438	\$ 99,076	\$ 102,794		
28						
29	Additional Investment in Generator for HVAC					
30		High	Middle	Low		
31		100%	100%	100%		
32		\$ (0.03)	\$ (0.20)	\$ (0.21)		
33						
34	Sales Tax Total	High	Middle	Low		
35	Yearly	\$ (0.03)	\$ (0.20)	\$ (0.21)		
36	18 mo. Adj. (1.5x)	\$ (0.05)	\$ (0.30)	\$ (0.31)		1.5
37						
38	Accelerated Replacement Generator Purchases (additional 6 months of replacements)					
39	Yearly	\$ (0.02)	\$ (0.10)	\$ (0.10)		0.5
40						
41	Combined Total	\$ (0.07)	\$ (0.40)	\$ (0.41)		
42						
43	Note: All but 3 businesses are fully Exempt in the 15K analysis.					
44	All entities are exempt in 30K					
45	For 15K, yearly value reduced by the non-exempt portion: 0.009864					

Proposed Language - 30K Exemption Cap
Nursing Homes

	P	Q	R	S	T
1	Currently Without Generator				
2	High Estimate :: Non-responses + waiver applied purchase within time frame				
3		NURSING HOME	Beds	Facilities	
4	Grp 1	1 to 50	789	22	\$ 432
5	Grp 2	51 to 125	44,686	419	\$ 297
6	Grp 3	126 to 175	9,753	65	\$ 292
7	Grp 4	176 to 438	16,906	84	\$ 773
8	NURSING HOME Total		72,134	590	
9					
10	Total Emergency Generator Price				
11	Grp 1	1 to 50	\$ 341,189		
12	Grp 2	126 to 175	\$ 13,279,330		
13	Grp 3	176 to 438	\$ 2,844,625		
14	Grp 4	51 to 125	\$ 13,067,440		
15		Total Taxable	\$ 29,532,584		
16		Sales Tax	\$ 1,771,955		
17					
18	Middle Estimate :: Non Responses + waiver applied - waiver Granted				
19		NURSING HOME	Beds	Facilities	
20	Grp 1	1 to 50	104	3	\$ 432
21	Grp 2	51 to 125	3,388	32	\$ 297
22	Grp 3	126 to 175	631	4	\$ 292
23	Grp 4	176 to 438	971	5	\$ 773
24	NURSING HOME Total		5,094	44	
25					
26	Total Emergency Generator Price				
27	Grp 1	1 to 50	\$ 44,973		
28	Grp 2	126 to 175	\$ 1,006,811		
29	Grp 3	176 to 438	\$ 184,042		
30	Grp 4	51 to 125	\$ 750,531		
31		Total Taxable	\$ 1,986,357		
32		Sales Tax	\$ 119,181		
33					
34	Low Estimate = Non Responses + waiver applied - waiver Granted - Under Review				
35		NURSING HOME	Beds	Facilities	
36	Grp 1	1 to 50	-	-	\$ 432
37	Grp 2	51 to 125	1,295	11	\$ 297
38	Grp 3	126 to 175	296	2	\$ 292
39	Grp 4	176 to 438	357	2	\$ 773
40	NURSING HOME Total		1,948	15	
41					
42	Total Emergency Generator Price				
43	Grp 1	1 to 50	\$ -		
44	Grp 2	126 to 175	\$ 384,835		
45	Grp 3	176 to 438	\$ 86,333		
46	Grp 4	51 to 125	\$ 275,942		
47		Total Taxable	\$ 747,110		
48		Sales Tax	\$ 44,827		
49					
50	Additional Investment in Generator for HVAC				
51		High	Middle	Low	
52		100%	100%	100%	
53		\$ (3.54)	\$ (0.24)	\$ (0.09)	

Proposed Language - 30K Exemption Cap
Assisted Living Facilities

	A	B	C	D	E	F	G	H
1	New Facilities							
2	ASSISTED LIVING FACILITY	Bracket	Facilities	Beds	% Facilities Per Group	% Beds per Group		
3	Grp 1	1-10	1,795	11,050	4079.55%	11.07%		
4	Grp 2	11-50	613	15,505	1393.2%	15.53%		
5	Grp 3	51-125	537	45,847	1220.5%	45.93%		
6	Grp 4	126-175	121	17,696	275.0%	17.73%		
7	Grp 5	176-350	44	9,720	100.00%	9.74%		
8	Totals		3,110	99,818				
9								
10	Historical Data for Assisted Living Facilities							
11		Facilities	Beds	Facility Growth	Bed Growth			
12	2013-14	3011	85135					
13	2014-15	3030	87405	0.63%	2.67%			
14	2015-16	3065	90716	1.16%	3.79%			
15	2016-17	3091	94423	0.85%	4.09%			
16	2017-18	3110	99818	0.61%	5.71%			
17		4 Yr Avg Growth rate		0.81%	4.06%			
18								
19	ASSISTED LIVING FACILITY BEDS GROWN AT 4YR AVG GROWTH RATE							
20		11.1%	15.5%	45.9%	17.7%	9.7%		
21		Grp 1	Grp 2	Grp 3	Grp 4	Grp 5	Total beds	Growth Rate
22	2016-17	10,453	14,667	43,369	16,740	9,195	94,423	0
23	2017-18	11,050	15,505	45,847	17,696	9,720	99,818	0
24	2018-19	11,499	16,135	47,710	18,415	10,115	103,874	4.06%
25	FY Price Per Bed Per Group (TAXABLE SALES)							
26		Average Emergency Generator Cost per Bed				Assisted Living Facilities		
27		\$ 1,083	\$ 520	\$ 371	\$ 300	\$ 600	Taxable Sales	Tax
28	2017-18	\$ 647,004	\$ 435,770	\$ 918,301	\$ 286,604	\$ 314,972	\$ 2,602,652	\$ 156,159
29	2018-19	\$ 486,450	\$ 327,634	\$ 690,424	\$ 215,483	\$ 236,812	\$ 1,956,803	\$ 117,408
30								
31	Additional Investment in Generator for HVAC							
32		High	Middle	Low				
33		75%	75%	75%				
34	2018-19	\$ (0.38)	\$ (0.38)	\$ (0.38)				

Proposed Language - 30K Exemption Cap
Assisted Living Facilities

	J	K	L	M	N	O
1	Replacement of Old Generators					
2	ASSISTED LIVING FACILITY	Brackets	Beds	Facilities		
3	Grp 1	1-10	11,050	1,793		
4	Grp 2	11-50	15,505	613		
5	Grp 3	51-125	45,847	537		
6	Grp 4	126-175	17,696	121		
7	Grp 5	176-350	9,720	44		
8	Total		99,818	3,108		
9	*Average Emergency Generator Cost per Bed					
10						
11			High*	Middle	Low	
12	Replacement Rate (Years)		25	25	25	
13			* replacement rate for 1-10 == 10 yrs (portables)			
14	Beds/Grp/Replc.	High	Middle	Low		
15	Grp 1	445	584	723		
16	Grp 2	534	1,055	1,191		
17	Grp 3	1,153	3,336	3,914		
18	Grp 4	409	1,341	1,456		
19	Grp 5	96	635	764		
20	*Bed numbers are adjusted by Assumption made about current facilities with out Generators					
21						
22		High	Middle	Low	Price Per Bed	
23	Grp 1	\$ 556,000	\$ 730,375	\$ 903,500	\$ 1,250.00	
24	Grp 2	\$ 277,784	\$ 548,340	\$ 619,528	\$ 520.00	
25	Grp 3	\$ 427,214	\$ 1,236,431	\$ 1,450,371	\$ 370.59	
26	Grp 4	\$ 122,530	\$ 401,931	\$ 436,271	\$ 299.66	
27	Grp 5	\$ 57,437	\$ 380,773	\$ 458,114	\$ 599.55	
28	Total Taxable	\$ 1,440,965	\$ 3,297,849	\$ 3,867,785		
29	Tax	\$ 86,458	\$ 197,871	\$ 232,067		
30						
31	Additional Investment in Generator for HVAC					
32		High	Middle	Low		
33		75%	75%	75%		
34		\$ (0.15)	\$ (0.35)	\$ (0.41)		
35						
36	Sales Tax Total	High	Middle	Low		
37	Yearly	\$ (0.15)	\$ (0.35)	\$ (0.41)		
38	18 mo. Adj. (1.5x)	\$ (0.23)	\$ (0.52)	\$ (0.61)		1.5
39						
40	Accelerated Replacement Generator Purchases (additional 6 months of replacements)					
41	Yearly	\$ (0.11)	\$ (0.26)	\$ (0.30)		0.5
42						
43	Combined Total	\$ (0.34)	\$ (0.78)	\$ (0.91)		
44						
45						
46						
47	Note: All ALFs are exempted in both bills.					

Proposed Language - 30K Exemption Cap
Assisted Living Facilities

	Q	R	S	T	U
1	Currently Without Generator				
2	High Estimate :: Non-responses + waiver applied purchase within time frame				
3		ASSISTED LIVING FACILITY	Beds	Facilities	
4	Grp 1	1 to 10	6,602	1,070	\$ 1,083
5	Grp 2	11 to 50	10,163	385	\$ 520
6	Grp 3	51 to 125	34,319	400	\$ 371
7	Grp 4	126 to 175	13,607	93	\$ 300
8	Grp 5	175 to 350	8,762	40	\$ 600
9		ASSISTED LIVING FACILITY Tot	73,453	1988	
10					
11	Grp 1	1 to 10	\$ 7,152,167		
12	Grp 2	11 to 50	\$ 5,284,760		
13	Grp 3	51 to 125	\$ 12,718,218		
14	Grp 4	126 to 175	\$ 4,077,440		
15	Grp 5	175 to 350	\$ 5,253,235		
16		Total Taxable	\$ 34,485,820		
17		Sales Tax	\$ 2,069,149		
18					
19	Middle Estimate :: Non Responses + waiver applied - waiver Granted				
20		ASSISTED LIVING FACILITY	Beds	Facilities	
21	Grp 1	1 to 10	5,207	840	\$ 1,083
22	Grp 2	11 to 50	4,960	217	\$ 520
23	Grp 3	51 to 125	12,483	144	\$ 371
24	Grp 4	126 to 175	4,283	30	\$ 300
25	Grp 5	175 to 350	3,369	15	\$ 600
26		ASSISTED LIVING FACILITY Tot	30,302	1246	
27					
28	Grp 1	1 to 10	\$ 5,640,917		
29	Grp 2	11 to 50	\$ 2,579,200		
30	Grp 3	51 to 125	\$ 4,626,053		
31	Grp 4	126 to 175	\$ 1,283,433		
32	Grp 5	175 to 350	\$ 2,019,876		
33		Total Taxable	\$ 16,149,478		
34		Sales Tax	\$ 968,969		
35					
36	Low Estimate = Non Responses + waiver applied - waiver Granted - Under Review				
37		ASSISTED LIVING FACILITY	Beds	Facilities	
38	Grp 1	1 to 10	3,822	616	\$ 1,083
39	Grp 2	11 to 50	3,591	155	\$ 520
40	Grp 3	51 to 125	6,710	78	\$ 371
41	Grp 4	126 to 175	3,137	22	\$ 300
42	Grp 5	175 to 350	2,079	9	\$ 600
43		ASSISTED LIVING FACILITY Tot	19,339	880	
44					
45	Total Emergency Generator Price				
46	Grp 1	1 to 10	\$ 4,140,500		
47	Grp 2	11 to 50	\$ 1,867,320		
48	Grp 3	51 to 125	\$ 1,162,535		
49	Grp 4	126 to 175	\$ 622,988		
50	Grp 5	175 to 350	\$ 4,022,964		
51		Total Taxable	\$ 11,816,307		
52		Sales Tax	\$ 708,978		
53					
54		High	Middle	Low	
55		75%	75%	75%	
56		\$ (3.62)	\$ (1.70)	\$ (1.24)	

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Exemption for the Elderly

Bill Number(s): SB1448

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Senator Passidomo

Month/Year Impact Begins: July 1, 2018

Date of Analysis: 02/02/2018

Section 1: Narrative

- a. Current Law:** Current law provides for an exemption on medical equipment in certain circumstances. DOR works in conjunction with DBPR and DBPR's Drugs and Cosmetics Division to certify exempt items. These items are published on the DR-46NT. Exempted durable medical equipment includes wheelchairs, handrails, walkers and electric wheelchairs. Also exempt are prosthetic or orthopedic appliances dispensed by prescription written by a licensed practitioner. Building contractors are considered the end user of items purchased to be affixed to real property and pay sales tax on these purchases.
- b. Proposed Change:** Provides an exemption on sales tax for a specified list of items used to assist a person to live independently in their home or residence. The exemption is inured to those 60 or older who provide a birth certificate or another legal document to prove their age. These items include: bed transfer handles, hospital beds, power lift recliners, furniture risers, handrails, bed rails, grab bars, shower seats, stair lifts, toilet seat risers, lever style door knobs, and walkers.

Section 2: Description of Data and Sources

Retail price costs from CVS.com

Florida resident population by single year of age, 2017 estimates, delivered December 2017, produced by University of Florida, Bureau of Economic and Business Research under contract with the Florida Legislature.

Smith, Stanley K.; House, Mark, Snowbirds, Sunbirds, and Stayers: Seasonal migration of elderly adults in Florida, Journal of Gerontology: Social Sciences, v. 61B, No 5, S232-S239, 2006, e-mail correspondence from BEBR dated 10/23/2013,

<http://www.bebur.ufl.edu/content/snowbirds>, <https://academic.oup.com/psychsocgerontology/article/61/5/S232/604064>.

U.S. Census Bureau, H17: Tenure by Age of Householder, 2010 Census Summary File 1.

Advantage buying contractor – 19.6% Disaster Impact adopted 12/8/17

Rooms To Go, www.roomstogo.com

Paying for senior medical care website

Department of Revenue, Nontaxable Medical Items and General Grocery List, DR-46NT, R 01/18,

http://floridarevenue.com/Forms_library/current/dr46nt.pdf and emails and phone conversations dated 1/22/2018-1/24/2018.

Section 3: Methodology (Include Assumptions and Attach Details)

A FY 2017-18 population estimate of those 60+ was reduced by those in nursing homes and increased by 60+ snowbirds as the bill is silent on whether only residents are eligible. The snowbird population was reduced to those staying in own accommodations (own home or residence) rather than staying with Florida residents or staying in a hotel as estimated by BEBR (see source in Section 2). In addition, the analysis assumes that 67 percent of snowbirds staying in own accommodations own the residence they are staying in¹. The population 60+ not in a nursing home, including snowbirds who own the Florida home they are staying in is the universe of buyers used henceforth. Census Bureau estimates of the share of the population over 65 with a disability, difficulty living independently or a self-care difficulty were used to further identify a population subgroup most likely to make a purchase of a specific item on the list.

This analysis assumes that the bill exempts only the currently listed items. Hospital beds are assumed to be 100 percent prescribed by a doctor and thus currently tax exempt, so the item was excluded from the estimates. Some other items in the bill – walkers, walking bars, wheelchairs, and scooters – are already on the Nontaxable Medical Items and General Grocery List.

A google search was made on each described item to calculate an average price. Assumptions were made on:

- Number of items purchased per person
- Average number of years between purchases
- Covered by Medicare (and therefore likely to be bought exempt with RX)
- Exempt on DR-46NT
- Contractor purchase/ultimate consumer exemption of items considered permanent fixtures to the house

¹ The estimate uses the percent of Florida households that own their residence from Census 2010.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Exemption for the Elderly

Bill Number(s): SB1448

- Advantage Buy (whether a contractor or someone under 60 would take advantage of this exemption) of 19.6% was derived from the Disaster Impact adopted 12/8/17
- Percent bought with an RX or already exempt
- Percent of the 60+ population.

The total taxable purchase by item was then derived from these assumptions and multiplying them against the population of those over 60 and snowbirds who stay in their own home or accommodation and had some form of disability. An assumption was made for each item the level of difficulty of independent living would require for that item.

A 2017-18 impact was then grown by population growth for those over 60.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			(6.9)	(7.5)		
2019-20			(7.8)	(7.8)		
2020-21			(8.0)	(8.0)		
2021-22			(8.3)	(8.3)		
2022-23			(8.5)	(8.5)		

List of affected Trust Funds: Sales and Use Tax

Section 5: Consensus Estimate (Adopted: 02/02/2018): The Conference adopted the proposed estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(6.1)	(6.6)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.6)	(0.6)
2019-20	(6.9)	(6.9)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.7)	(0.7)
2020-21	(7.1)	(7.1)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.7)	(0.7)
2021-22	(7.3)	(7.3)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.7)	(0.7)
2022-23	(7.6)	(7.6)	(Insignificant)	(Insignificant)	(0.3)	(0.3)	(0.7)	(0.7)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(0.8)	(0.8)	(1.6)	(1.7)	(7.7)	(8.3)
2019-20	(0.9)	(0.9)	(1.8)	(1.8)	(8.7)	(8.7)
2020-21	(0.9)	(0.9)	(1.8)	(1.8)	(8.9)	(8.9)
2021-22	(0.9)	(0.9)	(1.9)	(1.9)	(9.2)	(9.2)
2022-23	(1.0)	(1.0)	(1.9)	(1.9)	(9.5)	(9.5)

65+ with one or more disabilities 33.5%
 65+ with an independent living difficulty 13.0%
 65+ with a self-care difficulty 7.2%

%-ages
 applied
 to 60+

population 60+, not in a nursing home
 Snowbirds 60+ staying in own home

FY 2017-18
 5,530,931
 554,185
 6,085,116

	Bed Transfer Handles	Hospital Beds	Power Lift Recliners	Furniture Risers (8 pc)	Handrails (walking ba	Bed Rails	Grab Bars (walking b	Shower Seats	Stair Lifts	Toilet Seat Risers	Lever Style Doorknob	Walkers	
Average Price	\$ 46.00	\$ 865.00	\$ 447.03	\$ 17.49	\$ 22.00	\$ 64.90	\$ 22.00	\$ 41.41	\$ 2,500	\$ 30.16	\$ 19.13	\$ 32.00	Average Price
# of Items Purchased Per Person	1	1	1	2	4	1	4	1	1	1	3	1	# of Items Purchased Per Person
Years Between Purchases	7	10	7	7	10	7	10	7	10	5	10	5	Years Between Purchases
Covered by Medicare (likely to be bought exempt with RX)	w/hos.bed	Y	\$ 284.14			w/hos.bed	N	Y	80%	0%		Y	Covered by Medicare (likely to be bought exempt with RX)
Exempt on DR-46NT					Y		Y					Y	Exempt on DR-46NT
Contractor Ultimate Consumer Exemption					Y				Y		Y		Contractor Ultimate Consumer Exemption
Advantage Buy									19.6%		19.6%		Advantage Buy
Percent bought with an RX or already exempt	75%	100%	50%	0%	100%	75%	100%	33%	90%	33%	0%	100%	Percent bought with an RX or already exempt
Percent of the 60+ population purchasing	13.0%	7.2%	33.5%	33.5%	13.0%	7.2%	33.5%	33.5%	7.2%	33.5%	33.5%	13.0%	Percent of the 60+ population purchasing
<i>converted to millions</i>													
Taxable Purchases by those 60+	\$ 1.3	\$ -	\$ 65.1	\$ 10.2	\$ -	\$ 1.0	\$ -	\$ 8.1	\$ 11.0	\$ 8.2	\$ 11.7	\$ -	
Advantage Buy (19.6%)			\$ -						\$ 2.1		\$ 2.3		

Total Taxable Purchases by those 60+ \$ 116.6 million
 Advantage Buy Purchases \$ 4.4 million
 121.0 million

Millions	17/18	18/19	19/20	20/21	21/22	22/23
Total Taxable Purchases	\$ 121.0					
Sales Tax	\$ (7.3)	\$ (7.5)	\$ (7.8)	\$ (8.0)	\$ (8.3)	\$ (8.5)
Growth	3.5%	3.5%	3.4%	3.3%	3.1%	3.0%

REVENUE ESTIMATING CONFERENCE

Tax: Unclaimed Property

Issue: Tax Deed Sales

Bill Number(s): HB 1383

☐ **Entire Bill**

☒ **Partial Bill:** Section 3, Lines 223-227 and 345-347

Sponsor(s): Representative Latvala

Month/Year Impact Begins: July 1, 2018

Date of Analysis: February 2, 2018

Section 1: Narrative

- a. Current Law:** Section 197.582, F.S., requires unclaimed excess funds from the proceeds of a tax deed sale to be escheated to the state pursuant to section 717.113, F.S. The funds received by the state are deposited in the Unclaimed Property Trust Fund. Each year by April 30, the clerks must remit to the state any unclaimed funds from the previous calendar year (e.g., April 2019 reports = 2018 calendar year unclaimed funds).
- b. Proposed Change:** Beginning July 1, 2018, any excess funds from the proceeds of a tax deed sale that are unclaimed will be retained by the clerk of court pursuant to section 116.21, F.S., for deposit in the local fine and forfeiture fund.

Section 2: Description of Data and Sources

Department of Financial Services, Reports of Unclaimed Property Receipts and Refunds by Property Type (Dec 2017)

Department of Financial Services, Division of Unclaimed Property Reporting Instructions Manual (July 2017)

January 2018 Revenue Estimating Conference on Unclaimed Property/State School Trust Fund

Section 3: Methodology (see attached)

DFS provided reports of unclaimed property receipts and refunds by property type for FY 2005-06 through FY 2016-17. A new property type code (CT25) was created beginning in FY 2014-15 to record receipts and refunds associated with unclaimed tax certificates and tax deeds reported by clerks of court. Prior to FY 2014-15, these funds cannot be identified separately in the DFS data. Further, within the CT25 property type code, the receipts and refunds funds associated with *tax deeds* cannot be separated from those associated with *tax certificates* for all submitted reports. The bill does not appear to change the disposition of unclaimed funds related to tax certificates.

Using historical data and different sets of assumptions, an estimated impact was calculated as follows:

High: First, 80% of the historical receipts and refunds were assumed to be associated with tax deeds only. For the receipts forecast, a 3-year moving average level of receipts was assumed for each year. For refunds, the estimated 2-year average refunds ratio for this property type (67.3%) was assumed. For FY 2018-19, it was assumed that the cash impact on receipts would be one-half of the total impact since the law would take effect July 1, affecting only the second half of calendar year 2018. There is not expected to be any impact on refunds in FY 2018-19.

Middle: 70% of the historical receipts and refunds were assumed to be associated with tax deeds only. For the receipts forecast, the annual growth rates adopted by the January 2018 REC for overall unclaimed property receipts were used to forecast these types of receipts. For refunds, the refunds ratio of 72.5% adopted by the January 2018 REC were used to forecast the expected refunds. For FY 2018-19, it was assumed that the cash impact on receipts would be one-half of the total impact since the law would take effect July 1, affecting only the second half of calendar year 2018. There is not expected to be any impact on refunds in FY 2018-19.

Low: 60% of the historical receipts and refunds were assumed to be associated with tax deeds only. The receipts forecast was based on the actual growth rates for this property type. The two-year average growth rate is -22.3%; half of that negative growth rate (-11.1%) was used to forecast the annual receipts. For refunds, the refunds ratio of 72.5% adopted by the January 2018 REC was used to forecast the expected refunds. For FY 2018-19, it was assumed that the cash impact on receipts would be one-half of the total impact since the law would take effect July 1, affecting only the second half of calendar year 2018. There is not expected to be any impact on refunds in FY 2018-19.

REVENUE ESTIMATING CONFERENCE

Tax: Unclaimed Property

Issue: Tax Deed Sales

Bill Number(s): HB 1383

Section 4: Proposed Fiscal Impact

Impact on State Unclaimed Property Receipts

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	-\$2.3	-\$4.5	-\$1.7	-\$3.4	-\$1.1	-\$2.2
2019-20	-\$4.4	-\$4.4	-\$3.4	-\$3.4	-\$2.0	-\$2.0
2020-21	-\$4.6	-\$4.6	-\$3.5	-\$3.5	-\$1.7	-\$1.7
2021-22	-\$4.5	-\$4.5	-\$3.5	-\$3.5	-\$1.5	-\$1.5
2022-23	-\$4.5	-\$4.5	-\$3.6	-\$3.6	-\$1.4	-\$1.4

Impact on State Unclaimed Property Refunds

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
2019-20	-\$1.5	-\$3.0	-\$1.2	-\$2.4	-\$0.8	-\$1.6
2020-21	-\$2.2	-\$3.0	-\$1.8	-\$2.5	-\$1.1	-\$1.5
2021-22	-\$3.0	-\$3.0	-\$2.5	-\$2.5	-\$1.3	-\$1.3
2022-23	-\$3.1	-\$3.1	-\$2.5	-\$2.5	-\$1.2	-\$1.2

Net Impact on Transfers to State School Trust Fund

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	-\$2.3	-\$2.3	-\$1.7	-\$1.7	-\$1.1	-\$1.1
2019-20	-\$2.9	-\$2.9	-\$2.2	-\$2.2	-\$1.2	-\$1.2
2020-21	-\$2.4	-\$2.4	-\$1.7	-\$1.7	-\$0.6	-\$0.6
2021-22	-\$1.5	-\$1.5	-\$1.0	-\$1.0	-\$0.2	-\$0.2
2022-23	-\$1.4	-\$1.4	-\$1.1	-\$1.1	-\$0.2	-\$0.2

Net Impact on Local Fine and Forfeiture Funds

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	\$2.3	\$2.3	\$1.7	\$1.7	\$1.1	\$1.1
2019-20	\$2.9	\$2.9	\$2.2	\$2.2	\$1.2	\$1.2
2020-21	\$2.4	\$2.4	\$1.7	\$1.7	\$0.6	\$0.6
2021-22	\$1.5	\$1.5	\$1.0	\$1.0	\$0.2	\$0.2
2022-23	\$1.4	\$1.4	\$1.1	\$1.1	\$0.2	\$0.2

List of affected Trust Funds:

Unclaimed Property Trust Fund

State School Trust Fund

Local Fine and Forfeiture Funds

Section 5: Consensus Estimate (Adopted: 02/02/2018): For the state impact, the Conference adopted the middle estimate. For the local impact, the Conference reduced the refunds ratio by 50%.

REVENUE ESTIMATING CONFERENCE

Tax: Unclaimed Property

Issue: Tax Deed Sales

Bill Number(s): HB 1383

Net Impact on Transfers to State School Trust Fund

	Adopted	
	Cash	Recurring
2018-19	-\$1.7	-\$1.1
2019-20	-\$2.2	-\$1.1
2020-21	-\$1.7	-\$1.1
2021-22	-\$1.0	-\$1.1
2022-23	-\$1.1	-\$1.1

Net Impact on Local Fine and Forfeiture Funds

	Adopted	
	Cash	Recurring
2018-19	\$1.7	\$2.3
2019-20	\$2.8	\$2.3
2020-21	\$2.6	\$2.3
2021-22	\$2.3	\$2.3
2022-23	\$2.3	\$2.3

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	0.0	0.0	(1.7)	(1.1)	1.7	2.3	0.0	1.2
2019-20	0.0	0.0	(2.2)	(1.1)	2.8	2.3	0.6	1.2
2020-21	0.0	0.0	(1.7)	(1.1)	2.6	2.3	0.9	1.2
2021-22	0.0	0.0	(1.0)	(1.1)	2.3	2.3	1.3	1.2
2022-23	0.0	0.0	(1.1)	(1.1)	2.3	2.3	1.2	1.2

RECURRING

10	<u>Estimated Impact of HB 1383 - Tax Deeds</u>			
11	RECEIPTS			
12		HIGH	MIDDLE	LOW
13	2014-15	\$6,170,420	\$5,399,117	\$4,627,815
14	2015-16	\$4,920,323	\$4,305,283	\$3,690,242
15	2016-17	\$3,725,071	\$3,259,437	\$2,793,804
16	2017-18	\$4,938,605	\$3,311,262	\$2,482,632
17	2018-19	\$4,528,000	\$3,362,918	\$2,206,119
18	2019-20	\$4,397,225	\$3,414,035	\$1,960,403
19	2020-21	\$4,621,277	\$3,464,562	\$1,742,055
20	2021-22	\$4,515,501	\$3,514,105	\$1,548,027
21	2022-23	\$4,511,334	\$3,562,600	\$1,375,609
22	REFUNDS			
23		HIGH	MIDDLE	LOW
24	2014-15	--	--	--
25	2015-16	\$1,161,590	\$1,016,391	\$871,192
26	2016-17	\$3,974,790	\$3,477,941	\$2,981,092
27	2017-18	\$2,720,000	\$2,380,000	\$2,040,000
28	2018-19	\$0	\$0	\$0
29	2019-20	\$3,047,373	\$2,437,477	\$1,599,017
30	2020-21	\$3,003,367	\$2,456,002	\$1,509,968
31	2021-22	\$3,034,755	\$2,492,838	\$1,341,789
32	2022-23	\$3,074,555	\$2,529,104	\$1,192,342
33	NET IMPACT			
34		HIGH	MIDDLE	LOW
35	2018-19	-\$4,528,000	-\$3,362,918	-\$2,206,119
36	2019-20	-\$1,349,852	-\$976,558	-\$361,386
37	2020-21	-\$1,617,910	-\$1,008,561	-\$232,087
38	2021-22	-\$1,480,746	-\$1,021,268	-\$206,237
39	2022-23	-\$1,436,779	-\$1,033,496	-\$183,267

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CASH

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<u>Rounded</u>			
Receipts	HIGH	MIDDLE	LOW
% tax deeds	80%	70%	60%
2018-19	-\$2.3	-\$1.7	-\$1.1
2019-20	-\$4.4	-\$3.4	-\$2.0
2020-21	-\$4.6	-\$3.5	-\$1.7
2021-22	-\$4.5	-\$3.5	-\$1.5
2022-23	-\$4.5	-\$3.6	-\$1.4
Refunds	HIGH	MIDDLE	LOW
% tax deeds	80%	70%	60%
2018-19	\$0.0	\$0.0	\$0.0
2019-20	-\$1.5	-\$1.2	-\$0.8
2020-21	-\$2.2	-\$1.8	-\$1.1
2021-22	-\$3.0	-\$2.5	-\$1.3
2022-23	-\$3.1	-\$2.5	-\$1.2
NET IMPACT	HIGH	MIDDLE	LOW
2018-19	-\$2.3	-\$1.7	-\$1.1
2019-20	-\$2.9	-\$2.2	-\$1.2
2020-21	-\$2.4	-\$1.7	-\$0.6
2021-22	-\$1.5	-\$1.0	-\$0.2
2022-23	-\$1.4	-\$1.1	-\$0.2

	High Est.	Middle Est.	Low Est.
3-Yr Avg Level	1.59%	-11.1%	24.5%
3-Yr Avg Level	1.56%	-11.1%	
3-Yr Avg Level	1.52%	-11.1%	
3-Yr Avg Level	1.48%	-11.1%	
3-Yr Avg Level	1.43%	-11.1%	
3-Yr Avg Level	1.38%	-11.1%	

Unclaimed Property - Tax Certificates and Tax Deeds

LOCAL IMPACT

1	RECEIPTS	# Accounts	Cash Value
2	2014-15	1,356	\$7,713,025
3	2015-16	1,304	\$6,150,404
4	2016-17	1,058	\$4,656,339
5	REFUNDS	# Accounts	Cash Value
6	2014-15	--	--
7	2015-16	129	\$1,451,987
8	2016-17	661	\$4,968,487
9	2017-18 est.		\$3,400,000

10	Estimated Impact of HB 1383 - Tax Deeds			
11	RECEIPTS			
12		HIGH	ADOPTED	LOW
13	2014-15	\$0	\$5,399,117	\$0
14	2015-16	\$0	\$4,305,283	\$0
15	2016-17	\$0	\$3,259,437	\$0
16	2017-18	\$0	\$3,311,262	\$0
17	2018-19	\$0	\$1,681,459	\$0
18	2019-20	\$4,397,225	\$3,414,035	\$1,960,403
19	2020-21	\$4,621,277	\$3,464,562	\$1,742,055
20	2021-22	\$4,515,501	\$3,514,105	\$1,548,027
21	2022-23	\$4,511,334	\$3,562,600	\$1,375,609
22	REFUNDS			
23		HIGH	ADOPTED	LOW
24	2014-15	--	--	--
25	2015-16	\$0	\$1,016,391	\$0
26	2016-17	\$0	\$3,477,941	\$0
27	2017-18	\$0	\$2,380,000	\$0
28	2018-19			
29	2019-20	\$0	\$609,369	\$0
30	2020-21	\$0	\$923,316	\$0
31	2021-22	\$0	\$1,246,419	\$0
32	2022-23	\$0	\$1,264,552	\$0
33	NET IMPACT			
34			ADOPTED	
35	2018-19		\$1,681,459	
36	2019-20		\$2,804,665	
37	2020-21		\$2,541,246	
38	2021-22		\$2,267,687	
39	2022-23		\$2,298,048	

Rounded	
Receipts	ADOPTED
% tax deeds	70%
2018-19	\$1.7
2019-20	\$3.4
2020-21	\$3.5
2021-22	\$3.5
2022-23	\$3.6
Refunds	ADOPTED
% tax deeds	70%
2018-19	\$0.0
2019-20	-\$0.6
2020-21	-\$0.9
2021-22	-\$1.2
2022-23	-\$1.3
NET IMPACT	ADOPTED
2018-19	\$1.7
2019-20	\$2.8
2020-21	\$2.6
2021-22	\$2.3
2022-23	\$2.3

ADOPTED

1.59%
1.56%
1.52%
1.48%
1.43%
1.38%

ADOPTED

36.2%
36.2%
36.2%
36.2%
36.2%