

REVENUE ESTIMATING CONFERENCE

Tax: Documentary Stamp Tax

Issue: Spousal Transfers – Homestead Property

Bill Number(s): Proposed Language

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): N/A

Month/Year Impact Begins: July 1, 2018

Date of Analysis: 9/28/2017 (Revised)

Section 1: Narrative

a. Current Law: Section 201.02(1)(a), Florida Statutes, states “On deeds, instruments, or writings whereby any lands, tenements, or other real property, or any interest therein, shall be granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser or any other person by his or her direction, on each \$100 of the consideration therefor the tax shall be 70 cents. When the full amount of the consideration for the execution, assignment, transfer, or conveyance is not shown in the face of such deed, instrument, document, or writing, the tax shall be at the rate of 70 cents for each \$100 or fractional part thereof of the consideration therefor. For purposes of this section, consideration includes, but is not limited to, the money paid or agreed to be paid; the discharge of an obligation; and the amount of any mortgage, purchase money mortgage lien, or other encumbrance, whether or not the underlying indebtedness is assumed. If the consideration paid or given in exchange for real property or any interest therein includes property other than money, it is presumed that the consideration is equal to the fair market value of the real property or interest therein.”

Section 201.02(7), F.S., reads “Taxes imposed by this section do not apply to a deed, transfer, or conveyance between spouses or former spouses pursuant to an action for dissolution of their marriage wherein the real property is or was their marital home or an interest therein. Taxes paid pursuant to this section shall be refunded in those cases in which a deed, transfer, or conveyance occurred 1 year before a dissolution of marriage. This subsection applies in spite of any consideration as defined in subsection (1). This subsection does not apply to a deed, transfer, or conveyance executed before July 1, 1997.”

b. Proposed Change: Amends section 201.02(7), F.S., to create a new subparagraph “(a) Taxes imposed by this section do not apply to a deed, transfer, or conveyance between spouses of real estate that is or was used and owned as a homestead by either spouse as defined in s. 196.102(13) and which secures a mortgage debt or other debt. This paragraph does not apply to a deed, transfer, or conveyance of property if neither spouse has claimed the property as a homestead within one year prior to the deed, transfer, or conveyance, nor does it apply to a deed, transfer or conveyance executed before July 1, 2018.”

Section 2: Description of Data and Sources

2015 Ad Valorem Tax Rolls

2016 Ad Valorem Tax Rolls

2017 Ad Valorem Tax Rolls (sales data files and real property rolls)

General Revenue Consensus Estimating Conference Documentary Stamp Tax Growth Rates, August 2017

Section 3: Methodology (Include Assumptions and Attach Details)

After merging the real property information into all 2016 property transfers from the sales data file, all sales that were not between related parties were removed. These were filtered out based on Sale Qualification Code 30, which is defined as a “transfer involving affiliated parties (examples: family, corporate, business, landlord-tenant).” From the remaining records, multi-parcel sales were winnowed to a single record, which was needed to avoid over-counting the documentary stamps paid in a single transaction. If one parcel in a multi-parcel sale had a homestead classification in the sale year, that parcel was kept.

Three additional filters removed any records with:

1. a sale price of \$100 or less. The documentary stamp amount is based on the consideration, which includes “the amount of any mortgage, purchase money mortgage lien, or other encumbrance,” (section 201.02(1)(a)). Properties with consideration of \$100 or less were excluded due to lack of a mortgage or other debt.
2. a governmental land use code or an exemption for constitutional charitable predominant use (under section 196.196), as these transactions could not take place between spouses.
3. no value classified as homestead (based on the value in the 2016 Just Value – Homestead field).

Flags were added to the homestead records based on the Owner Name fields from before and after the sale. Names with words or abbreviations denoting a business are excluded from the “Natural Persons” value. Names containing “Trust” were separated into a subset.

Documentary stamp amounts were calculated from the sale price. Growth rates were taken from the General Revenue Consensus Estimating Conference in August 2017. Due to the broad definition of the Sales Qualification Code, estimates assume

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Issue: Spousal Transfers – Homestead Property

Bill Number(s): Proposed Language

that some percentage of the sales took place among parties whose relationship was not spousal. The impact assumes 95% of documentary stamps paid are from transactions between spouses in the high estimate, 90% in the middle, and 85% in the low. The proposed language would take effect July 1, 2018.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	\$ (4.4 M)	\$ (4.4 M)	\$ (4.2 M)	\$ (4.2 M)	\$ (3.9 M)	\$ (3.9 M)
2019-20	\$ (4.6 M)	\$ (4.6 M)	\$ (4.3 M)	\$ (4.3 M)	\$ (4.1 M)	\$ (4.1 M)
2020-21	\$ (4.7 M)	\$ (4.7 M)	\$ (4.5 M)	\$ (4.5 M)	\$ (4.2 M)	\$ (4.2 M)
2021-22	\$ (4.9 M)	\$ (4.9 M)	\$ (4.6 M)	\$ (4.6 M)	\$ (4.4 M)	\$ (4.4 M)
2022-23	\$ (5.1 M)	\$ (5.1 M)	\$ (4.8 M)	\$ (4.8 M)	\$ (4.5 M)	\$ (4.5 M)

List of affected Trust Funds:

Documentary Stamp Trust Fund Group

Section 5: Consensus Estimate (Adopted: 09/28/2017): The Conference adopted the middle estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(1.7)	(1.7)	(2.5)	(2.5)	0.0	0.0	(4.2)	(4.2)
2019-20	(1.7)	(1.7)	(2.6)	(2.6)	0.0	0.0	(4.3)	(4.3)
2020-21	(1.8)	(1.8)	(2.7)	(2.7)	0.0	0.0	(4.5)	(4.5)
2021-22	(1.8)	(1.8)	(2.8)	(2.8)	0.0	0.0	(4.6)	(4.6)
2022-23	(1.9)	(1.9)	(2.9)	(2.9)	0.0	0.0	(4.8)	(4.8)

Impact Summary

	A	B	C	D	E	F	G
1	All Sales Between related parties (Qual code = 30) above De Minimus Transfer value (Revised)						
2							
3	Spousal Transfer of 2016 Homesteads Doc Stamp Impact						
4		High		Middle		Low	
5	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
6	2018-19	\$ (4.4 M)	\$ (4.4 M)	\$ (4.2 M)	\$ (4.2 M)	\$ (3.9 M)	\$ (3.9 M)
7	2019-20	\$ (4.6 M)	\$ (4.6 M)	\$ (4.3 M)	\$ (4.3 M)	\$ (4.1 M)	\$ (4.1 M)
8	2020-21	\$ (4.7 M)	\$ (4.7 M)	\$ (4.5 M)	\$ (4.5 M)	\$ (4.2 M)	\$ (4.2 M)
9	2021-22	\$ (4.9 M)	\$ (4.9 M)	\$ (4.6 M)	\$ (4.6 M)	\$ (4.4 M)	\$ (4.4 M)
10	2022-23	\$ (5.1 M)	\$ (5.1 M)	\$ (4.8 M)	\$ (4.8 M)	\$ (4.5 M)	\$ (4.5 M)
11							
12	Spousal Transfer (All Property) Doc Stamp Impact						
13		High		Middle		Low	
14	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
15	2018-19	\$ (9.4 M)	\$ (9.4 M)	\$ (7.5 M)	\$ (7.5 M)	\$ (5.6 M)	\$ (5.6 M)
16	2019-20	\$ (9.8 M)	\$ (9.8 M)	\$ (7.8 M)	\$ (7.8 M)	\$ (5.8 M)	\$ (5.8 M)
17	2020-21	\$ (10.1 M)	\$ (10.1 M)	\$ (8.1 M)	\$ (8.1 M)	\$ (6.0 M)	\$ (6.0 M)
18	2021-22	\$ (10.5 M)	\$ (10.5 M)	\$ (8.4 M)	\$ (8.4 M)	\$ (6.2 M)	\$ (6.2 M)
19	2022-23	\$ (10.9 M)	\$ (10.9 M)	\$ (8.7 M)	\$ (8.7 M)	\$ (6.5 M)	\$ (6.5 M)

Homestead Transfers

	A	B	C	D	E	F	G
1	All Homestead Sales Between Related Parties (Sale Qualification Code = 30) above De Minimus Transfer Value						
2	Homestead as of January 1 2016 . Sales data and Doc Stamps Paid from 2016 sales.						
3							
4	Natural Person	Trust (1=Trust in name)	Sum of Doc Stamps Paid	Sum of Sales Price	Count		
5	0	0	\$ 206,450	\$ 29,935,906	164		
6	0	1	\$ 9,156	\$ 1,308,000	7		
7	1	0	\$ 3,899,588	\$ 566,008,548	4,488		
8	1	1	\$ 232,511	\$ 33,215,793	155		
9							
10	Total Homestead Doc Stamp		\$ 4,347,705				
11	Homestead Doc only Natural Person		\$ 4,132,099				
12	Homestead Doc Natural Person no Trusts		\$ 3,899,588				
13							
14	Doc Stamp CY Growth Rates (calculated from GR 8/17)		CY Documentary Stamps				
15	2017	5.25%	\$ 4,349,034				
16	2018	4.15%	\$ 4,529,519				
17	2019	3.85%	\$ 4,703,905				
18	2020	3.65%	\$ 4,875,598				
19	2021	3.60%	\$ 5,051,119				
20	2022	3.55%	\$ 5,230,434				
21	2023	3.45%	\$ 5,410,884				
22							
23	Homestead Doc Stamp converted CY to FY						
24		95%	90%	85%			
25		High	Middle	Low			
26	2017-18	\$ 4,217,313	\$ 3,995,349	\$ 3,773,385			
27	2018-19	\$ 4,385,876	\$ 4,155,041	\$ 3,924,205			
28	2019-20	\$ 4,550,264	\$ 4,310,776	\$ 4,071,289			
29	2020-21	\$ 4,715,191	\$ 4,467,023	\$ 4,218,855			
30	2021-22	\$ 4,883,738	\$ 4,626,699	\$ 4,369,660			
31	2022-23	\$ 5,054,626	\$ 4,788,593	\$ 4,522,560			
32							
33							
34	Doc Stamp Exemption for Homesteads Impact						
35		High	Middle	Low			
36	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
37	2018-19	\$ (4.4 M)	\$ (4.4 M)	\$ (4.2 M)	\$ (4.2 M)	\$ (3.9 M)	\$ (3.9 M)
38	2019-20	\$ (4.6 M)	\$ (4.6 M)	\$ (4.3 M)	\$ (4.3 M)	\$ (4.1 M)	\$ (4.1 M)
39	2020-21	\$ (4.7 M)	\$ (4.7 M)	\$ (4.5 M)	\$ (4.5 M)	\$ (4.2 M)	\$ (4.2 M)
40	2021-22	\$ (4.9 M)	\$ (4.9 M)	\$ (4.6 M)	\$ (4.6 M)	\$ (4.4 M)	\$ (4.4 M)
41	2022-23	\$ (5.1 M)	\$ (5.1 M)	\$ (4.8 M)	\$ (4.8 M)	\$ (4.5 M)	\$ (4.5 M)

Non-Homestead Transfers

	A	B	C	D	E	F	G
1	All Non-Homestead Sales Between Related Parties (Sale Qualification Code = 30) above De Minimus Transfer Value						
2	Non-Homestead as of January 1, 2016 . Sales data and Doc Stamps Paid from 2016 sales.						
3							
4	Natural Person	Trust (1=Trust in name)	Sum of Doc Stamps Paid	Sum of Sales Price	Count		
5	0	0	\$ 18,500,514	\$ 2,697,022,804	4,701		
6	0	1	\$ 685,148	\$ 97,988,742	302		
7	1	0	\$ 6,573,745	\$ 950,489,472	6,232		
8	1	1	\$ 936,510	\$ 133,787,137	519		
9							
10	Total Non-Homestead Doc Stamp		\$ 26,695,917				
11	Non-Homestead Doc only Natural Person		\$ 7,510,255				
12	Non-Homestead Doc Natural Person no Trusts		\$ 6,573,745				
13							
14	Doc Stamp CY Growth Rates (calculated from GR 8/17)		CY Documentary Stamps				
15	2017	5.25%	\$ 7,904,543				
16	2018	4.15%	\$ 8,232,582				
17	2019	3.85%	\$ 8,549,536				
18	2020	3.65%	\$ 8,861,594				
19	2021	3.60%	\$ 9,180,612				
20	2022	3.55%	\$ 9,506,523				
21	2023	3.45%	\$ 9,834,498				
22							
23	Non-Homestead Doc Stamp converted CY to FY						
24		60%	40%	20%			
25		High	Middle	Low			
26	2017-18	\$ 4,841,138	\$ 3,227,425	\$ 1,613,713			
27	2018-19	\$ 5,034,635	\$ 3,356,424	\$ 1,678,212			
28	2019-20	\$ 5,223,339	\$ 3,482,226	\$ 1,741,113			
29	2020-21	\$ 5,412,662	\$ 3,608,441	\$ 1,804,221			
30	2021-22	\$ 5,606,140	\$ 3,737,427	\$ 1,868,713			
31	2022-23	\$ 5,802,307	\$ 3,868,204	\$ 1,934,102			
32							
33							
34	Doc Stamp Exemption for Non-Homestead Impact						
35		High	Middle	Low			
36	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
37	2018-19	\$ (5.0 M)	\$ (5.0 M)	\$ (3.4 M)	\$ (3.4 M)	\$ (1.7 M)	\$ (1.7 M)
38	2019-20	\$ (5.2 M)	\$ (5.2 M)	\$ (3.5 M)	\$ (3.5 M)	\$ (1.7 M)	\$ (1.7 M)
39	2020-21	\$ (5.4 M)	\$ (5.4 M)	\$ (3.6 M)	\$ (3.6 M)	\$ (1.8 M)	\$ (1.8 M)
40	2021-22	\$ (5.6 M)	\$ (5.6 M)	\$ (3.7 M)	\$ (3.7 M)	\$ (1.9 M)	\$ (1.9 M)
41	2022-23	\$ (5.8 M)	\$ (5.8 M)	\$ (3.9 M)	\$ (3.9 M)	\$ (1.9 M)	\$ (1.9 M)

REVENUE ESTIMATING CONFERENCE

Tax: Documentary Stamp Tax

Issue: Spousal Transfers – All Real Property

Bill Number(s): Proposed Language

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): N/A

Month/Year Impact Begins: July 1, 2018

Date of Analysis: 9/28/2017 (Revised)

Section 1: Narrative

a. Current Law: Section 201.02(1)(a), Florida Statutes, states “On deeds, instruments, or writings whereby any lands, tenements, or other real property, or any interest therein, shall be granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser or any other person by his or her direction, on each \$100 of the consideration therefor the tax shall be 70 cents. When the full amount of the consideration for the execution, assignment, transfer, or conveyance is not shown in the face of such deed, instrument, document, or writing, the tax shall be at the rate of 70 cents for each \$100 or fractional part thereof of the consideration therefor. For purposes of this section, consideration includes, but is not limited to, the money paid or agreed to be paid; the discharge of an obligation; and the amount of any mortgage, purchase money mortgage lien, or other encumbrance, whether or not the underlying indebtedness is assumed. If the consideration paid or given in exchange for real property or any interest therein includes property other than money, it is presumed that the consideration is equal to the fair market value of the real property or interest therein.”

Section 201.02(7), F.S., reads “Taxes imposed by this section do not apply to a deed, transfer, or conveyance between spouses or former spouses pursuant to an action for dissolution of their marriage wherein the real property is or was their marital home or an interest therein. Taxes paid pursuant to this section shall be refunded in those cases in which a deed, transfer, or conveyance occurred 1 year before a dissolution of marriage. This subsection applies in spite of any consideration as defined in subsection (1). This subsection does not apply to a deed, transfer, or conveyance executed before July 1, 1997.”

b. Proposed Change: Amends section 201.02(7), F.S., to create a new subparagraph “(a) Taxes imposed by this section do not apply to a deed, transfer, or conveyance between spouses of real property, or an interest therein, that secures a mortgage debt or other debt. This paragraph does not apply to a deed, transfer or conveyance executed before July 1, 2018.”

Section 2: Description of Data and Sources

2015 Ad Valorem Tax Rolls

2016 Ad Valorem Tax Rolls

2017 Ad Valorem Tax Rolls (sales data files and real property rolls)

General Revenue Consensus Estimating Conference Documentary Stamp Tax Growth Rates, August 2017

Section 3: Methodology (Include Assumptions and Attach Details)

After merging the real property information into all 2016 property transfers from the sales data file, all sales that were not between related parties were removed. These were filtered out based on Sale Qualification Code 30, which is defined as a “transfer involving affiliated parties (examples: family, corporate, business, landlord-tenant).” From the remaining records, multi-parcel sales were winnowed to a single record, which was needed to avoid over-counting the documentary stamps paid in a single transaction. If one parcel in a multi-parcel sale had a homestead classification in the sale year, that parcel was kept.

Three additional filters removed any records with:

1. a sale price of \$100 or less. The documentary stamp amount is based on the consideration, which includes “the amount of any mortgage, purchase money mortgage lien, or other encumbrance,” (section 201.02(1)(a)). Properties with consideration of \$100 or less were excluded due to lack of a mortgage or other debt.
2. a governmental land use code or an exemption for constitutional charitable predominant use (under section 196.196), as these transactions could not take place between spouses.
3. any value classified as homestead (based on the value in the 2016 Just Value – Homestead field).

Flags were added to the non-homestead records based on the Owner Name fields before and after the sale. Names with words or abbreviations denoting a business are excluded from the “Natural Persons” value. Names containing “Trust” were separated into a subset.

Documentary stamp amounts were calculated from the sale price. Growth rates were taken from the General Revenue Consensus Estimating Conference in August 2017. Due to the broad definition of the Sales Qualification Code, estimates assume that some percentage of the sales took place among parties whose relationship was not spousal. The impact assumes 60% of documentary stamps paid are from transactions between spouses in the high estimate, 50% in the middle, and 20% in the low.

REVENUE ESTIMATING CONFERENCE

Tax: Documentary Stamp Tax

Issue: Spousal Transfers – All Real Property

Bill Number(s): Proposed Language

The revised estimates from the proposed language for Spousal Transfers – Homestead Property was added to the non-homestead property estimate to estimate the impact for all real property.

The proposed language would take effect July 1, 2018.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	\$ (9.4 M)	\$ (9.4 M)	\$ (8.4 M)	\$ (8.4 M)	\$ (5.6 M)	\$ (5.6 M)
2019-20	\$ (9.8 M)	\$ (9.8 M)	\$ (8.7 M)	\$ (8.7 M)	\$ (5.8 M)	\$ (5.8 M)
2020-21	\$ (10.1 M)	\$ (10.1 M)	\$ (9.0 M)	\$ (9.0 M)	\$ (6.0 M)	\$ (6.0 M)
2021-22	\$ (10.5 M)	\$ (10.5 M)	\$ (9.3 M)	\$ (9.3 M)	\$ (6.2 M)	\$ (6.2 M)
2022-23	\$ (10.9 M)	\$ (10.9 M)	\$ (9.6 M)	\$ (9.6 M)	\$ (6.5 M)	\$ (6.5 M)

List of affected Trust Funds:

Documentary Stamp Trust Fund Group

Section 5: Consensus Estimate (Adopted: 09/28/2017): The Conference adopted the middle estimate for the homesteaded properties and an average of the middle and the high for all other properties. The Conference assumes interest therein means a direct interest in the real property.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(3.3)	(3.3)	(5.0)	(5.0)	0.0	0.0	(8.3)	(8.3)
2019-20	(3.5)	(3.5)	(5.2)	(5.2)	0.0	0.0	(8.7)	(8.7)
2020-21	(3.6)	(3.6)	(5.4)	(5.4)	0.0	0.0	(9.0)	(9.0)
2021-22	(3.7)	(3.7)	(5.6)	(5.6)	0.0	0.0	(9.3)	(9.3)
2022-23	(3.8)	(3.8)	(5.8)	(5.8)	0.0	0.0	(9.6)	(9.6)

Impact Summary

	A	B	C	D	E	F	G
1	All Sales Between related parties (Qual code = 30) above De Minimus Transfer value (Revised)						
2							
3	Spousal Transfer of 2016 Homesteads Doc Stamp Impact						
4		High		Middle		Low	
5	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
6	2018-19	\$ (4.4 M)	\$ (4.4 M)	\$ (4.2 M)	\$ (4.2 M)	\$ (3.9 M)	\$ (3.9 M)
7	2019-20	\$ (4.6 M)	\$ (4.6 M)	\$ (4.3 M)	\$ (4.3 M)	\$ (4.1 M)	\$ (4.1 M)
8	2020-21	\$ (4.7 M)	\$ (4.7 M)	\$ (4.5 M)	\$ (4.5 M)	\$ (4.2 M)	\$ (4.2 M)
9	2021-22	\$ (4.9 M)	\$ (4.9 M)	\$ (4.6 M)	\$ (4.6 M)	\$ (4.4 M)	\$ (4.4 M)
10	2022-23	\$ (5.1 M)	\$ (5.1 M)	\$ (4.8 M)	\$ (4.8 M)	\$ (4.5 M)	\$ (4.5 M)
11							
12	Spousal Transfer (All Property) Doc Stamp Impact						
13		High		Middle		Low	
14	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
15	2018-19	\$ (9.4 M)	\$ (9.4 M)	\$ (7.5 M)	\$ (7.5 M)	\$ (5.6 M)	\$ (5.6 M)
16	2019-20	\$ (9.8 M)	\$ (9.8 M)	\$ (7.8 M)	\$ (7.8 M)	\$ (5.8 M)	\$ (5.8 M)
17	2020-21	\$ (10.1 M)	\$ (10.1 M)	\$ (8.1 M)	\$ (8.1 M)	\$ (6.0 M)	\$ (6.0 M)
18	2021-22	\$ (10.5 M)	\$ (10.5 M)	\$ (8.4 M)	\$ (8.4 M)	\$ (6.2 M)	\$ (6.2 M)
19	2022-23	\$ (10.9 M)	\$ (10.9 M)	\$ (8.7 M)	\$ (8.7 M)	\$ (6.5 M)	\$ (6.5 M)

Homestead Transfers

	A	B	C	D	E	F	G
1	All Homestead Sales Between Related Parties (Sale Qualification Code = 30) above De Minimis Transfer Value						
2	Homestead as of January 1 2016 . Sales data and Doc Stamps Paid from 2016 sales.						
3							
4	Natural Person	Trust (1=Trust in name)	Sum of Doc Stamps Paid	Sum of Sales Price	Count		
5	0	0	\$ 206,450	\$ 29,935,906	164		
6	0	1	\$ 9,156	\$ 1,308,000	7		
7	1	0	\$ 3,899,588	\$ 566,008,548	4,488		
8	1	1	\$ 232,511	\$ 33,215,793	155		
9							
10	Total Homestead Doc Stamp		\$ 4,347,705				
11	Homestead Doc only Natural Person		\$ 4,132,099				
12	Homestead Doc Natural Person no Trusts		\$ 3,899,588				
13							
14	Doc Stamp CY Growth Rates (calculated from GR 8/17)		CY Documentary Stamps				
15	2017	5.25%	\$ 4,349,034				
16	2018	4.15%	\$ 4,529,519				
17	2019	3.85%	\$ 4,703,905				
18	2020	3.65%	\$ 4,875,598				
19	2021	3.60%	\$ 5,051,119				
20	2022	3.55%	\$ 5,230,434				
21	2023	3.45%	\$ 5,410,884				
22							
23	Homestead Doc Stamp converted CY to FY						
24		95%	90%	85%			
25		High	Middle	Low			
26	2017-18	\$ 4,217,313	\$ 3,995,349	\$ 3,773,385			
27	2018-19	\$ 4,385,876	\$ 4,155,041	\$ 3,924,205			
28	2019-20	\$ 4,550,264	\$ 4,310,776	\$ 4,071,289			
29	2020-21	\$ 4,715,191	\$ 4,467,023	\$ 4,218,855			
30	2021-22	\$ 4,883,738	\$ 4,626,699	\$ 4,369,660			
31	2022-23	\$ 5,054,626	\$ 4,788,593	\$ 4,522,560			
32							
33							
34	Doc Stamp Exemption for Homesteads Impact						
35		High	Middle	Low			
36	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
37	2018-19	\$ (4.4 M)	\$ (4.4 M)	\$ (4.2 M)	\$ (4.2 M)	\$ (3.9 M)	\$ (3.9 M)
38	2019-20	\$ (4.6 M)	\$ (4.6 M)	\$ (4.3 M)	\$ (4.3 M)	\$ (4.1 M)	\$ (4.1 M)
39	2020-21	\$ (4.7 M)	\$ (4.7 M)	\$ (4.5 M)	\$ (4.5 M)	\$ (4.2 M)	\$ (4.2 M)
40	2021-22	\$ (4.9 M)	\$ (4.9 M)	\$ (4.6 M)	\$ (4.6 M)	\$ (4.4 M)	\$ (4.4 M)
41	2022-23	\$ (5.1 M)	\$ (5.1 M)	\$ (4.8 M)	\$ (4.8 M)	\$ (4.5 M)	\$ (4.5 M)

Non-Homestead Transfers

	A	B	C	D	E	F	G
1	All Non-Homestead Sales Between Related Parties (Sale Qualification Code = 30) above De Minimus Transfer Value						
2	Non-Homestead as of January 1, 2016 . Sales data and Doc Stamps Paid from 2016 sales.						
3							
4	Natural Person	Trust (1=Trust in name)	Sum of Doc Stamps Paid	Sum of Sales Price	Count		
5	0	0	\$ 18,500,514	\$ 2,697,022,804	4,701		
6	0	1	\$ 685,148	\$ 97,988,742	302		
7	1	0	\$ 6,573,745	\$ 950,489,472	6,232		
8	1	1	\$ 936,510	\$ 133,787,137	519		
9							
10	Total Non-Homestead Doc Stamp		\$ 26,695,917				
11	Non-Homestead Doc only Natural Person		\$ 7,510,255				
12	Non-Homestead Doc Natural Person no Trusts		\$ 6,573,745				
13							
14	Doc Stamp CY Growth Rates (calculated from GR 8/17)		CY Documentary Stamps				
15	2017	5.25%	\$ 7,904,543				
16	2018	4.15%	\$ 8,232,582				
17	2019	3.85%	\$ 8,549,536				
18	2020	3.65%	\$ 8,861,594				
19	2021	3.60%	\$ 9,180,612				
20	2022	3.55%	\$ 9,506,523				
21	2023	3.45%	\$ 9,834,498				
22							
23	Non-Homestead Doc Stamp converted CY to FY						
24		60%	40%	20%			
25		High	Middle	Low			
26	2017-18	\$ 4,841,138	\$ 3,227,425	\$ 1,613,713			
27	2018-19	\$ 5,034,635	\$ 3,356,424	\$ 1,678,212			
28	2019-20	\$ 5,223,339	\$ 3,482,226	\$ 1,741,113			
29	2020-21	\$ 5,412,662	\$ 3,608,441	\$ 1,804,221			
30	2021-22	\$ 5,606,140	\$ 3,737,427	\$ 1,868,713			
31	2022-23	\$ 5,802,307	\$ 3,868,204	\$ 1,934,102			
32							
33							
34	Doc Stamp Exemption for Non-Homestead Impact						
35		High	Middle	Low			
36	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
37	2018-19	\$ (5.0 M)	\$ (5.0 M)	\$ (3.4 M)	\$ (3.4 M)	\$ (1.7 M)	\$ (1.7 M)
38	2019-20	\$ (5.2 M)	\$ (5.2 M)	\$ (3.5 M)	\$ (3.5 M)	\$ (1.7 M)	\$ (1.7 M)
39	2020-21	\$ (5.4 M)	\$ (5.4 M)	\$ (3.6 M)	\$ (3.6 M)	\$ (1.8 M)	\$ (1.8 M)
40	2021-22	\$ (5.6 M)	\$ (5.6 M)	\$ (3.7 M)	\$ (3.7 M)	\$ (1.9 M)	\$ (1.9 M)
41	2022-23	\$ (5.8 M)	\$ (5.8 M)	\$ (3.9 M)	\$ (3.9 M)	\$ (1.9 M)	\$ (1.9 M)

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: July 1, 2018, Affecting 2019-20 Levies

Date of Analysis: September 28, 2017

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:

(a) The facility operated as a citrus fruit packing or processing facility prior to January 1, 2010; and

(b) The tangible personal property is no longer used in the operation of the facility due to the effects of citrus greening.

(2)(a) The exemption 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

Discussions with industry representatives

Section 3: Methodology (Include Assumptions and Attach Details)

The lists of registered Packing Houses, and Cannery/Processors were used to isolate those registered entities that were in operation during 2010. 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 and after citrus greening. 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 July 1, 2018, so the proposed change will apply to the 2019 tax rolls (2019-20 cash values).

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19				\$(7.2 M)		
2019-20			\$(7.2 M)	\$(7.2 M)		
2020-21			\$(7.2 M)	\$(7.2 M)		
2021-22			\$(7.2 M)	\$(7.2 M)		
2022-23			\$(7.2 M)	\$(7.2 M)		

List of affected Trust Funds:

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Citrus Processing Tangible Personal Property

Bill Number(s): Proposed Language

Section 5: Consensus Estimate (Adopted: 09/28/2017) : The Conference adopted the proposed estimate for FY 2018-19 and grew the forecast by 5% for each year there after.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	0.0	(2.8)	0.0	(4.4)	0.0	(7.2)
2019-20	(2.9)	(2.9)	(4.6)	(4.6)	(7.5)	(7.5)
2020-21	(3.1)	(3.1)	(4.8)	(4.8)	(7.9)	(7.9)
2021-22	(3.2)	(3.2)	(5.1)	(5.1)	(8.3)	(8.3)
2022-23	(3.4)	(3.4)	(5.3)	(5.3)	(8.7)	(8.7)

	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	(7.2)	0.0	(7.2)
2019-20	0.0	0.0	0.0	0.0	(7.5)	(7.5)	(7.5)	(7.5)
2020-21	0.0	0.0	0.0	0.0	(7.9)	(7.9)	(7.9)	(7.9)
2021-22	0.0	0.0	0.0	0.0	(8.3)	(8.3)	(8.3)	(8.3)
2022-23	0.0	0.0	0.0	0.0	(8.7)	(8.7)	(8.7)	(8.7)

Proposed Language - Citrus Processing TPP

	A	B	C	D	E
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					
8	Citrus Processors by Activity				
9	Row Labels	Sum of Furniture Fixtures and Equipment JV	Sum of Just Value (JV)	Production reductions due to Citrus Greening	JV of affected equipment
10	Blender	\$ 95,282,826	\$ 96,956,313	-73.3%	\$ (71,101,296)
11	Processor	\$ 766,971,983	\$ 794,539,083	-73.3%	\$ (582,661,994)
12	Stand	\$ 1,003,692	\$ 1,003,692	0.0%	\$ -
13	Unknown	\$ 3,337,226	\$ 3,427,891	-73.3%	\$ (2,513,787)
14	Grand Total	\$ 866,595,727	\$ 895,926,979		\$ (656,277,077)
15					
16	Citrus Packing Houses By Status				
17	Row Labels	Sum of Furniture Fixtures and Equipment JV	Sum of Just Value (JV)	Production reductions due to Citrus Greening	JV of affected equipment
18	Citrus packing	\$ 12,770,784	\$ 12,897,835	-73.3%	\$ (9,458,412)
19	Closed_Greening	\$ 5,416,547	\$ 5,854,325	-100.0%	\$ (5,854,325)
20	Grand Total	\$ 18,187,331	\$ 18,752,160		\$ (15,312,737)
21					
22	Total Just Value of Equipment that has been affected by Citrus Greening				\$ (671,589,814)
23	Salvage Value %				20.0%
24	Value of Exemption*				\$ (402,953,889)
25	*E22*(1-(2*E23))				
26					
27	2016 Millage Rate (School)				6.955
28	2016 Millage Rate (Non-School)				10.824
29					

Proposed Language - Citrus Processing TPP

	A	B	C	D	E
30	Year	Growth	JV of affected equipment		
31	2018	0%	\$ (402,953,889)		
32	2019	2.5%	\$ (413,027,736)		
33	2020	5%	\$ (433,679,123)		
34	2021	5%	\$ (455,363,079)		
35	2022	5%	\$ (478,131,233)		
36	2023	5%	\$ (502,037,794)		
37					
38	Impact (School)		Middle		
39	Year		Cash	Recurring	
40	2018-19			\$ (2.8 M)	
41	2019-20		\$ (2.9 M)	\$ (2.9 M)	
42	2020-21		\$ (3.1 M)	\$ (3.1 M)	
43	2021-22		\$ (3.2 M)	\$ (3.2 M)	
44	2022-23		\$ (3.4 M)	\$ (3.4 M)	
45					
46	Impact (Non-School)		Middle		
47	Year		Cash	Recurring	
48	2018-19			\$ (4.4 M)	
49	2019-20		\$ (4.6 M)	\$ (4.6 M)	
50	2020-21		\$ (4.8 M)	\$ (4.8 M)	
51	2021-22		\$ (5.1 M)	\$ (5.1 M)	
52	2022-23		\$ (5.3 M)	\$ (5.3 M)	
53					
54	Total Impact		Middle		
55	Year		Cash	Recurring	
56	2018-19		\$ -	\$ (7.2 M)	
57	2019-20		\$ (7.5 M)	\$ (7.5 M)	
58	2020-21		\$ (7.9 M)	\$ (7.9 M)	
59	2021-22		\$ (8.3 M)	\$ (8.3 M)	
60	2022-23		\$ (8.7 M)	\$ (8.7 M)	

	A	B	E	H	Q	S	BQ
1	County	County Name	Owner Name	NAICS code	Furniture Fixtures and Equipment JV	Just Value (JV)	Business Type
2	45	Lake	CITRUS WORLD INC	311411	\$ 4,096,590	\$ 4,096,590	Blender
3	45	Lake	SUNSATIONAL CITRUS INC	488991	\$ 255,601	\$ 255,601	Citrus packing
4	45	Lake	SUNSATIONAL CITRUS INC	445230	\$ 24,347	\$ 24,347	Citrus packing
5	45	Lake	CITRUS WORLD INC	311411	\$ 2,650,000	\$ 2,650,000	Processor
6	45	Lake	SILVER SPRINGS CITRUS INC	311411	\$ 14,457,620	\$ 14,457,620	Processor
7	45	Lake	CUTRALE CITRUS JUICES USA INC	311411	\$ 10,540,123	\$ 10,540,123	Processor
8	62	Pinellas	THE COCA-COLA COMPANY	311930	\$ 33,954,493	\$ 33,954,493	Processor
9	41	Indian River	QUALITY FRUIT PACKER OF IR I	115114	\$ 580,820	\$ 590,043	Citrus packing
10	41	Indian River	RIVERFRONT PACKING CO LLC	115114	\$ 683,051	\$ 683,051	Citrus packing
11	41	Indian River	INDIAN RIVER EXCHANGE PKRS I	115114	\$ 250,814	\$ 250,814	Citrus packing
12	59	Osceola	JOSEPH ELYCE	814190	\$ 488	\$ 488	Processor
13	66	St. Lucie	Tropicana Manufacturing Co Inc	311411	\$ 124,931,213	\$ 124,931,213	Processor
14	60	Palm Beach	WENONAH LLC	531110	\$ 750	\$ 750	Processor
15	39	Hillsborough	MARJON SPECIALTY FOODS INC	311999	\$ 883,180	\$ 883,180	Stand
16	74	Volusia	T G LEE FOODS INC	424430	\$ 5,582,763	\$ 5,582,763	Blender
17	66	St. Lucie	Rio Citrus Inc	311411	\$ 460,609	\$ 460,609	Citrus packing
18	23	Miami-Dade	MCARTHUR DAIRY LLC	112990	\$ 11,185,296	\$ 11,185,296	Blender
19	69	Seminole	FLORIDA NATURAL FLAVORS INC	311930	\$ 161,205	\$ 161,205	Blender
20	39	Hillsborough	SUNSHINE STATE DAIRY FARMS LLC	311999	\$ 4,186,806	\$ 4,186,806	Blender
21	59	Osceola	NANDA RADESH	531110	\$ 63	\$ 63	Unknown
22	60	Palm Beach	AMERIGAS PROPANE LP	486990	\$ 156	\$ 156	Unknown
23	66	St. Lucie	Freshco Ltd	111219	\$ 1,585,489	\$ 1,664,488	Unknown
24	52	Marion	HOPE PLUMMER JR	112990	\$ 992	\$ 992	Processor
25	66	St. Lucie	Orchid Island Juice Co Inc	311411	\$ 2,490,077	\$ 2,490,077	Processor
26	59	Osceola	SINGH NARESH BRIDGEMOHAN	531110	\$ 1,833	\$ 1,833	Processor
27	41	Indian River	LAMBETH CITRUS LTD	111310	\$ 142,377	\$ 142,377	Processor
28	66	St. Lucie	Orchid Island Juice Co	311411	\$ 205,527	\$ 205,527	Processor
29	41	Indian River	GREENE RIVER PACKING INC	115114	\$ 544,937	\$ 544,937	Closed_Greening
30	41	Indian River	BAILES, EMORY J II	561730	\$ 9,528	\$ 9,528	Citrus packing
31	41	Indian River	IMG CITRUS INC	115114	\$ 2,046,168	\$ 2,046,168	Citrus packing
32	41	Indian River	PREMIER CITRUS PACKERS LLC	115114	\$ 2,252,546	\$ 2,255,473	Citrus packing
33	15	Brevard	WPL PAINTING LLC	238320	\$ 2,000	\$ 2,000	Citrus packing
34	59	Osceola	ENVISION EYECARE	621320	\$ 14,153	\$ 14,153	Citrus packing
35	66	St. Lucie	DLF Packing LLC	311411	\$ 759,179	\$ 759,179	Citrus packing
36	39	Hillsborough	M & B PRODUCTS INC	311999	\$ 7,395,331	\$ 7,395,331	Blender
37	39	Hillsborough	TAMPA JUICE SERVICE INC	523140	\$ 646,510	\$ 704,950	Blender
38	24	DeSoto	EMERALD PACKING CO LLC	111310	\$ 30,625	\$ 30,625	Citrus packing
39	53	Martin	LOUIS DREYFUS CITRUS INC	111310	\$ 3,378,000	\$ 3,378,000	Processor
40	63	Polk	BEN HILL GRIFFIN INC	111310	\$ 107,055	\$ 107,718	Closed_Greening
41	63	Polk	BEN HILL GRIFFIN INC	111310	\$ -	\$ 1,452	Closed_Greening
42	63	Polk	RIDGE ISLAND GROVES	311421	\$ 8,760	\$ 8,760	Citrus packing
43	63	Polk	PACKING HOUSE	115115	\$ 19,950	\$ 19,950	Citrus packing
44	74	Volusia	T G LEE FOODS INC	424430	\$ 27,539	\$ 27,539	Blender
45	24	DeSoto	PEACE RIVER CITRUS PRODUCTS IN	311411	\$ 13,728,850	\$ 14,974,043	Processor
46	63	Polk	SUNBURST CITRUS CO INC	523140	\$ 14,755	\$ 15,084	Citrus packing
47	63	Polk	CUTRALE CITRUS JUICES USA INC	311421	\$ 9,014	\$ 10,105	Processor
48	63	Polk	BLUE RIBBON CITRUS PACKERS INC	488991	\$ 46,447	\$ 48,369	Citrus packing
49	63	Polk	CITROSUCO NORTH AMERICA INC	311421	\$ 18,145,995	\$ 19,109,704	Processor
50	63	Polk	FLORIDA NATURAL GROWERS	311421	\$ 59,494,867	\$ 61,634,337	Processor
51	63	Polk	CUTRALE CITRUS JUICES USA INC	311411	\$ 53,820,054	\$ 61,517,882	Processor
52	63	Polk	DUNDEE CITRUS GROWERS ASSOCIAT	311421	\$ 1,531,440	\$ 1,536,444	Citrus packing

	A	B	E	H	Q	S	BQ
1	County	County Name	Owner Name	NAICS code	Furniture Fixtures and Equipment JV	Just Value (JV)	Business Type
53	63	Polk	LAKELAND COLD STORAGE LLLP	493120	\$ 252,405	\$ 287,938	Blender
54	63	Polk	BEN HILL GRIFFIN INC	311421	\$ 1,492,584	\$ 1,499,824	Closed_Greening
55	63	Polk	BEN HILL GRIFFIN INC	311421	\$ 146,074	\$ 161,116	Closed_Greening
56	63	Polk	HAINES CITY CITRUS GROWERS ASS	112910	\$ 748,277	\$ 749,870	Closed_Greening
57	63	Polk	HUNT BROS COOP	311421	\$ 910,134	\$ 1,320,196	Closed_Greening
58	63	Polk	REFRESCO US INC	311421	\$ 13,529,000	\$ 13,809,466	Blender
59	63	Polk	PEACE RIVER PACKING COMPANY	311421	\$ 362,059	\$ 441,339	Citrus packing
60	63	Polk	ROE WILLIAM G CO	311421	\$ 2,140,633	\$ 2,140,633	Citrus packing
61	63	Polk	ALL TEMP STORAGE	311421	\$ 546,117	\$ 581,866	Blender
62	63	Polk	BORDEN DAIRY CO OF FLA	311999	\$ 3,895,204	\$ 4,533,346	Blender
63	63	Polk	BORDEN DAIRY CO OF FLA	311520	\$ 139,148	\$ 139,148	Blender
64	63	Polk	PEACE RIVER CITRUS	311421	\$ 327,921	\$ 426,805	Processor
65	63	Polk	DUNDEE CITRUS GROWERS ASSOCIAT	311421	\$ 759,949	\$ 788,315	Citrus packing
66	63	Polk	COCA COLA COMPANY	312111	\$ 136,120,316	\$ 151,522,912	Processor
67	63	Polk	SUN ORCHARD LLC	488991	\$ 1,717,276	\$ 1,735,605	Processor
68	63	Polk	PEACE RIVER CITRUS PRODUCTS IN	311421	\$ 163,111	\$ 788,268	Blender
69	63	Polk	L X REAL ESTATE COMPANY LLC	311421	\$ 463,758	\$ 463,758	Blender
70	63	Polk	BEN HILL GRIFFIN INC	311421	\$ 113,515	\$ 115,241	Closed_Greening
71	23	Miami-Dade	BORDEN DAIRY CO OF FL LLC	311511	\$ 4,330,388	\$ 4,330,388	Blender
72	74	Volusia	ARDMORE FARMS INC	311411	\$ 12,522,857	\$ 12,522,857	Blender
73	51	Manatee	TROPICANA PRODUCTS INC	311411	\$ 40,000,000	\$ 40,000,000	Processor
74	51	Manatee	TROPICANA PRODUCTS INC	311411	\$ 151,624,062	\$ 151,624,062	Processor
75	52	Marion	KMC CITRUS ENTERPRISES INC	424490	\$ 120,512	\$ 120,512	Stand
76	36	Hendry	SOUTHERN GARDENS CITRUS JUIC	311421	\$ 36,359,079	\$ 36,359,079	Processor
77	36	Hendry	SOUTHERN GARDENS CITRUS GROV	111310	\$ 2,400,965	\$ 2,400,965	Processor
78	36	Hendry	PEACE RIVER CITRUS PROD INC	311421	\$ 2,280,828	\$ 2,280,828	Blender
79	46	Lee	KING BRANDS LLC	311999	\$ 1,713,572	\$ 1,717,221	Unknown
80	16	Broward	COUNTY SODA SYSTEMS	424490	\$ 37,946	\$ 45,963	Unknown
81	16	Broward	KENNESAW	311411	\$ 745,241	\$ 745,241	Processor
82	16	Broward	PUBLIX SUPERMARKET #348	445110	\$ 905,431	\$ 905,431	Blender
83	16	Broward	PUBLIX SUPERMARKET #10000	445110	\$ 21,058,730	\$ 21,058,730	Blender
84	61	Pasco	CUTRALE CITRUS JUICES USA, INC	311411	\$ 1,044,212	\$ 1,044,212	Processor
85	18	Charlotte	THE PACKERS OF INDIAN RIVER	111310	\$ 315,580	\$ 315,580	Closed_Greening
86	58	Orange	COCA COLA CO	312111	\$ 58,680,638	\$ 58,680,638	Processor
87	58	Orange	CONOLEY CITRUS PACKERS INC	424480	\$ 517,350	\$ 517,350	Citrus packing
88	58	Orange	HELLER BROTHERS PACKING CORP	311991	\$ 1,038,391	\$ 1,038,391	Closed_Greening
89	58	Orange	LOUIS DREYFUS CITRUS INC	311411	\$ 1,913,809	\$ 1,913,809	Blender

REVENUE ESTIMATING CONFERENCE

Tax: Documentary Stamp Tax

Issue: Spousal Transfers – Homestead Property – Mortgage is Only Consideration

Bill Number(s): SB 312

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Sen. Steube

Month/Year Impact Begins: July 1, 2018

Date of Analysis: 9/28/2017

Section 1: Narrative

- a. Current Law:** Section 201.02(1)(a), Florida Statutes, states “On deeds, instruments, or writings whereby any lands, tenements, or other real property, or any interest therein, shall be granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser or any other person by his or her direction, on each \$100 of the consideration therefor the tax shall be 70 cents. When the full amount of the consideration for the execution, assignment, transfer, or conveyance is not shown in the face of such deed, instrument, document, or writing, the tax shall be at the rate of 70 cents for each \$100 or fractional part thereof of the consideration therefor. For purposes of this section, consideration includes, but is not limited to, the money paid or agreed to be paid; the discharge of an obligation; and the amount of any mortgage, purchase money mortgage lien, or other encumbrance, whether or not the underlying indebtedness is assumed. If the consideration paid or given in exchange for real property or any interest therein includes property other than money, it is presumed that the consideration is equal to the fair market value of the real property or interest therein.”
- Section 201.02(7), F.S., reads “Taxes imposed by this section do not apply to a deed, transfer, or conveyance between spouses or former spouses pursuant to an action for dissolution of their marriage wherein the real property is or was their marital home or an interest therein. Taxes paid pursuant to this section shall be refunded in those cases in which a deed, transfer, or conveyance occurred 1 year before a dissolution of marriage. This subsection applies in spite of any consideration as defined in subsection (1). This subsection does not apply to a deed, transfer, or conveyance executed before July 1, 1997.”
- b. Proposed Change:** Amends section 201.02(7), F.S., to create a new subparagraph “(b) A deed or other instrument that transfers or conveys homestead property or any interest in homestead property only between spouses, if the only consideration for the transfer or conveyance is the amount of a mortgage or other lien encumbering the homestead property at the time of the transfer or conveyance and if the transfer or conveyance is recorded within 1 year after the date of the marriage. This paragraph applies to transfers or conveyances from one spouse to another, from one spouse to both spouses, or from both spouses to one spouse.”

Section 2: Description of Data and Sources

2015 Ad Valorem Tax Rolls

2016 Ad Valorem Tax Rolls

2017 Ad Valorem Tax Rolls (sales data files and real property rolls)

General Revenue Consensus Estimating Conference Documentary Stamp Tax Growth Rates, August 2017

Section 3: Methodology (Include Assumptions and Attach Details)

After merging the real property information into all 2016 property transfers from the sales data file, all sales that were not between related parties were removed. These were filtered out based on Sale Qualification Code 30, which is defined as a “transfer involving affiliated parties (examples: family, corporate, business, landlord-tenant).” From the remaining records, multi-parcel sales were winnowed to a single record, which was needed to avoid over-counting the documentary stamps paid in a single transaction. If one parcel in a multi-parcel sale had a homestead classification in the sale year, that parcel was kept. Three additional filters removed any records with:

1. a sale price of \$100 or less. The documentary stamp amount is based on the consideration, which includes “the amount of any mortgage, purchase money mortgage lien, or other encumbrance,” (section 201.02(1)(a)). Properties with consideration of \$100 or less were excluded due to lack of a mortgage or other debt.
2. a governmental land use code or an exemption for constitutional charitable predominant use (under section 196.196), as these transactions could not take place between spouses.
3. no value classified as homestead (based on the value in the 2016 Just Value – Homestead field).

Flags were added to the homestead records based on the Owner Name fields from before and after the sale. Names with words or abbreviations denoting a business are excluded from the “Natural Persons” value. Names containing “Trust” were separated into a subset.

REVENUE ESTIMATING CONFERENCE

Tax: Documentary Stamp Tax

Issue: Spousal Transfers – Homestead Property – Mortgage is Only Consideration

Bill Number(s): SB 312

The sale price as a percentage of the 2017 just value was calculated ($= \text{Sale Price} / \text{Just Value 2017P}$). The records were then divided into three groups: those with a sale price greater than just value, those with a sale price more than 60% and up to 100% of just value, and those with a sale price up to 60% of just value. Only the last group is included in the impact calculation, under the assumption that most transfers between newlywed spouses of homestead property would be for partial, not whole, interest and that sale prices over 60% include consideration in addition to a mortgage or lien.

Documentary stamp amounts were calculated from the sale price. Growth rates were taken from the General Revenue Consensus Estimating Conference in August 2017. Due to the broad definition of the Sales Qualification Code, estimates assume that some percentage of the sales took place among parties whose relationship was not spousal. The impact assumes 95% of documentary stamps paid are from transactions between spouses in the high estimate, 90% in the middle, and 85% in the low. The proposed language would take effect July 1, 2018.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	\$ (1.7 M)	\$ (1.7 M)	\$ (1.6 M)	\$ (1.6 M)	\$ (1.5 M)	\$ (1.5 M)
2019-20	\$ (1.8 M)	\$ (1.8 M)	\$ (1.7 M)	\$ (1.7 M)	\$ (1.6 M)	\$ (1.6 M)
2020-21	\$ (1.8 M)	\$ (1.8 M)	\$ (1.8 M)	\$ (1.8 M)	\$ (1.7 M)	\$ (1.7 M)
2021-22	\$ (1.9 M)	\$ (1.9 M)	\$ (1.8 M)	\$ (1.8 M)	\$ (1.7 M)	\$ (1.7 M)
2022-23	\$ (2.0 M)	\$ (2.0 M)	\$ (1.9 M)	\$ (1.9 M)	\$ (1.8 M)	\$ (1.8 M)

List of affected Trust Funds:

Documentary Stamp Trust Fund Group

Section 5: Consensus Estimate (Adopted: 09/28/2017): The Conference adopted the low estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(0.6)	(0.6)	(0.9)	(0.9)	0.0	0.0	(1.5)	(1.5)
2019-20	(0.6)	(0.6)	(1.0)	(1.0)	0.0	0.0	(1.6)	(1.6)
2020-21	(0.7)	(0.7)	(1.0)	(1.0)	0.0	0.0	(1.7)	(1.7)
2021-22	(0.7)	(0.7)	(1.0)	(1.0)	0.0	0.0	(1.7)	(1.7)
2022-23	(0.7)	(0.7)	(1.1)	(1.1)	0.0	0.0	(1.8)	(1.8)

Impact Summary

	A	B	C	D	E	F	G
1	All Sales Between related parties (Qual code = 30) above De Minimus Transfer value						
2							
3	Spousal Transfer of Homesteads Doc Stamp Impact						
4		High		Middle		Low	
5	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
6	2018-19	\$ (1.7 M)	\$ (1.7 M)	\$ (1.6 M)	\$ (1.6 M)	\$ (1.5 M)	\$ (1.5 M)
7	2019-20	\$ (1.8 M)	\$ (1.8 M)	\$ (1.7 M)	\$ (1.7 M)	\$ (1.6 M)	\$ (1.6 M)
8	2020-21	\$ (1.8 M)	\$ (1.8 M)	\$ (1.8 M)	\$ (1.8 M)	\$ (1.7 M)	\$ (1.7 M)
9	2021-22	\$ (1.9 M)	\$ (1.9 M)	\$ (1.8 M)	\$ (1.8 M)	\$ (1.7 M)	\$ (1.7 M)
10	2022-23	\$ (2.0 M)	\$ (2.0 M)	\$ (1.9 M)	\$ (1.9 M)	\$ (1.8 M)	\$ (1.8 M)

Homestead Transfers

	A	B	C	D	E	F	G
1	All Homestead Sales Between Related Parties (Sale Qualification Code = 30) above De Minimus Transfer Value						
2	Homestead as of January 1 2016. Sales data and Doc Stamps Paid from 2016 sales.						
3							
4	Natural Person	Trust (1=Trust in name)	Sum of Doc Stamps Paid	Sum of Sales Price	Count		
5	0	0	\$ 206,450	\$ 29,935,906	164		
6	0	1	\$ 9,156	\$ 1,308,000	7		
7	1	0	\$ 3,899,588	\$ 566,008,548	4,488		
8	1	1	\$ 232,511	\$ 33,215,793	155		
9							
10	Total Homestead Doc Stamp		\$ 4,347,705				
11	Homestead Doc only Natural Person		\$ 4,132,099				
12	Homestead Doc Natural Person no Trusts		\$ 3,899,588				
13							
14	Sales Price Groups (Sale Price Relative to 2017 Just Value)						
15		Natural Persons (including Trusts)		Natural Persons (excluding Trusts)			
16	Group	Documentary Stamps	Sale Count	Documentary Stamps	Sale Count		
17	Over 100%	\$ 126,207	52	\$ 1,411,518	748		
18	over 60%, up to 100%	\$ 67,131	49	\$ 910,475	865		
19	60% or less	\$ 39,173	54	\$ 1,577,596	2,875		
20							
21	Total 60% or Less (including Trusts)		\$ 1,616,769				
22							
23	Doc Stamp CY Growth Rates (calculated from GR 8/17)		CY Documentary Stamps				
24	2017	5.25%	\$ 1,701,650				
25	2018	4.15%	\$ 1,772,268				
26	2019	3.85%	\$ 1,840,501				
27	2020	3.65%	\$ 1,907,679				
28	2021	3.60%	\$ 1,976,355				
29	2022	3.55%	\$ 2,046,516				
30	2023	3.45%	\$ 2,117,121				
31							
32	Documentary Stamp amount converted CY to FY						
33		95%	90%	85%			
34		High	Middle	Low			
35	2017-18	\$ 1,650,111	\$ 1,563,263	\$ 1,476,415			
36	2018-19	\$ 1,718,591	\$ 1,628,138	\$ 1,537,686			
37	2019-20	\$ 1,784,756	\$ 1,690,822	\$ 1,596,887			
38	2020-21	\$ 1,849,900	\$ 1,752,537	\$ 1,655,174			
39	2021-22	\$ 1,916,496	\$ 1,815,628	\$ 1,714,760			
40	2022-23	\$ 1,984,532	\$ 1,880,083	\$ 1,775,634			
41							
42							
43	Doc Stamp Exemption for Homesteads Impact						
44		High		Middle		Low	
45	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
46	2018-19	\$ (1.7 M)	\$ (1.7 M)	\$ (1.6 M)	\$ (1.6 M)	\$ (1.5 M)	\$ (1.5 M)
47	2019-20	\$ (1.8 M)	\$ (1.8 M)	\$ (1.7 M)	\$ (1.7 M)	\$ (1.6 M)	\$ (1.6 M)
48	2020-21	\$ (1.8 M)	\$ (1.8 M)	\$ (1.8 M)	\$ (1.8 M)	\$ (1.7 M)	\$ (1.7 M)
49	2021-22	\$ (1.9 M)	\$ (1.9 M)	\$ (1.8 M)	\$ (1.8 M)	\$ (1.7 M)	\$ (1.7 M)
50	2022-23	\$ (2.0 M)	\$ (2.0 M)	\$ (1.9 M)	\$ (1.9 M)	\$ (1.8 M)	\$ (1.8 M)

	A	B	C	D	E	F	G	H	I	J	K
1	All Homestead Sales Between Related Parties (Sale Qualification Code = 30) above De Minimus Transfer Value										
2	Homestead as of January 1 2016. Sales data and Doc Stamps Paid from 2016 sales.										
3	Sales between Natural Persons (including sales involving trusts)										
4											
5	Statewide Sales					Miami-Dade* Sales					
6	Decile	Total Sale Price	Doc Stamps Paid	Sale Count		Sale Price	Doc Stamps Paid	Sale Count			
7	1	59,420,426	394,086	27		21,857,000	131,142	6			
8	2	60,074,289	413,999	96		6,521,500	39,129	10			
9	3	60,148,395	413,508	161		7,530,600	45,184	20			
10	4	59,945,853	413,657	220		5,963,800	35,783	22			
11	5	59,880,893	413,639	281		5,527,000	33,162	26			
12	6	59,995,057	416,759	355		3,206,250	19,238	19			
13	7	59,893,352	415,545	444		3,708,800	22,253	28			
14	8	59,953,430	415,839	569		3,835,100	23,011	36			
15	9	59,943,197	417,227	788		2,375,600	14,254	32			
16	10	59,969,449	417,840	1,702		1,946,033	11,676	51			
17	Total	599,224,341	4,132,099	4,643		62,471,683	374,832	250			
18											
19	* Miami-Dade's documentary stamp rate is 60 cents per \$100. The rest of the state is 70 cents per \$100.										

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax (*EDR Analysis*)

Issue: Sales Tax Exemption for Diapers and Incontinence Products

Bill Number(s): SB 56

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): Sen. Book

Month/Year Impact Begins: January 1, 2019

Date of Analysis: 9/28/2017

Section 1: Narrative

- a. Current Law:** Currently there is no sales tax exemption for diapers and incontinence products.
- b. Proposed Change:** Creates a sales tax exemption for the sale for human use of diapers, incontinence undergarments, incontinence pads, or incontinence liners.

Section 2: Description of Data and Sources

IBISWorld Industry Report OD5652 Diaper Manufacturing (April 2017)

IBISWorld Industry Report OD5695 Online Baby Product Sales in the US (October 2016)

Florida Demographic Estimating Conference, July 2017

U.S. Census Bureau, American Community Survey

Section 3: Methodology (Include Assumptions and Attach Details)

This analysis uses the same methodology as a similar analysis adopted at the REC on March 3, 2017. The methodology uses national data on diaper manufacturing from IBISWorld report. Baby diapers are 68.8% of the industry total and adult diapers are 31.2% of the industry total. Baby diapers includes disposable diapers, training pants and cloth diapers. Adult diapers includes incontinence products such as adult diapers and pads for incontinence. The Florida share of baby diapers and adult diapers is calculated given the population of children 4 and under and the population of adults ages 65 and over. A 5% retail markup is applied to the estimated manufacturing industry revenue to calculate the total Florida Sales Tax Revenue from diapers and incontinence products. The growth in the population of children ages 0 to 4 and the growth in the adult population 65 and over is used to calculate the future years revenue from diapers and incontinence products. The estimated Florida sales tax revenue on diapers and incontinence products using this methodology is provided on line 15.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19			(\$22.1)	(\$52.9)		
2019-20			(\$54.0)	(\$54.0)		
2020-21			(\$55.2)	(\$55.2)		
2021-22			(\$56.4)	(\$56.4)		
2022-23			(\$57.5)	(\$57.5)		

List of affected Trust Funds: General Sales and Use Tax Grouping

Section 5: Consensus Estimate (Adopted: 09/28/2017): The Conference adopted the proposed estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(19.6)	(46.9)	(Insignificant)	(Insignificant)	(0.7)	(1.6)	(1.9)	(4.5)
2019-20	(47.8)	(47.8)	(Insignificant)	(Insignificant)	(1.6)	(1.6)	(4.6)	(4.6)
2020-21	(48.9)	(48.9)	(Insignificant)	(Insignificant)	(1.6)	(1.6)	(4.7)	(4.7)
2021-22	(49.9)	(49.9)	(Insignificant)	(Insignificant)	(1.7)	(1.7)	(4.8)	(4.8)
2022-23	(50.9)	(50.9)	(Insignificant)	(Insignificant)	(1.7)	(1.7)	(4.9)	(4.9)

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax (*EDR Analysis*)

Issue: Sales Tax Exemption for Diapers and Incontinence Products

Bill Number(s): SB 56

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(2.5)	(6.0)	(5.0)	(12.0)	(24.6)	(58.9)
2019-20	(6.1)	(6.1)	(12.3)	(12.3)	(60.1)	(60.1)
2020-21	(6.2)	(6.2)	(12.5)	(12.5)	(61.4)	(61.4)
2021-22	(6.3)	(6.3)	(12.8)	(12.8)	(62.7)	(62.7)
2022-23	(6.5)	(6.5)	(13.1)	(13.1)	(64.0)	(64.0)

	A	B	C	D	E	F	G	H
1		Sales Tax Exemption for Diapers and Incontinence Products						
2								
3		IBISWorld - US Manufacturing Diaper Industry Data						
4			FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
5		Total Industry Revenue in U.S.	12,714,400,000					
6								
7		Baby Diapers* Industry Revenue (68.8% of total)	8,747,507,200					
8		Florida Share of Revenue (5.6%)	518,388,442					
9		Florida Sales Tax Revenue - Baby Diapers**	31,103,307	31,496,689	31,884,724	32,305,676	32,742,221	33,887,365
10								
11		Adult Diapers* Industry Revenue (31.2% of total)	3,966,892,800					
12		Florida Share of Revenue (8.3%)	346,214,492					
13		Florida Sales Tax Revenue - Adult Diapers & Incontinence Products**	20,772,870	21,439,140	22,102,122	22,851,540	23,650,762	23,650,762
14								
15		Total Estimated Florida Sales Tax Revenue on Diapers & Incontinence Products	51,876,176	52,935,829	53,986,845	55,157,216	56,392,983	57,538,126
16		<i>*Baby diapers includes disposable diapers, training pants and cloth diapers. Adult diapers includes incontinence products such as adult diapers and pads for incontinence.</i>						
17								
18		<i>**Estimated Sales Tax Revenue assumes a 5.0% retail markup on diapers and incontinence products. Based on IBISWorld report, the average profit margin in the baby product market is 5.0%. The baby product market includes retailers who sell baby products.</i>						

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Private Investigative Services Exemption

Bill Number(s): Proposed Language

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s):

Month/Year Impact Begins: July 1, 2018

Date of Analysis: 9/28/2017

Section 1: Narrative

- a. **Current Law:** Under s.212.05 (1) F.S., For the exercise of such privilege, a tax is levied on each taxable transaction or incident, which tax is due and payable as follows:
- (i)1: At the rate of 6 percent on charges for all:
 - a. Detective, burglar protection, and other protection services (NAICS National Numbers 561611, 561612, 561613, and 561621).

s.212.05 (1) (i) F.S., 4. If a transaction involves both the sale or use of a service taxable under this paragraph and the sale or use of a service or any other item not taxable under this chapter, the consideration paid must be separately identified and stated with respect to the taxable and exempt portions of the transaction or the entire transaction shall be presumed taxable. The burden shall be on the seller of the service or the purchaser of the service, whichever applicable, to overcome this presumption by providing documentary evidence as to which portion of the transaction is exempt from tax. The department is authorized to adjust the amount of consideration identified as the taxable and exempt portions of the transaction; however, a determination that the taxable and exempt portions are inaccurately stated and that the adjustment is applicable must be supported by substantial competent evidence.

s. 493.6101 (15) F.S., "Private investigative agency" means any person who, for consideration, advertises as providing or is engaged in the business of furnishing private investigations.

(16) "Private investigator" means any individual who, for consideration, advertises as providing or performs private investigation. This does not include an informant who, on a one-time or limited basis, as a result of a unique expertise, ability, vocation, or special access and who, under the direction and control of a Class "C" licensee or a Class "MA" licensee, provides information or services that would otherwise be included in the definition of private investigation.

From Florida Department of Agriculture website: A private investigator is any individual or agency who, for consideration, advertises as providing or performs the following activities. Individuals or agencies providing or advertising as providing these services for consideration must be licensed.

- Subcontracting with the government to determine crimes or wrongs done or threatened against the United States
- Determining the identity, habits, conduct, movements, whereabouts, affiliations, associations, transactions, reputation or character of any society, person, or group of persons
- The credibility of witnesses or other persons
- The whereabouts of missing persons, owners of abandoned or escheated property, or heirs to estates
- The location or recovery of lost or stolen property
- The causes or origin of fires, libels, slanders, losses, accidents, damage, or injuries to real or personal property
- Securing evidence to be used before investigating committees or boards of award or arbitration or trial of civil or criminal cases

- b. **Proposed Change:** Under s.212.05. (1) F.S., For the exercise of such privilege, a tax is levied on each taxable transaction or incident, which tax is due and payable as follows:
- (i)1: At the rate of 6 percent on charges for all:
 - a. Detective, burglar protection, and other protection services (NAICS National Numbers 561611(excluding private investigative services), 561612, 561613, and 561621).

In addition, the following is added to s.212.05. (1) (i) 1 a F.S.: Private investigative services means those services related solely to private investigations, as licensed under the definitions set forth in sections 493.6101(15)-(16).

Section 2: Description of Data and Sources

Calendar Year 2015 & 2016 Sales Tax Data specific NAICS codes:

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Private Investigative Services Exemption

Bill Number(s): Proposed Language

561611 - Entities engaged in providing investigation and detective services.

561612 - Entities engaged in providing guard and patrol services, such as bodyguard, guard dog, and parking security services.

561613 - Entities engaged in picking up and delivering money, receipts, or other valuable items. These establishments maintain personnel and equipment to protect such properties while in transit.

561621 - Entities engaged in (1) selling security alarm systems, such as burglar and fire alarms, along with installation, repair, or monitoring services or (2) remote monitoring of electronic security alarm systems.

August 2017 General Revenue – Consumer Non-Durables Growth Rates

Florida Administrative Code 12a-1.0092 Detective, Burglar Protection, and Other Protection Services.

Florida Department of Agriculture

Kind Code – NAICS crosswalk

Section 3: Methodology (Include Assumptions and Attach Details)

a. Analysis 1:

Per s.212.05 (1) (i) 4, any exempt service must be separately stated to receive the exemption. If there are taxable services and exempt services billed together, the entire service becomes taxable. The exemption inures to the specific nature of the service. As an example, polygraph services are specifically taxable and credit reporting services are specifically exempt. For all services covered under s.212.05 (1) (i) 1. a, the businesses engaged in these areas provide a mixture of taxable and exempt services. Even with the proposed change, the taxable services (polygraph, fingerprint, bodyguard, etc.) under this section remain taxable even when they are provided by a licensed private investigator because they are not considered private investigative services.

First, the taxable sales for entities in NAICS codes 561611, 561612, 561613, and 561621 were obtained from the Department's Sales Tax Data. The taxable sales were filtered by entity name into three groups based on keywords from the Florida Administrative Code of 12a-1.0092 which lists the taxable and non-taxable activities associated with the four NAICS codes. Once the filtering keywords are applied, three groups are formed. Group A are the Taxable Activities listed in rule 12a-1.0092. Group B are entities that appear to perform Investigations. Group C is the remaining unknown entities that perform the activity but fail to fall in to either Group A or B. All three groups are engaged in taxable and exempt activities in various proportions. Businesses that appear to be primarily armored car services or security guard services also show lower exempt sales tax amounts. This filtering process is applied all four NAICS groups.

Based on what we observed in the tax data related to taxable versus exempt activities, adjustment factors were applied to create a cohort of potentially newly exempt tax base. Percentages for the High, Middle, and low estimates are divided into two groups between the four NAICS codes. NAICS 561611 contains the most amount of Private Investigator firms among the four NAICS codes.

- For Group A, it is assumed that 10% of the taxable activities are related to Private Investigation services in the high estimate. The middle and low estimates assume 5% and 1% of activities are exempt.
- For Group B, it is assumed that 100% of the taxable activities are related to private investigations services that will become exempt given the change in law. The middle and low estimates assume 95% and 90% of activities are exempt.
- For Group C, it is assumed that 25% of the taxable activities is related to the private investigation services. The middle and low estimates assume 10% and 5% are exempt.

For NAICS Code groups 561612, 561613, and 561621, the activities are designated different to 561611, but contain entities that perform private investigations. As these are NAICS codes indirectly related to private investigator activities, Group B, those that engage in investigative activities and located in the other three codes are assumed to engage in 5% of their activities as private investigators in the High estimate. Group B, In the middle and low are assumed 3.5% and 1% respectively. It is assumed that 3% of Group C, which engage in unknown activities in the three codes, engages in private investigations in the High estimate, 2% in the middle, and 0.5% in the low. For these three NAICS codes, Group A is not included as they appear to be primarily engaged in their respective NAICS code activity.

The growth rates were chosen for the High, Middle, and Low using the General Revenue adopted growth rates for Consumer Non-Durables in which Private Investigations is located. There is a one month lag to collections, and the first-year cash is equal to eleven months of the recurring.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Private Investigative Services Exemption

Bill Number(s): Proposed Language

b. Analysis 2:

This analysis approaches the impact starting with the total number of applicable licensees in the State of Florida. The High, Middle, and Low estimates are based on yearly hours of investigative work and assigned percentages to proportion said work as In-State activity. In the High, 60% of 2000 hours of activity of the licensee population activities is performed in-state. The middle assumes 50% of 1500 hours, and the low assumes 40% of 1250 hours. These percentages are multiplied with the yearly hours and total number of Licensees to obtain the estimated total hours per all license holders.

Next the private investigator hours are proportioned according to each NAICS code based on the NAICS code definition. It is assumed that 94.5% of activity in NAICS 561611 is due to Private Investigator activity, 2.5% for NAICS 561612 and 561621, and 0.5% for NAICS code 561613. Following the proportions, a ratio of taxable sales to gross sales is applied to the 60%, 50% and 40% group to obtain Taxable Hours After Allocation.

Using the Taxable Hours After Allocation, an hourly rate was applied to find the Taxable Hours at various rates. The high applies the \$90 dollars per hour to the 60% group. The middle applies \$45 dollars per hour to the 50% group. And to the low \$35 dollars per hour is applied to obtain our range. From there, the growth rates on Consumer Non-Durables from the August 2017 GR Revenue Estimating Conference is applied then adjusted by the state sales tax rate to obtain the impact. There is a one month lag to collections, and the first-year cash is equal to eleven months of the recurring.

c. Additional check:

Using the data gathered for the second analysis, a check was performed on Method 1 to find the Total Newly Exempt Hours per License implied by the impact from the first analysis. We divided the recurring impact value by the price per hour, then divided it by the total number of licensees in the state to obtain the Total Newly Exempt Hours per License each fiscal year.

Section 4: Proposed Fiscal Impact

Analysis 1: Top-Down Analysis

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	\$(4.1 M)	\$(4.4 M)	\$(2.5 M)	\$(2.7 M)	\$(1.0 M)	\$(1.1 M)
2019-20	\$(4.6 M)	\$(4.6 M)	\$(2.9 M)	\$(2.9 M)	\$(1.2 M)	\$(1.2 M)
2020-21	\$(4.9 M)	\$(4.9 M)	\$(3.0 M)	\$(3.0 M)	\$(1.2 M)	\$(1.2 M)
2021-22	\$(5.1 M)	\$(5.1 M)	\$(3.1 M)	\$(3.1 M)	\$(1.3 M)	\$(1.3 M)
2022-23	\$(5.3 M)	\$(5.3 M)	\$(3.3 M)	\$(3.3 M)	\$(1.4 M)	\$(1.4 M)

Analysis 2: Bottom-Up Analysis

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	\$(23.8 M)	\$(26.0 M)	\$(7.4 M)	\$(8.1 M)	\$(3.9 M)	\$(4.2 M)
2019-20	\$(27.2 M)	\$(27.2 M)	\$(8.5 M)	\$(8.5 M)	\$(4.4 M)	\$(4.4 M)
2020-21	\$(28.5 M)	\$(28.5 M)	\$(8.9 M)	\$(8.9 M)	\$(4.6 M)	\$(4.6 M)
2021-22	\$(29.8 M)	\$(29.8 M)	\$(9.3 M)	\$(9.3 M)	\$(4.8 M)	\$(4.8 M)
2022-23	\$(31.0 M)	\$(31.0 M)	\$(9.7 M)	\$(9.7 M)	\$(5.0 M)	\$(5.0 M)

List of affected Trust Funds: General Revenue group

Section 5: Consensus Estimate (Adopted: 09/28/17): The Conference adopted a modified middle estimate for Analysis 2 with an adjustment made to the growth rate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(6.0)	(6.6)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.6)	(0.6)
2019-20	(6.8)	(6.8)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.6)	(0.6)
2020-21	(6.8)	(6.8)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.7)	(0.7)
2021-22	(6.9)	(6.9)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.7)	(0.7)
2022-23	(7.0)	(7.0)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.7)	(0.7)

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Private Investigative Services Exemption

Bill Number(s): Proposed Language

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(0.8)	(0.8)	(1.6)	(1.7)	(7.6)	(8.3)
2019-20	(0.9)	(0.9)	(1.7)	(1.7)	(8.5)	(8.5)
2020-21	(0.9)	(0.9)	(1.8)	(1.8)	(8.6)	(8.6)
2021-22	(0.9)	(0.9)	(1.8)	(1.8)	(8.7)	(8.7)
2022-23	(0.9)	(0.9)	(1.8)	(1.8)	(8.8)	(8.8)

Proposed Language
Private Investigative Services Exemption

Analysis 1: Top-Down Approach

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	\$ (4.1 M)	\$ (4.4 M)	\$ (2.5 M)	\$ (2.7 M)	\$ (1.0 M)	\$ (1.1 M)
2019-20	\$ (4.6 M)	\$ (4.6 M)	\$ (2.9 M)	\$ (2.9 M)	\$ (1.2 M)	\$ (1.2 M)
2020-21	\$ (4.9 M)	\$ (4.9 M)	\$ (3.0 M)	\$ (3.0 M)	\$ (1.2 M)	\$ (1.2 M)
2021-22	\$ (5.1 M)	\$ (5.1 M)	\$ (3.1 M)	\$ (3.1 M)	\$ (1.3 M)	\$ (1.3 M)
2022-23	\$ (5.3 M)	\$ (5.3 M)	\$ (3.3 M)	\$ (3.3 M)	\$ (1.4 M)	\$ (1.4 M)

Analysis 2: Bottom-Up Approach

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	\$ (21.9 M)	\$ (23.9 M)	\$ (6.8 M)	\$ (7.5 M)	\$ (3.5 M)	\$ (3.9 M)
2019-20	\$ (24.2 M)	\$ (24.2 M)	\$ (7.6 M)	\$ (7.6 M)	\$ (3.9 M)	\$ (3.9 M)
2020-21	\$ (24.6 M)	\$ (24.6 M)	\$ (7.7 M)	\$ (7.7 M)	\$ (4.0 M)	\$ (4.0 M)
2021-22	\$ (24.9 M)	\$ (24.9 M)	\$ (7.8 M)	\$ (7.8 M)	\$ (4.0 M)	\$ (4.0 M)
2022-23	\$ (25.3 M)	\$ (25.3 M)	\$ (7.9 M)	\$ (7.9 M)	\$ (4.1 M)	\$ (4.1 M)

Proposed Language
Private Investigative Services Exemption

	A	B	C	D	E	F	G	H	I	J	K
1											
2											
3											
4	Groups		Taxable Sales					Adjustment Factors			
5	NAICS - 561611		CY 2015	CY 2016	FY conversion			NAICS 561611			
6	A - Taxable Activities		\$ 263,202,994	\$ 243,974,258	\$ 253,588,626			High	Middle	Low	
7	B - Investigative Activities		\$ 9,342,575	\$ 10,424,304	\$ 9,883,439			10%	5%	1%	
8	C - Unknown Activities		\$ 25,876,438	\$ 25,295,777	\$ 25,586,108			100%	95%	90%	
9			\$ 298,422,008	\$ 279,694,339	\$ 289,058,173			25%	10%	5%	
10											
11	NAICS -- 561612							NAICS 561612, 561613, 561621			
12	A - Taxable Activities		\$ 505,961,565.56	\$ 534,284,963				High	Middle	Low	
13	B - Investigative Activities		\$ 2,217,288	\$ 2,390,416	\$ 2,303,852			5.0%	3.5%	1.0%	
14	C - Unknown Activities		\$ 21,467,520	\$ 23,083,703	\$ 22,275,612			3.0%	2.0%	0.5%	
15			\$ 529,646,373	\$ 559,759,082	\$ 544,702,728						
16											
17	NAICS -- 561613										
18	A - Taxable Activities		\$ 81,745,301.44	\$ 74,978,138							
19	B - Investigative Activities		\$ 27,800	\$ 44,576	\$ 36,188						
20	C - Unknown Activities		\$ 305,320	\$ 387,498	\$ 346,409						
21			\$ 82,078,421	\$ 75,410,211	\$ 78,744,316						
22											
23	NAICS -- 561621										
24	A - Taxable Activities		\$ 638,492,893	\$ 776,369,303							
25	B - Investigative Activities		\$ 673,029	\$ 1,774,940	\$ 1,223,985						
26	C - Unknown Activities		\$ 720,095,124	\$ 767,549,728	\$ 743,822,426						
27			\$ 1,359,261,046	\$ 1,545,693,970	\$ 1,452,477,508						
28											
29											

	A	B	C	D	E	F	G	H	I	J	K
30											
31		Percentage Adjustment									
32		NAICS - 561611		High	Middle	Low					
33		A - Taxable Activities		\$ 25,358,863	\$ 12,679,431	\$ 2,535,886					
34		B - Investigative Activities		\$ 9,883,439	\$ 9,389,268	\$ 8,895,096					
35		C - Unknown Activities		\$ 6,396,527	\$ 2,558,611	\$ 1,279,305					
36				\$ 41,638,829	\$ 24,627,310	\$ 12,710,287					
37											
38		NAICS -- 561612									
39		A - Taxable Activities									
40		B - Investigative Activities		\$ 115,193	\$ 80,635	\$ 23,039					
41		C - Unknown Activities		\$ 668,268	\$ 445,512	\$ 111,378					
42				\$ 783,461	\$ 526,147	\$ 134,417					
43											
44		NAICS -- 561613									
45		A - Taxable Activities									
46		B - Investigative Activities		\$ 1,809	\$ 1,267	\$ 362					
47		C - Unknown Activities		\$ 10,392	\$ 6,928	\$ 1,732					
48				\$ 12,202	\$ 8,195	\$ 2,094					
49											
50		NAICS -- 561621									
51		A - Taxable Activities									
52		B - Investigative Activities		\$ 61,199	\$ 42,839	\$ 12,240					
53		C - Unknown Activities		\$ 22,314,673	\$ 14,876,449	\$ 3,719,112					
54				\$ 22,375,872	\$ 14,919,288	\$ 3,731,352					
55											
56											

	A	B	C	D	E	F	G	H	I	J	K
57											
58		Summary: Shares after Adjustment Factors (FY 15-16)									
59			Total			High		Middle		Low	
60		NAICS	Taxable Sales	Sales Tax		Sales Tax	Sales Tax % of NAICS Total	Sales Tax	Sales Tax % of NAICS Total	Sales Tax	Sales Tax % of NAICS Total
61		561611	\$ 289,058,173	\$ 17,343,490		\$ 2,498,330	14.40%	\$ 1,477,639	8.52%	\$ 762,617	4.40%
62		561612	\$ 544,702,728	\$ 32,682,164		\$ 47,008	0.14%	\$ 31,569	0.10%	\$ 8,065	0.02%
63		561613	\$ 78,744,316	\$ 4,724,659		\$ 732	0.02%	\$ 492	0.01%	\$ 126	0.00%
64		561621	\$ 1,452,477,508	\$ 87,148,651		\$ 1,342,552	1.54%	\$ 895,157	1.03%	\$ 223,881	0.26%
65		Total	\$ 2,364,982,725	\$ 141,898,964		\$ 3,888,622	2.74%	\$ 2,404,856	1.69%	\$ 994,689	0.70%
66											
67											
68		Growth rate - Consumer Non-Durables (August 2017)									
69		2016-17	4.20%								
70		2017-18	4.30%								
71		2018-19	4.80%								
72		2019-20	4.60%								
73		2020-21	4.90%								
74		2021-22	4.40%								
75		2022-23	4.30%								
76											

	A	B	C	D	E	F	G	H	I	J	K
77											
78		Total Taxable Sales For all 4 NAICS									
79			High	Middle	Low						
80		2015-16	\$ 64,810,364	\$ 40,080,939	\$ 16,578,150						
81		2016-17	\$ 67,532,399	\$ 41,764,339	\$ 17,274,432						
82		2017-18	\$ 70,436,292	\$ 43,560,205	\$ 18,017,233						
83		2018-19	\$ 73,817,234	\$ 45,651,095	\$ 18,882,060						
84		2019-20	\$ 77,212,827	\$ 47,751,046	\$ 19,750,634						
85		2020-21	\$ 80,996,255	\$ 50,090,847	\$ 20,718,416						
86		2021-22	\$ 84,560,091	\$ 52,294,844	\$ 21,630,026						
87		2022-23	\$ 88,196,174	\$ 54,543,522	\$ 22,560,117						
88											
89		Sales Tax Conversion for all 4 NAICS									
90		FY	High	Middle	Low						
91			Cash	Recurring	Cash	Recurring	Cash	Recurring			
92		2015-16	\$ (3.89)	\$ (3.89)	\$ (2.40)	\$ (2.40)	\$ (0.99)	\$ (0.99)			
93		2016-17	\$ (4.05)	\$ (4.05)	\$ (2.51)	\$ (2.51)	\$ (1.04)	\$ (1.04)			
94		2017-18	\$ (4.23)	\$ (4.23)	\$ (2.61)	\$ (2.61)	\$ (1.08)	\$ (1.08)			
95		2018-19	\$ (4.06)	\$ (4.43)	\$ (2.51)	\$ (2.74)	\$ (1.04)	\$ (1.13)			
96		2019-20	\$ (4.63)	\$ (4.63)	\$ (2.87)	\$ (2.87)	\$ (1.19)	\$ (1.19)			
97		2020-21	\$ (4.86)	\$ (4.86)	\$ (3.01)	\$ (3.01)	\$ (1.24)	\$ (1.24)			
98		2021-22	\$ (5.07)	\$ (5.07)	\$ (3.14)	\$ (3.14)	\$ (1.30)	\$ (1.30)			
99		2022-23	\$ (5.29)	\$ (5.29)	\$ (3.27)	\$ (3.27)	\$ (1.35)	\$ (1.35)			

Proposed Language
Private Investigative Services Exemption

	A	B	C	D	E	F	G	H
1								
2			NAICS	Gross Sales	Taxable Sales	Tax Collections		
3		FY 2015-16	561611	\$ 651,941,529	\$ 289,058,173	\$ 19,151,043		
4			561612	\$ 881,640,778	\$ 544,702,728	\$ 36,116,689		
5			561613	\$ 159,202,151	\$ 78,744,316	\$ 5,282,633		
6			561621	\$ 2,689,283,700	\$ 1,452,477,508	\$ 96,031,265		
7								
8								
9		# of Licensees*	7,817					
10		Yearly Hours	2,000	1,500	1,250			
11		In State Hour %	60%	50%	40%			
12		Total Hours of All licensees	9,380,400	5,862,750	3,908,500			
13		*7731 Class "C" & 86 Class "MA"						
14								
15			Allocation of Total P.I. Hours	60%	50%	40%		
16		561611	94.50%	8,864,478	5,540,299	3,693,533		
17		561612	2.50%	234,510	146,569	97,713		
18		561613	0.50%	46,902	29,314	19,543		
19		561621	2.50%	234,510	146,569	97,713		
20								

Proposed Language
Private Investigative Services Exemption

	A	B	C	D	E	F	G	H
21								
22		Taxable Sales/Gross Sales Ratio per		Taxable Hours After Allocation				
23		561611	44.34%	3,930,337	2,456,461	1,637,640		
24		561612	61.78%	144,887	90,554	60,370		
25		561613	49.46%	23,199	14,499	9,666		
26		561621	54.01%	126,658	79,162	52,774		
27								
28			\$s Per Hour					
29		High	\$ 90.00					
30		Middle	\$ 45.00					
31		Low	\$ 35.00					
32								
33		Taxable Hours Analysis						
34		Taxable Sales	60% at 2000 Hours	50% at 1500 Hours	40% at 1250 Hours			
35		561611	\$ 353,730,317	\$ 110,540,724	\$ 57,317,412			
36		561612	\$ 13,039,825	\$ 4,074,945	\$ 2,112,935			
37		561613	\$ 2,087,873	\$ 652,460	\$ 338,313			
38		561621	\$ 11,399,260	\$ 3,562,269	\$ 1,847,102			
39		Total	\$ 380,257,276	\$ 118,830,399	\$ 61,615,762			
40								

Proposed Language
Private Investigative Services Exemption

	A	B	C	D	E	F	G	H
41								
42		Growth rate - Consumer Non-Durables (August 2017)						
43		2016-17	1.50%					
44		2017-18	1.50%					
45		2018-19	1.50%		1.90	2018		
46		2019-20	1.50%		1.50	2019		
47		2020-21	1.50%		1.40	2020		
48		2021-22	1.50%		1.30	2021		
49		2022-23	1.50%		1.50	2022		
50					1.52			
51		6% Sales tax applied to Taxable Sales on Row 50 & grown at Consumer Non-Durables						
52		2015-16	(22.82)	(7.13)	(3.70)			
53		2016-17	(23.16)	(7.24)	(3.75)			
54		2017-18	(23.51)	(7.35)	(3.81)			
55		2018-19	(23.86)	(7.46)	(3.87)			
56		2019-20	(24.22)	(7.57)	(3.92)			
57		2020-21	(24.58)	(7.68)	(3.98)			
58		2021-22	(24.95)	(7.80)	(4.04)			
59		2022-23	(25.32)	(7.91)	(4.10)			
60								
61		Sales Tax Impact Table :: Taxable Hours Analysis						
62		FY	High		Middle		Low	
63			Cash	Recurring	Cash	Recurring	Cash	Recurring
64		2018-19	\$ (21.9 M)	\$ (23.9 M)	\$ (6.8 M)	\$ (7.5 M)	\$ (3.5 M)	\$ (3.9 M)
65		2019-20	\$ (24.2 M)	\$ (24.2 M)	\$ (7.6 M)	\$ (7.6 M)	\$ (3.9 M)	\$ (3.9 M)
66		2020-21	\$ (24.6 M)	\$ (24.6 M)	\$ (7.7 M)	\$ (7.7 M)	\$ (4.0 M)	\$ (4.0 M)
67		2021-22	\$ (24.9 M)	\$ (24.9 M)	\$ (7.8 M)	\$ (7.8 M)	\$ (4.0 M)	\$ (4.0 M)
68		2022-23	\$ (25.3 M)	\$ (25.3 M)	\$ (7.9 M)	\$ (7.9 M)	\$ (4.1 M)	\$ (4.1 M)
69								

Proposed Language
Private Investigative Services Exemption

	A	B	C	D	E	F	G	H
70								
71		Check Against the Top-Down Estimate:						
72		FY	High		Middle		Low	
73			Cash	Recurring	Cash	Recurring	Cash	Recurring
74		2018-19	\$ (4.06)	\$ (4.43)	\$ (2.51)	\$ (2.74)	\$ (1.04)	\$ (1.13)
75		2019-20	\$ (4.63)	\$ (4.63)	\$ (2.87)	\$ (2.87)	\$ (1.19)	\$ (1.19)
76		2020-21	\$ (4.86)	\$ (4.86)	\$ (3.01)	\$ (3.01)	\$ (1.24)	\$ (1.24)
77		2021-22	\$ (5.07)	\$ (5.07)	\$ (3.14)	\$ (3.14)	\$ (1.30)	\$ (1.30)
78		2022-23	\$ (5.29)	\$ (5.29)	\$ (3.27)	\$ (3.27)	\$ (1.35)	\$ (1.35)
79								
80		Newly Exempt Hours per License*						
81			Analysis 1:Top-Down			Analysis 2: Bottom-Up		
82		FY	High	Middle	Low	High	Middle	Low
83			Recurring	Recurring	Recurring	Recurring	Recurring	Recurring
84		2018-19	6.30	7.79	4.14	33.91	21.19	14.13
85		2019-20	6.59	8.14	4.33	34.42	21.51	14.34
86		2020-21	6.91	8.54	4.54	34.94	21.84	14.56
87		2021-22	7.21	8.92	4.74	35.46	22.16	14.78
88		2022-23	7.52	9.30	4.95	35.99	22.50	15.00
89		*(Top Down impact / Price Per Hour / # of Licenses)						