

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Exemption Transfer for Veterans

Bill Number(s): [HB 1249 – Proposed Amendment](#)

Entire Bill

Partial Bill:

Sponsor(s):

Month/Year Impact Begins: July 1, 2020

Date of Analysis: January 31, 2020

Section 1: Narrative

a. Current Law:

196.011 Section 1. Paragraph (a) of subsection (1): “Every person or organization who, on January 1, has the legal title to real or personal property, except inventory, which is entitled by law to exemption from taxation as a result of its ownership and use shall, on or before March 1 of each year, file an application for exemption with the county property appraiser, listing and describing the property for which exemption is claimed and certifying its ownership and use. The Department of Revenue shall prescribe the forms upon which the application is made. Failure to make application, when required, on or before March 1 of any year shall constitute a waiver of the exemption privilege for that year, except as provided in subsection (7) or subsection (8).”

196.081 Section 2. Subsection (1): “Any real estate that is owned and used as a homestead by a veteran who was honorably discharged with a service-connected total and permanent disability and for whom a letter from the United States Government or United States Department of Veterans Affairs or its predecessor has been issued certifying that the veteran is totally and permanently disabled is exempt from taxation, if the veteran is a permanent resident of this state on January 1 of the tax year for which exemption is being claimed or was a permanent resident of this state on January 1 of the year the veteran died.”

b. Proposed Change:

Section 1. Paragraph (a) of subsection (1) of section 196.011, Florida Statutes, is amended to read: “196.011 Annual application required for exemption.—(1) (a) Except as provided in s. 196.081, every person or organization who, on January 1, has the legal title to real or personal property, except inventory, which is entitled by law to exemption from taxation as a result of its ownership and use shall, on or before March 1 of each year, file an application for exemption with the county property appraiser, listing and describing the property for which exemption is claimed and certifying its ownership and use. The Department of Revenue shall prescribe the forms upon which the application is made. Failure to make application, when required, on or before March 1 of any year shall constitute a waiver of the exemption privilege for that year, except as provided in subsection (7) or subsection (8).”

Section 2. Subsection (1) of section 196.081, Florida Statutes is amended to read: “(1) (a) Any real estate that is owned and used as a homestead by a veteran who was honorably discharged with a service-connected total and permanent disability and for whom a letter from the United States Government or United States Department of Veterans Affairs or its predecessor has been issued certifying that the veteran is totally and permanently disabled is exempt from taxation, if the veteran is a permanent resident of this state on January 1 of the tax year for which exemption is being claimed or was a permanent resident of this state on January 1 of the year the veteran died.

“(b) The exemption under paragraph (a) may be applied to a current tax year if the real estate owned and used as a homestead is acquired by the veteran after January 1 of the current tax year and the veteran received the exemption on another property in the immediately prior tax year. Notwithstanding s. 196.011, the exemption under paragraph (a) may be applied to a tax year if the real estate owned and used as a homestead is acquired after January 1 of that tax year and the veteran received the exemption on another property in the immediately preceding tax year. To receive the exemption pursuant to this paragraph, the veteran must file with the property appraiser, on or before the 25th day after the property appraiser mails the notices required under s. 194.011 (1), an application listing and describing the previous homestead and the new property certifying under oath that the veteran. If the application is filed after the 25th day following the date the property appraiser mails the assessment notice under s. 200.069, the exemption shall be processed as a correction pursuant to s.197.122(3) :

“1. Is otherwise qualified to receive the exemption under this section;

“2. Holds legal title to the new property; and

“3. Intends to use the new property as his or her homestead.

“Section 3. This act shall take effect July 1, 2020.”

Section 2: Description of Data and Sources

Real Property Rolls, 2015-2019

[Florida Economic Estimating Conference, Long Run Forecast Dec 16, 2019](#)

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Exemption Transfer for Veterans

Bill Number(s): [HB 1249 – Proposed Amendment](#)

Section 3: Methodology (Include Assumptions and Attach Details)

Real Property Rolls from 2015 through 2019 were filtered to identify parcels having values reported under Exemption 05. This exemption references statute 196.081 and is a total exemption from property taxes for disabled veterans and their surviving spouses. Of this remaining pool, those with Homestead Differential Transfer Flags were isolated. The portion of those who transferred one year prior and two years prior were separated out and the Just Value (JV) and Exemption Values were totaled.

Two growth rates are used to calculate the expected impacted parcels: 8.0% is used for the high and low estimates, and 12.4% is used for the middle estimate. The 8.0% growth rate is the minimum 2015-2019 growth rate of the number of parcels transferring their differential during the second year of eligibility. 12.4% is the minimum annual growth rate for the period 2015-2019 for qualified parcels that sold.

It is assumed that 25% of these differential transfers were completed by surviving spouses, and the number of expected parcels was decreased by this amount to reflect that, as surviving spouses are not eligible for this exemption.

For the middle and low estimates it was assumed that only those veterans that transferred their differential in the second year following the sale would be eligible to receive the exemption under the proposed language. For the high, it was assumed that all parcels that transferred their differential in either the first or second year following the year of sale would be eligible.

The 2019 Average Homestead JV was grown by the Jan 2020 Ad Valorem REC’s Homestead JV appreciation rates.

The high, middle, and low numbers of estimated impacted parcels were multiplied by these forecasted average JV amounts to calculate high, middle, and low expected total JV, respectively. These total JV amounts were multiplied by the 2019 Statewide Millage Rates to produce the estimated fiscal impact.

Section 4: Proposed Fiscal Impact

Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	\$ 4.4 M	\$ 6.8 M	\$ 0.4 M	\$ 0.8 M	\$ 0.4 M	\$ 0.7 M
2021-22	\$ 4.9 M	\$ 6.8 M	\$ 0.5 M	\$ 0.8 M	\$ 0.5 M	\$ 0.7 M
2022-23	\$ 5.5 M	\$ 6.8 M	\$ 0.6 M	\$ 0.8 M	\$ 0.5 M	\$ 0.7 M
2023-24	\$ 6.1 M	\$ 6.8 M	\$ 0.7 M	\$ 0.8 M	\$ 0.6 M	\$ 0.7 M
2024-25	\$ 6.8 M	\$ 6.8 M	\$ 0.8 M	\$ 0.8 M	\$ 0.7 M	\$ 0.7 M

List of affected Trust Funds: Ad Valorem

Section 5: Consensus Estimate (Adopted: 01/31/2020): The Conference adopted an adjusted high estimate that ramped down the growth rate of parcels.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(1.7)	(2.3)	(2.7)	(3.9)	(4.4)	(6.2)
2021-22	(1.8)	(2.3)	(3.0)	(3.9)	(4.9)	(6.2)
2022-23	(2.0)	(2.3)	(3.3)	(3.9)	(5.3)	(6.2)
2023-24	(2.2)	(2.3)	(3.6)	(3.9)	(5.8)	(6.2)
2024-25	(2.3)	(2.3)	(3.9)	(3.9)	(6.2)	(6.2)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	0.0	0.0	0.0	0.0	(4.4)	(6.2)	(4.4)	(6.2)
2021-22	0.0	0.0	0.0	0.0	(4.9)	(6.2)	(4.9)	(6.2)
2022-23	0.0	0.0	0.0	0.0	(5.3)	(6.2)	(5.3)	(6.2)
2023-24	0.0	0.0	0.0	0.0	(5.8)	(6.2)	(5.8)	(6.2)
2024-25	0.0	0.0	0.0	0.0	(6.2)	(6.2)	(6.2)	(6.2)

School Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	\$ 1.7 M	\$ 2.3 M	\$ 0.2 M	\$ 0.3 M	\$ 0.2 M	\$ 0.2 M
2021-22	\$ 1.8 M	\$ 2.3 M	\$ 0.2 M	\$ 0.3 M	\$ 0.2 M	\$ 0.2 M
2022-23	\$ 2.0 M	\$ 2.3 M	\$ 0.2 M	\$ 0.3 M	\$ 0.2 M	\$ 0.2 M
2023-24	\$ 2.2 M	\$ 2.3 M	\$ 0.3 M	\$ 0.3 M	\$ 0.2 M	\$ 0.2 M
2024-25	\$ 2.3 M	\$ 2.3 M	\$ 0.3 M	\$ 0.3 M	\$ 0.2 M	\$ 0.2 M

Non-School Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	\$ 2.7 M	\$ 3.9 M	\$ 0.3 M	\$ 0.5 M	\$ 0.3 M	\$ 0.4 M
2021-22	\$ 3.0 M	\$ 3.9 M	\$ 0.3 M	\$ 0.5 M	\$ 0.3 M	\$ 0.4 M
2022-23	\$ 3.3 M	\$ 3.9 M	\$ 0.4 M	\$ 0.5 M	\$ 0.3 M	\$ 0.4 M
2023-24	\$ 3.6 M	\$ 3.9 M	\$ 0.4 M	\$ 0.5 M	\$ 0.4 M	\$ 0.4 M
2024-25	\$ 3.9 M	\$ 3.9 M	\$ 0.5 M	\$ 0.5 M	\$ 0.4 M	\$ 0.4 M

Total Impact						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	\$ 4.4 M	\$ 6.2 M	\$ 0.4 M	\$ 0.8 M	\$ 0.4 M	\$ 0.7 M
2021-22	\$ 4.9 M	\$ 6.2 M	\$ 0.5 M	\$ 0.8 M	\$ 0.5 M	\$ 0.7 M
2022-23	\$ 5.3 M	\$ 6.2 M	\$ 0.6 M	\$ 0.8 M	\$ 0.5 M	\$ 0.7 M
2023-24	\$ 5.8 M	\$ 6.2 M	\$ 0.7 M	\$ 0.8 M	\$ 0.6 M	\$ 0.7 M
2024-25	\$ 6.2 M	\$ 6.2 M	\$ 0.8 M	\$ 0.8 M	\$ 0.7 M	\$ 0.7 M

	A	B	C	D	E	F	G	H	I	J	K	L
1												
2	Year	Average Just Value	Average 196.081 Exemption	Number of Parcels with exemption	Parcels with sale indicated	Parcels that sold - Qualified	Growth Rates		FAR Existing Single-Family Home Sales Growth Rates			
3	2015	\$160,702	\$119,623	44,646	5619	2860			2019-20	8.71%		
4	2016	\$175,071	\$124,705	47,252	6477	3579	25.14%		2020-21	0.14%		
5	2017	\$187,860	\$131,044	51,730	7347	4291	19.89%		2021-22	-0.56%		
6	2018	\$203,784	\$143,560	55,123	8303	5107	19.02%		2022-23	-0.79%		
7	2019	\$217,569	\$152,381	60,926	9040	5740	12.39%		2023-24	0.14%		
8	Total			259,677	36786	21577	19.11%		2024-25	3.29%		
9									2025-26	3.69%		
10	First-year Diff Transfer			Just Value		EXMPT_05 Value			Average	2.1%		
11	Year	Count	Growth Rate	Total	Average	Total	Average		Source: Florida Economic Estimating Conference, Long Run Forecast Dec 16, 2019			
12	2015	456		\$ 95,398,698	\$ 209,208	\$ 78,362,253	\$ 171,847					
13	2016	625	37.06%	\$ 137,898,700	\$ 220,638	\$ 110,108,419	\$ 176,173					
14	2017	784	25.44%	\$ 180,152,865	\$ 229,787	\$ 138,568,596	\$ 176,746					
15	2018	831	5.99%	\$ 198,134,592	\$ 238,429	\$ 153,955,840	\$ 185,266					
16	2019	1130	35.98%	\$ 303,035,586	\$ 268,173	\$ 232,401,481	\$ 205,665					
17									First- and Second-Year Diff Transfers			
18	Second-year Diff Transfer			Just Value		EXMPT_05 Value			Totals		Just Value	EXMPT_05 Value
19	Year	Count	Growth Rate	Total	Average	Total	Average	Year	Count	Total	Total	
20	2015	40		\$ 8,214,423	\$ 205,361	\$ 6,873,420	\$ 171,836	2015	496	\$ 103,613,121	\$ 85,235,673	
21	2016	72	80.00%	\$ 16,384,251	\$ 227,559	\$ 13,335,041	\$ 185,209	2016	697	\$ 154,282,951	\$ 123,443,460	
22	2017	87	20.83%	\$ 20,587,048	\$ 236,633	\$ 16,062,370	\$ 184,625	2017	871	\$ 200,739,913	\$ 154,630,966	
23	2018	94	8.05%	\$ 22,140,642	\$ 235,539	\$ 15,775,896	\$ 167,829	2018	925	\$ 220,275,234	\$ 169,731,736	
24	2019	122	29.79%	\$ 29,452,160	\$ 241,411	\$ 22,279,146	\$ 182,616	2019	1252	\$ 332,487,746	\$ 254,680,627	
25	Source: NAL Files, filtered to include only those with EXMPT_05 Values and Differential Transfer Flags											
26												
27		Growth Rates										
28		High	Middle	Low								
29		8.0%	12.4%	8.0%								
30												
31		Surviving Spouse Adjustment										
32		25%										
33												
34	Expected Impacted Parcels											
35		Just Value	High	Middle	Low	Adopted Growth						
36		2020-21	1,015	\$ 103	99	8%						
37		2021-22	1,086	\$ 116	107	7%						
38		2022-23	1,151	\$ 130	115	6%						
39		2023-24	1,208	\$ 146	125	5%						
40		2024-25	1,257	\$ 164	135	4%						
41												

	A	B	C	D	E	F	G	H	I	J	K	L
42	Homestead Just Value											
43		Year	Appreciation	Expected Avg JV								
44		2020	3.62%	\$ 250,150								
45		2021	3.36%	\$ 258,555								
46		2022	3.21%	\$ 266,855								
47		2023	3.19%	\$ 275,368								
48		2024	3.08%	\$ 283,849								
49		2025	3.03%	\$ 292,450								
50	Source: AV REC Jan 2020 Conference Package											
51												
52	Expected Total Just Value											
53		Just Value	High	Middle	Low							
54		2020-21	\$ 253,790,348	\$ 25,725,750	\$ 24,730,369							
55		2021-22	\$ 280,679,943	\$ 29,885,916	\$ 27,617,967							
56		2022-23	\$ 307,071,156	\$ 34,668,447	\$ 30,797,969							
57		2023-24	\$ 332,710,062	\$ 40,208,515	\$ 34,337,470							
58		2024-25	\$ 356,675,833	\$ 46,584,182	\$ 38,242,943							
59												
60	Statewide 2019 Millage Rates											
61		School	Non-School									
62		6.5223	10.8014									
63												
64	Fiscal Impact											
65		School	High	Middle	Low							
66		2020-21	\$ 1,655,297	\$ 167,791	\$ 161,299	-1.655296788	-1.65529679					
67		2021-22	\$ 1,830,679	\$ 194,925	\$ 180,133	-1.830678794	-1.83067879					
68		2022-23	\$ 2,002,810	\$ 226,118	\$ 200,874	-2.002810198	-2.0028102					
69		2023-24	\$ 2,170,035	\$ 262,252	\$ 223,959	-2.170034835	-2.17003484					
70		2024-25	\$ 2,326,347	\$ 303,836	\$ 249,432	-2.326346785	-2.32634678					
71												
72		Non-School	High	Middle	Low							
73		2020-21	\$ 2,741,291	\$ 277,874	\$ 267,123	-2.741291067	-2.74129107					
74		2021-22	\$ 3,031,736	\$ 322,810	\$ 298,313	-3.031736339	-3.03173634					
75		2022-23	\$ 3,316,798	\$ 374,468	\$ 332,661	-3.31679838	-3.31679838					
76		2023-24	\$ 3,593,734	\$ 434,308	\$ 370,893	-3.59373446	-3.59373446					
77		2024-25	\$ 3,852,598	\$ 503,174	\$ 413,077	-3.852598341	-3.85259834					

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Condominium Associations

Bill Number(s): HB 1257

Entire Bill

Partial Bill: Section 1, 2 and 4

Sponsor(s): Rep. Tomkow

Month/Year Impact Begins: July 1, 2020

Date of Analysis: 1/29/2020

Section 1: Narrative

- a. Current Law:** Section 194.011(3)(e), Florida Statutes, reads: 3) (e) A condominium association, cooperative association, or any homeowners' association as defined in s. [723.075](#), with approval of its board of administration or directors, may file with the value adjustment board a single joint petition on behalf of any association members who own parcels of property which the property appraiser determines are substantially similar with respect to location, proximity to amenities, number of rooms, living area, and condition. The condominium association, cooperative association, or homeowners' association as defined in s. [723.075](#) shall provide the unit owners with notice of its intent to petition the value adjustment board and shall provide at least 20 days for a unit owner to elect, in writing, that his or her unit not be included in the petition.

Section 191.181 (2) reads: In any case brought by the taxpayer or association contesting the assessment of any property, the county property appraiser shall be party defendant. In any case brought by the property appraiser pursuant to s. [194.036\(1\)\(a\)](#) or (b), the taxpayer shall be party defendant. In any case brought by the property appraiser pursuant to s. [194.036\(1\)\(c\)](#), the value adjustment board shall be party defendant.

- b. Proposed Change:** Revises Section 194.011(3)(e), Florida Statutes, to create a new subparagraph 2. to read: 2. A condominium association, as defined in s. 718.103, or a cooperative association, as defined in s. 719.103, that has filed a single joint petition under this subsection may continue to represent, prosecute, and defend the unit owners through any related subsequent proceeding in any tribunal, including judicial review under part II of this chapter and any appeals. This subparagraph is intended to clarify existing law and applies to cases pending on July 1, 2020.

Revises Section 191.181 (2) to create a new paragraph (c) to read: (c)1. In any case brought by the property appraiser under s. 194.036(1)(a) or (b) concerning a value adjustment board decision on a single joint petition filed by a condominium or cooperative association under s. 194.011(3), the association and all unit owners included in the single joint petition are the party defendants.

2. The condominium or cooperative association must provide unit owners with notice of its intent to respond to or answer the property appraiser's complaint and advise the unit owners that they may elect to:

- a. Retain their own counsel to defend the appeal;
- b. Choose not to defend the appeal; or

c. Be represented together with other unit owners in the response or answer filed by the association.

3. The notice required in subparagraph 2. must be mailed, delivered, or electronically transmitted to unit owners and posted conspicuously on the condominium or cooperative property in the same manner for notice of board meetings under ss. 718.112(2) and 719.106(1). Any unit owner who does not respond to the association's notice will be represented in the response or answer filed by the association.

Section 2: Description of Data and Sources

Conversations with Property Appraiser Staff

2019 Real Property Assessment Rolls

2019-20 statewide millage rates

Section 3: Methodology (Include Assumptions and Attach Details)

These sections amend the power of condominium and co-op associations to allow the associations or their tax representatives to continue representing unit or parcel owners if the property appraiser appeals the VAB's decision when a joint petition was filed for the parcels within the association under s. 194.011, F.S. Section 4 of the language amends the chapter limiting the power of a condo association. There is no similar amendment to the chapter governing cooperative associations, so the analysis will be limited to condos.

Currently, if a property appraiser appeals the VAB's decision on a joint petition of condominium parcels, the property appraiser files suit against each condo's owner(s) separately. Owners who do not respond to the suit are defaulted against and the VAB's

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Condominium Associations

Bill Number(s): HB 1257

decision for those parcels is overturned, raising the value of the parcel and increasing the taxes levied. Assuming condo associations will always respond, the estimated impact of this bill can be based on the taxes levied on the value returned to the roll due to the individual condo owner’s lack of response to the property appraiser’s suit.

According to data from Miami-Dade County’s property appraiser’s office, the total value in taxes levied due to VAB actions being appealed in pending cases stemming from jointly filed condo petitions is \$23,874,217 for the 2014-2018 tax years. This is an annual average fiscal impact of \$5.9 million. This value represents those condo owners that consented to be included in the case.

The high, middle, and low impacts hinge on the percentage of condo owners who choose not to respond to a suit brought by the property appraiser and have defaulted rather than be included in the cases. The high estimate is set at 100%, the middle at 60%, and the low at 30%.

As the bill provides that the change in law applies to all pending cases, the nonrecurring impact for the pending cases must be modeled as well. The high estimate assumes that the entire stock of pending cases will be resolved in the first year of the forecast at the high rate of 75% success. The middle assumes that the stock of pending cases will be resolved equally over two years at the middle success rate of 50%. The low assumes the cases will be solved equally over three years at the low success rate of 25%.

Additionally, the impact must consider the rate at which the condo associations would prevail. For purposes of the estimates, it was assumed that the association would prevail 75% of the time in the high, 50% in the middle and 25% in the middle. The single-year impact is grown at the average annual growth rate of taxes levied (using data from the Ad Valorem Data Book).

As the bill provides that the change in law applies to all pending cases, the nonrecurring impact for the pending cases must be modeled as well. The high estimate assumes that the entire stock of pending cases will be resolved in the first year of the forecast at the high rate of 75% success. The middle assumes that the stock of pending cases will be resolved equally over two years at the middle success rate of 50%. The low assumes the cases will be solved equally over three years at the low success rate of 25%.

The total impacts are separated into school and non-school by using the percent of the total 2019-20 statewide effective millage rate belonging to each category.

Section 4: Proposed Fiscal Impact

School Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(\$8.8)	(\$1.6)	(\$2.1)	(\$0.6)	(\$0.4)	(\$0.2)
2021-22	(\$1.7)	(\$1.7)	(\$2.1)	(\$0.7)	(\$0.4)	(\$0.2)
2022-23	(\$1.8)	(\$1.8)	(\$0.7)	(\$0.7)	(\$0.4)	(\$0.2)
2023-24	(\$1.9)	(\$1.9)	(\$0.8)	(\$0.8)	(\$0.2)	(\$0.2)
2024-25	(\$2.0)	(\$2.0)	(\$0.8)	(\$0.8)	(\$0.2)	(\$0.2)

Non-School Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(\$14.5)	(\$2.7)	(\$3.4)	(\$1.1)	(\$0.7)	(\$0.3)
2021-22	(\$2.8)	(\$2.8)	(\$3.5)	(\$1.1)	(\$0.7)	(\$0.3)
2022-23	(\$3.0)	(\$3.0)	(\$1.2)	(\$1.2)	(\$0.7)	(\$0.3)
2023-24	(\$3.2)	(\$3.2)	(\$1.3)	(\$1.3)	(\$0.3)	(\$0.3)
2024-25	(\$3.4)	(\$3.4)	(\$1.4)	(\$1.4)	(\$0.3)	(\$0.3)

List of affected Trust Funds: Ad Valorem Group

Section 5: Consensus Estimate (Adopted: 01/31/2020): The Conference adopted the middle estimate.

	Non-School		School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(3.4)	(1.1)	(2.1)	(0.6)	(5.5)	(1.7)
2021-22	(3.5)	(1.1)	(2.1)	(0.7)	(5.6)	(1.8)
2022-23	(1.2)	(1.2)	(0.7)	(0.7)	(1.9)	(1.9)
2023-24	(1.3)	(1.3)	(0.8)	(0.8)	(2.0)	(2.0)
2024-25	(1.4)	(1.4)	(0.8)	(0.8)	(2.2)	(2.2)

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Condominium Associations
Bill Number(s): HB 1257

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	0.0	0.0	0.0	0.0	(5.5)	(1.7)	(5.5)	(1.7)
2021-22	0.0	0.0	0.0	0.0	(5.6)	(1.8)	(5.6)	(1.8)
2022-23	0.0	0.0	0.0	0.0	(1.9)	(1.9)	(1.9)	(1.9)
2023-24	0.0	0.0	0.0	0.0	(2.0)	(2.0)	(2.0)	(2.0)
2024-25	0.0	0.0	0.0	0.0	(2.2)	(2.2)	(2.2)	(2.2)

	A	B	C	D	E	F	G	H
1	Condo Association Impact							
2	Shift in Tax Dollars involved in Appellate Court Cases							
3								
4	When the PA separately files against individual condo owners, those who do not respond are defaulted against.							
5	The cases in front of the appellate court have a potential shift in tax dollars spread over four years.							
6	Most of the overall VAB shift in taxes takes place in Miami-Dade County. On the 2016 to 2018 roll, 80% of the just value changes due to VAB actions for condo parcels (use code = 4) were within Miami-Dade County. This analysis assumes Miami-Dade's court activity is proportional to the state's for ongoing activity but not for pending activity.							
7		Years	Potential Shift					
8		2014	\$ 3,274,998					
9		2015	\$ 7,676,199					
10		2016	\$ 2,514,235					
11		2017	\$ 9,020,652					
12		2018	\$ 2,833,593					
13		Total all pending	\$ 25,319,677					
14		Single Year (average)	\$ 5,063,935					
15								
16	Annual Impact							
17	If the PA files a single suit against the condo association, the association is assumed to respond and fight against higher valuation.							
18	The impact stems from the percentage of condos where the owners did not respond to the suit and were defaulted against, but whose condo association will now handle the court case.							
19								
20			HIGH	MIDDLE	LOW			
21		Percent of Condo Owners Non-Responsive to Suits	100%	60%	30%			
22		Newly Not Defaulted Tax Dollars -recurring	\$ 5,063,935	\$ 3,038,361	\$ 1,519,181			
23		Newly Not Defaulted Tax Dollars -nonrecurring	\$ 25,319,677	\$15,191,806	\$ 7,595,903.10			
24	Annual Growth Rate in Statewide Taxes Levied							
25								
26		Year	Percent Increase Since Previous Year					
27		2015	6.80%					
28		2016	5.15%					
29		2017	6.08%					
30		2018	6.49%					
31		Average Annual Increase	6.13%					
32	Taken from the Millage and Taxes Levied Report in DOR's Data Book.							
33								
34	Rate at which Condo Associations would prevail at Circuit Court under proposed law							
35		HIGH	MIDDLE	LOW				
36		75%	50%	25%				
37								

	A	B	C	D	E	F	G	H
38	Impact Calculation							
39		Lost Tax Dollars						
40		YEAR	HIGH	MIDDLE	LOW			
41		Single Historical Year	\$ (3,797,952)	\$ (1,519,181)	\$ (379,795)			
42		Non-Recurring	\$ (25,319,677)	\$ (15,191,806)	\$ (7,595,903)			
43		2019	\$ (4,030,766)	\$ (1,612,306)	\$ (403,077)			
44		2020	\$ (4,277,852)	\$ (1,711,141)	\$ (427,785)			
45		2021	\$ (4,540,084)	\$ (1,816,034)	\$ (454,008)			
46		2022	\$ (4,818,391)	\$ (1,927,357)	\$ (481,839)			
47		2023	\$ (5,113,759)	\$ (2,045,504)	\$ (511,376)			
48		2024	\$ (5,427,232)	\$ (2,170,893)	\$ (542,723)			
49								
50		Non-Recurring Impact Assumptions						
51		High	Middle	Low				
52		100% in first year	50% in each of first 2 years	one-third in each of the first three years				
53								
54	Impact Estimate: School & Non-School							
55			High		Middle		Low	
56		Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
57		2019-20	(\$23.3)	(\$4.3)	(\$5.5)	(\$1.7)	(\$1.1)	(\$0.4)
58		2020-21	(\$4.5)	(\$4.5)	(\$5.6)	(\$1.8)	(\$1.1)	(\$0.5)
59		2021-22	(\$4.8)	(\$4.8)	(\$1.9)	(\$1.9)	(\$1.1)	(\$0.5)
60		2022-23	(\$5.1)	(\$5.1)	(\$2.0)	(\$2.0)	(\$0.5)	(\$0.5)
61		2023-24	(\$5.4)	(\$5.4)	(\$2.2)	(\$2.2)	(\$0.5)	(\$0.5)
62								
63	Separate School from Non-School							
64		2019 Statewide Effective Millage Rates						
65			Rate	Percent				
66		School	6.5223	38%				
67		Non-School	10.8014	62%				
68		Total	17.3237	100%				
69								
70	School Impact		High		Middle		Low	
71		Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
72		2019-20	(\$8.8)	(\$1.6)	(\$2.1)	(\$0.6)	(\$0.4)	(\$0.2)
73		2020-21	(\$1.7)	(\$1.7)	(\$2.1)	(\$0.7)	(\$0.4)	(\$0.2)
74		2021-22	(\$1.8)	(\$1.8)	(\$0.7)	(\$0.7)	(\$0.4)	(\$0.2)
75		2022-23	(\$1.9)	(\$1.9)	(\$0.8)	(\$0.8)	(\$0.2)	(\$0.2)
76		2023-24	(\$2.0)	(\$2.0)	(\$0.8)	(\$0.8)	(\$0.2)	(\$0.2)
77								
78	Non-School Impact		High		Middle		Low	
79		Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
80		2019-20	(\$14.5)	(\$2.7)	(\$3.4)	(\$1.1)	(\$0.7)	(\$0.3)
81		2020-21	(\$2.8)	(\$2.8)	(\$3.5)	(\$1.1)	(\$0.7)	(\$0.3)
82		2021-22	(\$3.0)	(\$3.0)	(\$1.2)	(\$1.2)	(\$0.7)	(\$0.3)
83		2022-23	(\$3.2)	(\$3.2)	(\$1.3)	(\$1.3)	(\$0.3)	(\$0.3)
84		2023-24	(\$3.4)	(\$3.4)	(\$1.4)	(\$1.4)	(\$0.3)	(\$0.3)

REVENUE ESTIMATING CONFERENCE

Tax: Insurance Premium Tax
Issue: Fire Control District Surtax
Bill Number(s): HB 1331

- Entire Bill**
 Partial Bill: Section 1

Sponsor(s): Rep. Roach

Month/Year Impact Begins: July 1, 2020

Date of Analysis: 1/30/2020

Section 1: Narrative

- a. Current Law: Current Law:** Section 175.041, F.S., establishes a special firefighters' pension trust fund in which each municipality and special fire control district in this state may participate. Participation in the trust fund is limited to incorporated municipalities and to special fire control districts. Unincorporated areas of a county may not participate unless a special fire control district includes the unincorporated areas. Single consolidated governments of a county and one or more municipalities are also allowed to participate in the trust fund. Monies for the fund come from the premium tax imposed by s. 175.101, F.S.

The provisions of this chapter shall apply only to municipalities organized and established pursuant to the laws of the state and to special fire control districts, and said provisions shall not apply to the unincorporated areas of any county or counties except with respect to special fire control districts that include unincorporated areas, nor shall the provisions hereof apply to any governmental entity whose firefighters are eligible to participate in the Florida Retirement System.

A municipality that has entered into a one year or longer interlocal agreement with another incorporated municipality may receive the premium taxes of the municipality with which it has an agreement when the criteria specified in s. 175.041(3)(c), F.S., are met. The municipality providing the fire services must notify the Division of Retirement (Division) of the Department of Management Services of the interlocal agreement to provide fire protection services. The Division may then distribute any premium taxes reported for the other incorporated municipality to the municipality providing the fire services.

- b. Proposed Change:** Section 175.041(3), F.S., is amended to allow municipal service taxing units (MSTU's) in unincorporated areas receiving fire protection services from an incorporated municipality or special fire control districts to participate in the trust fund. A municipality may also enter into an interlocal agreement to provide fire protection services to a MSTU in an unincorporated area and receive any premium taxes levied by the unincorporated MSTU, in the same manner as currently allowed with the incorporated municipalities.

Section 2: Description of Data and Sources

Lee County Taxing Authority Specific Data:

https://www.leepa.org/TaxRoll/2019NALRecap_Prelim/2019_Prelim_NAL_Authority_014.pdf
https://www.leepa.org/TaxRoll/2019NALRecap_Prelim/2019_Prelim_NAL_Authority_058.pdf
https://www.leepa.org/TaxRoll/2019NALRecap_Prelim/2019_Prelim_NAL_Authority_011.pdf
https://www.leepa.org/TaxRoll/2019NALRecap_Prelim/2019_Prelim_NAL_Authority_093.pdf

Collier County 2019 Final tax Roll

Collier County Taxing Authority Codes

Firefighter's 2018 Premium Tax Distribution Calculation – DMS https://www.rol.frs.state.fl.us/forms/Fire_2018.pdf

Just Value Growth Rates for all property – January 6, 2020 Ad Valorem Estimating Conference

Section 3: Methodology (Include Assumptions and Attach Details)

The affected MSTU's were identified as part of an analysis performed on a similar proposal in 2015 and it was assumed that the same taxing authorities would be affected by this legislation. As a majority of the taxing authorities were in Lee county, the City of Cape Coral was used as a basis for impact. The 2018 amount levied under section 175.101 for the city of Cape Coral was identified from the Firefighter's 2018 Premium Tax Distribution Calculation. This tax amount was divided by the 1.85% rate to obtain the amount of taxable premiums. As the tax under section 175.101 only applies to property insurance (and certain multiple peril lines) the premium amount was divided by the reported value of buildings as reported for Cape Coral by the Lee County Property Appraiser. This percent was then applied to the building value as reported for the other affected taxing authorities in Lee and Collier County to arrive at estimated taxable premiums in each of those taxing authorities, to which the 1.85% rate was then applied to arrive at the tax amount. These amounts were then grown into the forecast period using the real property just value growth rates from the 1/6/2020 Ad Valorem Assessment estimating conference to arrive at the middle estimate. For the low, it was assumed that lone of the taxing authorities in the middle was not eligible. For the high, it was assumed that other taxing authorities were also eligible to the extent of 3 times the middle. As there is a credit against the GR portion of the insurance premium tax for

REVENUE ESTIMATING CONFERENCE

Tax: Insurance Premium Tax

Issue: Fire Control District Surtax

Bill Number(s): HB 1331

the section 175.101 tax, the state General Revenue impact is the additive inverse of the positive local impact, making the total impact zero.

The cash impact for the first year was assumed to be 50% of the recurring due to the July 1, 2020 effective date.

Section 4: Proposed Fiscal Impact

Local Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	\$ 0.3	\$ 0.5	\$ 0.2	\$ 0.2	\$ 0.1	\$ 0.1
2021-22	\$ 0.6	\$ 0.6	\$ 0.2	\$ 0.2	\$ 0.1	\$ 0.1
2022-23	\$ 0.6	\$ 0.6	\$ 0.2	\$ 0.2	\$ 0.1	\$ 0.1
2023-24	\$ 0.6	\$ 0.6	\$ 0.2	\$ 0.2	\$ 0.1	\$ 0.1
2024-25	\$ 0.6	\$ 0.6	\$ 0.2	\$ 0.2	\$ 0.1	\$ 0.1

State General Revenue Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	\$ (0.3)	\$ (0.5)	\$ (0.2)	\$ (0.2)	\$ (0.1)	\$ (0.1)
2021-22	\$ (0.6)	\$ (0.6)	\$ (0.2)	\$ (0.2)	\$ (0.1)	\$ (0.1)
2022-23	\$ (0.6)	\$ (0.6)	\$ (0.2)	\$ (0.2)	\$ (0.1)	\$ (0.1)
2023-24	\$ (0.6)	\$ (0.6)	\$ (0.2)	\$ (0.2)	\$ (0.1)	\$ (0.1)
2024-25	\$ (0.6)	\$ (0.6)	\$ (0.2)	\$ (0.2)	\$ (0.1)	\$ (0.1)

Total Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	\$0	\$0	\$0	\$0	\$0	\$0
2021-22	\$0	\$0	\$0	\$0	\$0	\$0
2022-23	\$0	\$0	\$0	\$0	\$0	\$0
2023-24	\$0	\$0	\$0	\$0	\$0	\$0
2024-25	\$0	\$0	\$0	\$0	\$0	\$0

List of affected Trust Funds: General Revenue Group, Insurance Premium Firefighter Trust Fund

Section 5: Consensus Estimate (Adopted: 01/31/2020): The Conference adopted the high estimate, correcting the calculation of just value of buildings for Collier County.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(0.1)	(0.3)	0.0	0.0	0.1	0.3	0.0	0.0
2021-22	(0.3)	(0.3)	0.0	0.0	0.3	0.3	0.0	0.0
2022-23	(0.3)	(0.3)	0.0	0.0	0.3	0.3	0.0	0.0
2023-24	(0.3)	(0.3)	0.0	0.0	0.3	0.3	0.0	0.0
2024-25	(0.3)	(0.3)	0.0	0.0	0.3	0.3	0.0	0.0

	A	B	C	D	E
1	Cape Coral IPT Surtax				
2	Firefighter's Surtax	\$1,748,084	1.8500%		
3	Premium value	\$94,491,010			
4					
5	Just Value - Buildings	\$15,212,848,931			
6	Premium as a % of Just Value	0.62%			
7					
8	Lee County	Fire protection units	Burnt Store MSTU	Lee Co Maravilla MSTU	Useppa Island MSTU
9	Est. Firefighter's Surtax	=	\$51,053	\$847	\$5,398
10	Premium Value		\$2,759,604	\$136,422	\$291,767
11					
12		Just Value	\$444,290,284	\$21,963,570	\$46,973,803
13					
14					
15		Collier County Fire MSTU	Goodland		
16	Total Just Value	\$843,121,495	\$108,488,370		
17	Total Land Value	\$648,343,224	\$60,064,183		
18	Total Building Value	\$194,778,271	\$48,424,187		
19	Premium as a % of Just Value	0.62%	0.62%		
20	Premium Value	\$1,209,819	\$300,775		
21	Firefighter's Surtax	\$22,382	\$5,564		
22					
23		High (3 times middle)	Middle (5 jurisdictions)	Low (excludes Collier County MSTU)	
24	Impact - Local	\$255,731	85,244	\$62,862	
25					
26	Growth	Ad Valorem Just Value Growth Rates			
27		2020-21	5.66%		
28		2021-22	5.31%		
29		2022-23	5.13%		
30		2023-24	4.98%		
31		2024-25	4.83%		
32					
33			High	Middle	Low
34	Impact - Local	2020-21	\$270,205	\$90,068	\$66,420
35		2021-22	\$284,553	\$94,851	\$69,947
36		2022-23	\$299,151	\$99,717	\$73,535
37		2023-24	\$314,049	\$104,683	\$77,197
38		2024-25	\$329,217	\$109,739	\$80,926
39					
40	Impact - State	2020-21	-\$270,205	-\$90,068	-\$66,420
41		2021-22	-\$284,553	-\$94,851	-\$69,947
42		2022-23	-\$299,151	-\$99,717	-\$73,535
43		2023-24	-\$314,049	-\$104,683	-\$77,197
44		2024-25	-\$329,217	-\$109,739	-\$80,926
45					
46	Total Impact	2020-21	0.0	0.0	0.0
47		2021-22	0.0	0.0	0.0
48		2022-23	0.0	0.0	0.0
49		2023-24	0.0	0.0	0.0
50		2024-25	0.0	0.0	0.0

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Mobile Home Rate Reduction

Bill Number(s): CS/SB818 - Proposed Language - Section 1

Entire Bill

Partial Bill:

Sponsor(s):

Month/Year Impact Begins: Upon becoming a law.

Date of Analysis: February 7 31, 2020

Section 1: Narrative

a. Current Law:

Under current law in Ch. 212, F.S., mobile home sales, delivery, and installation are subject to the 6% Sales and Use Tax. Delivery and installation are required with the purchase.

b. Proposed Change: The proposed language reduces the sales tax on mobile homes from 6 percent to 3 percent. The bill is silent on the tax rate for delivery and installation.

Section 2: Description of Data and Sources

- 2017 Manufactured Housing Facts: Industry Overview published March 2018 by the Manufactured Housing Institute, <https://www.manufacturedhousing.org/wp-content/uploads/2017/10/2017-MHI-Quick-Facts.pdf>, last accessed 2/6/2020.
- Florida population growth, December 2019 Demographic Estimating Conference.
- Cost of delivery and installation, <https://homeguides.sfgate.com/average-cost-deliver-set-up-mobile-home-96554.html>
- Florida Housing Data Clearinghouse, University of Florida, <http://flhousingdata.shimberg.ufl.edu/parcels-and-sales/results?nid=1>
- US Census Bureau, American Community Survey 2018, Mobile home counts and median price of owner-occupied mobile homes.
- IBISWorld Industry Report 45393, Manufactured Home Dealers in the US, "Home sweet home: High access to credit and low interest rates have fueled industry revenue growth," December 2019.

Section 3: Methodology (Include Assumptions and Attach Details)

Method I: This method uses mobile home segmentation by type from IBIS World and applies it to 2018 sales and mean price also from IBIS World. For the 2018 sales number, it is assumed sales tax was part of the total price so sales are reduced by 6% and the \$50 max local option tax per transaction. Sales before taxes are then reduced for the 88.2% of sales that are estimated to be new sales by IBIS. Sales before taxes of new mobile homes is grown by IBIS World growth rates forecast for 2019. There is no impact to local option.

Method II: The analysis dated 1/31/2020 was updated by switching to a different source of new mobile home sales.

This method takes shipments of new single-section and multi-section manufactured homes for Florida for calendar 2017 from the Manufactured Housing Institute's 2017 annual report and grows them by growth rate of titles from the REC. Shipments data reflect units sold better than administrative counts of titles because each section is required to have a title and a registration under Florida law. For example, a buyer of a double-section mobile home must pay for two titles and two registrations. Administrative data will record each section of the multi-section mobile home as a new title, over counting the number of homes sold.

The price used is the adopted price of \$80,000 from the January 31, 2020 REC on this proposed language. It is assumed that shipments equal sales. No adjustment was made to the growth rate of titles to account for potentially changing composition of single-section versus multi-section homes. To illustrate, if in year 1 there were 100 sales of single-section mobile homes then there would be 100 titles issued. If in year 2 there were 100 sales of double-section mobile homes, then there would be 200 titles issued. The growth in sales equals zero but the growth in titles issued equals 100%.

Method III: This method uses the IBIS World industry annual revenues from new mobile home purchases and calculates a Florida share of these revenues by applying the ratio of mobile home units in Florida and the US by the Census Bureau. This method also uses the IBIS World projected growth in revenues to grow the estimated Florida sales revenues.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Mobile Home Rate Reduction

Bill Number(s): CS/SB818 - Proposed Language - Section 1

Delivery and installation: Delivery and installation charges vary depending on the size and type of home. Delivery may be included in the sales price. DMHSMV requires a licensed installer and delivery company to be used. Internet search suggests that delivery might be between \$2,000 and \$5,000 and installation might be between \$1,000 and \$5,000. A mobile home sold in Florida must meet the wind zone requirements of the local government. This analysis does not estimate sales tax on delivery and installation separately. The delivery and installation will also be subject to the rate reduction as per s. 212.02(16), F.S.

Section 4: Proposed Fiscal Impact:

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21		(25.9)		(14.5)		(15.2)
2021-22		(26.3)		(14.7)		(15.5)
2022-23		(26.7)		(14.8)		(15.8)
2023-24		(27.1)		(15.0)		(16.1)
2024-25		(27.5)		(15.1)		(16.3)

List of affected Trust Funds: Sales and Use Tax Grouping

Section 5: Consensus Estimate (Adopted: 01/31/2020, REVISED - 02/07/2020): The Conference adopted the middle estimate. There is a current year's (FY 2019-20) cash impact of (\$2.4m).

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(12.9)	(12.9)	(Insignificant)	(Insignificant)	(0.4)	(0.4)	(1.2)	(1.2)
2021-22	(13.0)	(13.0)	(Insignificant)	(Insignificant)	(0.4)	(0.4)	(1.3)	(1.3)
2022-23	(13.1)	(13.1)	(Insignificant)	(Insignificant)	(0.4)	(0.4)	(1.3)	(1.3)
2023-24	(13.3)	(13.3)	(Insignificant)	(Insignificant)	(0.4)	(0.4)	(1.3)	(1.3)
2024-25	(13.4)	(13.4)	(Insignificant)	(Insignificant)	(0.4)	(0.4)	(1.3)	(1.3)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	0.0	0.0	(1.6)	(1.6)	(14.5)	(14.5)
2021-22	0.0	0.0	(1.7)	(1.7)	(14.7)	(14.7)
2022-23	0.0	0.0	(1.7)	(1.7)	(14.8)	(14.8)
2023-24	0.0	0.0	(1.7)	(1.7)	(15.0)	(15.0)
2024-25	0.0	0.0	(1.7)	(1.7)	(15.1)	(15.1)

Summary

Reduction in Sales Tax Collections (State)

CS/SB818 - Proposed Language - Section 1

Mobile Home Rate Reduction from 6% to 3%

Summary

	Method I - New Mobile Home Sales	Method II - Manufactured Housing Institute Data	Method III - IBIS World and Census
FY 2021	(25.9)	(14.5)	(15.2)
FY 2022	(26.3)	(14.7)	(15.5)
FY 2023	(26.7)	(14.8)	(15.8)
FY 2024	(27.1)	(15.0)	(16.1)
FY 2025	(27.5)	(15.1)	(16.3)

	A	B	C	D	E	F	G
1	CS/SB818 - Proposed Language - Section 1						
2	Mobile Home Rate Reduction from 6% to 3%						
3							
4	Overview						
5							
6	Census Bureau - Stock of Mobile Homes - 2018						
7		US	Florida				
8	Mobile homes	8,503,364	830,692				
9	FL share		9.8%				
10							
11							
12							
13							
14	Florida Mobile Homes - Stock						
15		DMVHS Registrations	DOR Real Property Rolls	TPP (NAP) - Stock	Total		
16	FY 2018	440,424	431,769		872,193		
17	FY 2019	442,496	435,073	1,000	878,569		
18							
19							
20	Stock of Mobile Homes in Florida by Number of Bedrooms, 2018 (Census Bureau)						
21	Bedrooms	Mobile Homes					
22	0	6,699					
23	1	81,348					
24	2	422,447					
25	3	269,741					
26	4	45,223					
27	5	6,021					
28	Grand Total	831,479					

	A	B	C	D
1	CS/SB818 - Proposed Language - Section 1			
2	Mobile Home Rate Reduction from 6% to 3%			
3	Method I - New Mobile Home Sales			
4	<i>Florida Mobile Home Sales</i>			
5	Housing Type	Mobile Home		
6				
7	Row Labels	Sum of Number of Sales	Sum of Mean Price, Real (2018 \$)	
8	1990	6786	76616	
9	1991	6326	70305	
10	1992	7460	67963	
11	1993	8221	66157	
12	1994	10108	65111	
13	1995	10795	66120	
14	1996	12189	62288	
15	1997	13766	62329	
16	1998	13900	68310	
17	1999	16228	68261	
18	2000	16742	67745	
19	2001	17493	71915	
20	2002	18962	78188	
21	2003	19531	85927	
22	2004	22223	97849	
23	2005	26637	116100	
24	2006	20152	118537	
25	2007	13365	108032	
26	2008	12623	88501	
27	2009	9019	78148	
28	2010	9392	71680	
29	2011	9497	64122	
30	2012	10364	62055	
31	2013	11860	64472	
32	2014	12716	67650	
33	2015	13764	73297	
34	2016	14265	77103	
35	2017	15167	82657	
36	2018	11560	86573	
37	Grand Total	391111	2234011	

	A	B	C	D
38				
39				
40				
41	<i>Sales Tax Calculations</i>			
42		Products and segmentations of mobile homes (IBIS World)		
43		New (triplewide)	2.70%	
44		New (doublewide)	51.90%	
45		New (singlewide)	23.50%	
46		Other New Homes, parts,	10.10%	
47		New	88.2%	
48				
49				
50		Revenue increase of 1.5% - 2019		
51				
52	Sales 2018	Sales Less Sales Tax	Percent New (88.2%)	2018 Sales Tax (6%)
53	\$ 1,000,783,880	\$ 943,557,736	\$ 832,217,923	\$ 49,933,075
54				
55	2019 Growth	1.50%	\$ 50,682,072	
56				
57	2019	\$ 50,682,072	FY - Conversion	
58	2020	\$ 51,442,303	\$ 51,062,187	FY 2019-20
59	2021	\$ 52,213,937	\$ 51,828,120	FY 2020-21
60	2022	\$ 52,997,146	\$ 52,605,542	FY 2021-22
61	2023	\$ 53,792,103	\$ 53,394,625	FY 2022-23
62	2024	\$ 54,598,985	\$ 54,195,544	FY 2023-24
63	2025	\$ 55,417,970	\$ 55,008,477	FY 2024-25
64				
65				
66		3% Impact		
67	FY 2020-21	\$ 25,914,060		
68	FY 2021-22	\$ 26,302,771		
69	FY 2022-23	\$ 26,697,312		
70	FY 2023-24	\$ 27,097,772		
71	FY 2024-25	\$ 27,504,239		
72				
73				

	A	B	C	D	E
1	CS/SB818 - Proposed Language - Section 1				
2	Mobile Home Rate Reduction from 6% to 3%				
3					
4	Method II - Manufactured Housing Institute Data				
5					
6	NEW INFORMATION				
7	Florida Single Section and Multi Section Manufactured Home Shipments				
8		Single	Multi	Total	
9	CY 2017	1,718	4,137	5,855	
10	Source: 2017 Manufactured Housing Facts: Industry Overview published March 2018 by				
11					
12	Mobile Home TITLES with Differentiation for				
13		NEW Sales of Mobile Homes (Assumed to be ≡ Unduplicated Titles)	ORIGINAL DMVHS New Titles - Mobile Home Purchases	Of which, DOR Real Property Rolls: NEW PURCHASES	
14	FY 2017	5,855			
15	FY 2018	5,949	8,899	2,359	
16	FY 2019	5,975	11,281	2,615	
17	FY 2020	6,020	11,367	2,404	Forecast
18	FY 2021	6,059	11,441	2,224	Forecast
19	FY 2022	6,117	11,550	2,442	Forecast
20	FY 2023	6,176	11,662	2,512	Forecast
21	FY 2024	6,241	11,786	2,545	Forecast
22	FY 2025	6,308	11,912	2,517	Forecast
23					
24	Median Value of Mobile Homes (Owner-occupied units)				
25	Median Value				
26	2016 calendar	50,500 MOE +/-1,326			
27	2017 calendar	52,300 MOE +/-1,572			
28	2018 calendar	57,600 MOE: +/-1,612			
29					
30	ADOPTED PRICE	80,000			
31					
32					
33	FY	Sales	Sales Tax Collections at 6%	Sales Tax Collections at 3%	Reduction in Sales Tax Collections
34	FY 2020	481,600,000	28,896,000	14,448,000	-14,448,000
35	FY 2021	484,720,000	29,083,200	14,541,600	-14,541,600
36	FY 2022	489,360,000	29,361,600	14,680,800	-14,680,800
37	FY 2023	494,080,000	29,644,800	14,822,400	-14,822,400
38	FY 2024	499,280,000	29,956,800	14,978,400	-14,978,400
39	FY 2025	504,640,000	30,278,400	15,139,200	-15,139,200
40					
41					

	A	B	C	D	E	F	G	H	I
1	CS/SB818 - Proposed Language - Section 1								
2	Mobile Home Rate Reduction from 6% to 3%								
3									
4	Method III - IBIS World and Census								
5									
6	Census - 2018								
7	Mobile homes in US	8,503,364							
8	Mobile homes in Florida	830,692							
9	FL share	9.8%							
10									
11									
12	IBIS World	United States				Florida			
13	Calendar Year	Industry revenues (millions \$)	Annual % Change	FY Ending	FY US Industry revenues (millions \$)	Industry revenues (millions \$)	Sales Tax Collections at 6% (millions \$)	Sales Tax Collections at 3% (millions \$)	Reduction in Sales Tax Collections (millions \$)
14	2019	5,144							
15	2020	5,232	1.7%	2020	5,188	507	30.4	15.2	(15.2)
16	2021	5,335	2.0%	2021	5,284	516	31.0	15.5	(15.5)
17	2022	5,434	1.9%	2022	5,385	526	31.6	15.8	(15.8)
18	2023	5,523	1.6%	2023	5,479	535	32.1	16.1	(16.1)
19	2024	5,597	1.3%	2024	5,560	543	32.6	16.3	(16.3)
20	2025	5,671		2025	5,634	550	33.0	16.5	(16.5)
21									
22									
23									

REVENUE ESTIMATING CONFERENCE

Tax: Reemployment Assistance

Issue: Initial Tax Rate Reduction

Bill Number(s): CS/SB1356 and HB 1253

Entire Bill

Partial Bill:

Sponsor(s): Senator Bean and Representative McClure

Month/Year Impact Begins: January 1, 2021

Date of Analysis: February 14, 2020

Section 1: Narrative

a. Current Law:

Florida's Reemployment Assistance Program imposes a tax on wages paid by Florida employers to pay for unemployment benefits received by unemployed individuals. The tax is imposed on the first \$7,000 of compensation paid to each employee. The tax rate varies from 0.1 percent to 5.4 percent depending upon the benefit experience of the employer. The initial tax rate for employers with fewer than eight chargeable quarters is 2.7%.

- b. Proposed Change:** For tax rates effective on or after January 1, 2021, the proposed bill reduces the initial rate from 2.7% to 1% for each employer whose employment record is chargeable with benefits for less than 8 calendar quarters. However, the tax collection service provider may not adjust the initial rate for any year in which the balance in the Unemployment Compensation Trust Fund requires the computation of a positive adjustment factor. The rate reduction applies to all types of employers, including the Professional Employer Organizations.

Section 2: Description of Data and Sources

- Department of Revenue, special requests dated January-February 2020.
- Long-Term Reemployment Assistance Forecast, December 2019.
- U.S. Department of Labor, Employment and Training Administration, Unemployment Insurance data, <https://oui.doleta.gov/unemploy/DataDownloads.asp>.

Section 3: Methodology (Include Assumptions and Attach Details)

Florida employers paid \$498.2 million of Reemployment Assistance into the RA trust fund in FY 2018-19, of which \$36.4 million were returned as refunds. Currently, due to the size of the trust fund, there are negative adjustment factors calculated to the rates employers pay. The Department of Revenue provided historical data for RA taxes paid by employers subject to the current 2.7% initial rate (with fewer than eight chargeable quarters). Based on the data, new employers (with fewer than eight chargeable quarters), subject to the 2.7% initial rate, paid \$179 million in RA taxes in FY 2018-19. There were approximately 94,000 employers that paid the 2.7% rate in FY 2018-19.

If the initial rate employers are charged the proposed 1% initial rate, they would have paid \$66.3 million in FY2018-19, an annual savings of \$112.7 million to those employers. As a result, RA taxes and the trust fund balance would have decreased by that amount. Rates to all other employers (earned rate employers) would have remained the same in the first year because the tax rate calculation for calendar 2021 looks at taxable wages in FY2016-17 through FY2018-19 and the trust fund balance as of September 30, 2020, none of which would be affected by the decreased initial rate at that point. As a result of the initial rate reduction, RA taxes associated with new employees will be lower by approximately this amount in each of the following years until a trust fund size test requires the calculation and application of a positive fund size adjustment factor. For example, a positive fund size adjustment factor is calculated (and would be applied towards the tax rates for 2021) if the trust fund balance of September 30, 2020 is less than 4% of the taxable payroll in the year ending June 30, 2020.

This analysis uses a new EDR reemployment assistance model for estimating RA taxes and the trust fund parameters. It uses historical data from USDOL and DOR and forecasts from the NEEC and FECC to forecast taxable wages, RA taxes, benefits, interest and then calculates trust fund balances based on these inputs. First, a baseline forecast was produced using the inputs for tax year 2020 (Baseline). Second, a static effect from the reduction in taxes on the fund size balance was produced (Scenario I). This analysis grows the initial tax reduction of 112.7 million in FY 2018-19 by the growth rate in nonfarm employment to approximate the tax savings in future years. Third, dynamic iterations of the model were run to incorporate the effects of lower taxes in each consecutive year on the trust fund balance and thus on the trust fund size factor. The latter, by statute, affects the future tax rates of earned rate employers (Section 443.131.(3)(e) III (A), F.S. 2019). Two iterations are shown: Scenario II shows the initial feedback effect from a reduced trust fund balance on the tax rate for rated employers; and Scenario III shows

REVENUE ESTIMATING CONFERENCE

Tax: Reemployment Assistance

Issue: Initial Tax Rate Reduction

Bill Number(s): CS/SB1356 and HB 1253

subsequent effects of the interaction among reduced tax collections, a reduced trust fund balance and a slightly higher tax rate on rated employers.

For FY2020-21, the impact will be a reduction in tax collections and its effect on the trust fund balance. Only the last quarter of the fiscal year will be affected because taxes for q1 of 2021 are counted as collections in q2 of 2021. The tax rate of rated employers will not be affected since their rate would have been determined on data prior to the effect of the proposed law change. For FY2021-22, tax collections will be reduced in all four quarters. However, tax rates for rated employers will not be affected for the first three quarters. The interest forecast was held constant.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(\$66.2m)	(\$66.2m)		
2021-22			(\$92.3m)	(\$92.3m)		
2022-23			(\$62.4m)	(\$62.4m)		
2023-24			\$47.4m	\$47.4m		
2024-25			\$74.2m	\$74.2m		

List of affected Trust Funds:

Section 5: Consensus Estimate (Adopted: 01/31/2020, REVISED: 02/14/2020): The Conference adopted the proposed estimate. The Conference notes that this is a net impact, however, this results from a discrete savings that would ultimately be offset by a lower negative adjustment factor that over time increases the cost to other taxpayers resulting in less of a savings than would have otherwise been achieved.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	0.0	0.0	(66.2)	(66.2)	0.0	0.0	(66.2)	(66.2)
2021-22	0.0	0.0	(92.3)	(92.3)	0.0	0.0	(92.3)	(92.3)
2022-23	0.0	0.0	(62.4)	(62.4)	0.0	0.0	(62.4)	(62.4)
2023-24	0.0	0.0	47.4	47.4	0.0	0.0	47.4	47.4
2024-25	0.0	0.0	74.2	74.2	0.0	0.0	74.2	74.2

Federal law allows states to assign new employer tax rates on a “reasonable basis”, but in no case may the new employer rate be less than 1 percent of taxable wages. For new companies that do not have an experience rating with the state, a new business rate is established and used until the company has been in business long enough to establish an experience rating. In Florida, the new business tax rate is a flat 2.7 percent. Each state also has slightly different periods before a rating will be assigned; in Florida, this period is approximately two and one-half years (10 quarters) of chargeability.

Generally, states work to keep the initial rates low for new businesses to encourage their formation; however, the creation of a low new employer tax rate has to be analyzed with respect to both the potential future benefit charges against new employers and the trust fund balance since the system is interactive. Given that only one-half of new businesses survive more than five years (50.2 percent of Florida businesses opening in 2014 were still there in 2019), the potential for layoffs is high among this group—leading to high benefit payments. Nationally, new construction employers have the lowest five-year survival rate (36.4 percent in 2005). Benefit costs charged to an employer who has gone out of business are referred to as “inactive” charges; they are a type of socialized benefit cost.¹ Over the twenty-year period running from 1995 through 2014, Florida had a greater average percentage of inactively charged benefit costs than the nation as a whole. These charges represented 10.5 percent of all benefit costs. Nevertheless, changing the tax rate for new employers should have only small effects on the socialized charges associated with inactive accounts.

This means that the greatest effect from the tax rate change for new employers relates to trust fund solvency. Nationally, there is some evidence that new employer tax payments generally exceed their charged benefits. To have a balanced system, the new employer rate should generally match averaged charged benefits for this group as a percent of their taxable payroll. Otherwise, the trust fund balance is positively or negatively affected, depending on the circumstances. A rule of thumb guide uses five years for this calculation. Data for Florida is currently not available; however, it is likely that 2.7 percent is higher than needed, but that 1.0 percent may be too low. Among all states, the trends in new employer tax rates between 1985 and 2015 have been towards increased tax rate diversity and towards lower overall averages.

The US Department of Labor produces an annual report of significant tax metrics for state unemployment insurance programs. One of its preferred measures for solvency and adequacy is the percentage difference between the state’s average tax rate and the Minimum Adequate Financing Rate (AFR). This measure shows how the state’s current level of financing compares to the determined adequate level. A large negative number corresponds to a level of financing that is well below adequate. This measure can be combined with the level of solvency (Average High Cost Multiple or AHCM) to suggest that a state may have an inadequate level of taxation if they have a large negative difference from the adequate financing rate and a low level of solvency. In 2018, Florida scored -33 percent (7th from the bottom among all states) and 1.07 (close to the US average and above the standard of 1.0), respectively.

Finally, when the trust fund balance is higher than necessary, neither the businesses nor the state benefits. The excess dollars are simply removed from the economy, a deadweight loss until they reenter the economy.²

¹ There are three types of socialized benefit costs: (1) non-charges are benefit costs that are not charged to any employer based on the view that they are beyond the control of employers; (2) inactive charges are benefit costs related to an employer who has gone out of business; and (3) ineffective charges reflect the portion of benefit costs that is charged to employers who are already paying the maximum payroll tax rate. The first type of socialized benefit cost would not be relevant to this discussion, and the third type is only marginally relevant.

² This is similar to the analysis of state reserves. See: <http://edr.state.fl.us/Content/presentations/economic-development/EconDevelopmentReserveAnalysis.pdf>

HOW RATES ARE CALCULATED

How Rates Are Calculated

The reemployment assistance program is a federal-state partnership. Each state determines benefit qualification levels and amounts, benefit duration, disqualifications, and tax structure, within federal limits.

For example, federal guidelines require each state to:

Base its tax structure on benefit experience

Have a new employer tax rate of at least 1.0%

Have a maximum tax rate of at least 5.4%

Have a taxable wage base of at least \$7,000

Each state sets tax rates, benefit levels, and trust fund balances based on that state's needs. Each state has its own benefit trust fund account within the U.S. Treasury. In Florida, the account is funded by a tax paid by employers.

Florida assigns new employers an initial tax rate of 2.7%. This rate stays in effect for the first 10 quarters. At the end of this period, an employer has enough history to qualify for an experience-based tax rate. The formula for calculating the rate combines three major factors:

The individual benefit ratio makes up the greatest portion of the employer's final tax rate. This ratio is calculated by dividing the previous three years of benefit charges for former employees by the taxable payroll for that same three-year period. The benefits charged and the size of the payroll have a direct effect on the employer's tax rate.

The timely reported taxable payroll uses up to \$8,000 for each employee prior to 2015 and up to \$7,000 for each employee thereafter.

The variable adjustment factor (multiplier) is made up of three ratios that spread the costs among employers that have had benefit charges in the three previous years.

The last three years of non-charged benefits (those not attributable to any employer).

Excess payments (the portion of benefit charges which exceed the maximum rate of 5.4%).

The fund size factor, which, depending on the amount in the trust fund, may affect the tax rate. If the amount in the trust fund is between 4% and 5% of the previous year's taxable payroll, no adjustment factor is made to the tax rate. If the balance in the trust fund is below 4% of the previous year's taxable payroll, a positive adjustment factor is computed each year until the fund balance equals or exceeds 4% of the previous year's taxable payroll. A positive adjustment factor will increase tax rates. If the balance in the trust fund is above 5% of the previous year's taxable payroll, a negative adjustment factor is computed each year until the fund balance is less than 5% of the previous year's taxable payroll. A negative adjustment factor will decrease tax rates.

The final adjustment factor spreads costs not included in the second factor to all employers whose rates are not at the initial or maximum rate. This factor is also distributed among employers who had no benefit charges in the preceding three years. This factor determines the minimum rate for the tax year.

Ideally, each employer would pay the exact amount of reemployment assistance benefits that are chargeable to his or her account. This is not possible because the maximum contribution rate is 5.4%, and sometimes benefit payments are not charged to a specific employer. These added costs are divided among all rated employers through the variable adjustment factor and the final adjustment factor. Each employer's contribution rate is his or her benefit cost, plus a share of unassigned costs. This keeps the reemployment assistance program solvent.

IBR(i) = Individual Benefits Ratio	micro	= 3-Year Rated Benefits(i) / 3-Year Taxable Payroll(i)		
FF = Fund Size Factor	macro	= ((0.047 * 1-Year Taxable Payroll - Trustfund Balance) / 4) / 1-Year Taxable Payroll	zero if between 3.7% and 4.7%	Rate years through 2009
		= ((0.05 * 1-Year Taxable Payroll - Trustfund Balance) / 3) / 1-Year Taxable Payroll	zero if between 4.0% and 5.0%	Rate years 2010-2012
		= ((0.05 * 1-Year Taxable Payroll - Trustfund Balance) / 5) / 1-Year Taxable Payroll	zero if between 4.0% and 5.0%	Rate years 2013-2018
		= ((0.05 * 1-Year Taxable Payroll - Trustfund Balance) / 4) / 1-Year Taxable Payroll	zero if between 4.0% and 5.0%	Rate years 2019 and on
NC = Noncharge Factor	macro	= 3-Year Noncharges / 3-Year Experience Rated Payroll		
EP = Excess Payment Factor	macro	= 3-Year Excess Payments / 3-Year Experience Rated Payroll		
GBR = Gross Benefit Ratio	macro	= (3-Year Rated Benefits - 3-Year Excess Payments) / 3-Year Experience Rated Payroll		
Multiplier	macro	= (NC+EP+FF) / GBR		
VAF(i) = Variable Adjustment Factor	micro	= Multiplier * IBR(i) = (NC+EP+FF/GBR) * IBR(i)		
Sum of Products(i)	micro	= VAF(i) * 1-Year Taxable Payroll(i)		
FAF = Final Adjustment Factor	macro	= (NC+EP+FF) - (Sum of Products / 3-Year Experience Rated Payroll)		
Employer Tax Rate(i)	micro	= IBR(i) + VAF(i) + FAF(i)		

CS/SB1356

Reemployment Assistance - Initial Tax Rate Reduction

Taxpayers at the initial rate of 2.7%

FY	Taxable wages (\$)	Tax due at 2.7% (\$)	Taxpayer count	Tax due at 1% (\$)	Savings to initial rate taxpayers (2.7%-1%) (\$)
2012-13	6,610,347,956	178,479,448	88,749	66,103,480	112,375,968
2013-14	7,036,733,781	189,991,432	90,689	70,367,338	119,624,094
2014-15	6,841,719,972	184,726,306	91,989	68,417,200	116,309,106
2015-16	6,893,680,491	186,129,236	94,507	68,936,805	117,192,431
2016-17	6,848,446,036	184,908,095	94,312	68,484,460	116,423,635
2017-18	6,534,688,968	176,436,654	94,564	65,346,890	111,089,764
2018-19	6,631,222,519	179,043,060	93,590	66,312,225	112,730,835

Source: Department of Revenue, special tabulation, February 2020.

RA Tax Collections - Scenarios

	Baseline	Static Impact Reduction to 1%	Scenario 1	FAF Impact #1	Scenario 2	FAF Impact #2	Scenario 3	FAF Impact #3	Scenario 3 - Baseline	Cumulative
FY 16-17	\$766,462,306	\$0	\$766,462,306	\$0	\$766,462,306	\$0	\$766,462,306	\$0		
FY 17-18	\$551,123,535	\$0	\$551,123,535	\$0	\$551,123,535	\$0	\$551,123,535	\$0		
FY 18-19	\$445,549,669	\$0	\$445,549,669	\$0	\$445,549,669	\$0	\$445,549,669	\$0		
FY 19-20	\$409,644,400	\$0	\$409,644,400	\$0	\$409,644,400	\$0	\$409,644,400	\$0		
FY 20-21	\$450,251,600	\$66,243,086	\$384,008,514	\$0	\$384,008,514	\$0	\$384,008,514	\$66,243,086	\$66,243,086	\$66,243,086
FY 21-22	\$480,591,100	\$119,451,438	\$361,139,662	\$21,704,376	\$382,844,038	\$5,426,094	\$388,270,132	\$27,130,470	\$92,320,968	\$158,564,054
FY 22-23	\$499,230,800	\$120,617,802	\$378,612,998	\$38,864,612	\$417,477,610	\$19,364,555	\$436,842,165	\$58,229,167	\$62,388,635	\$220,952,689
FY 23-24	\$516,987,700	\$121,472,470	\$395,515,230	\$125,203,503	\$520,718,733	\$43,660,540	\$564,379,273	\$168,864,043	\$47,391,573	\$173,561,116
FY 24-25	\$531,418,300	\$122,498,432	\$408,919,868	\$127,226,843	\$536,146,711	\$69,463,584	\$605,610,295	\$196,690,427	\$74,191,995	\$99,369,121
FY 25-26	\$544,385,200	\$123,758,730	\$420,626,470	\$129,024,559	\$549,651,029	\$83,890,216	\$633,541,245	\$212,914,775	\$89,156,045	\$10,213,076
FY 26-27	\$556,352,800	\$125,179,588	\$431,173,212	\$130,825,802	\$561,999,014	\$86,067,726	\$648,066,740	\$216,893,528	\$91,713,940	\$81,500,864
FY 27-28	\$565,838,100	\$126,737,800	\$439,100,300	\$132,768,515	\$571,868,815	\$87,342,784	\$659,211,599	\$220,111,299	\$93,373,499	\$174,874,363
FY 28-29	\$574,176,200	\$128,385,340	\$445,790,860	\$134,859,294	\$580,650,154	\$88,756,056	\$669,406,210	\$223,615,350	\$95,230,010	\$270,104,373

CS/SB1356

Reemployment Assistance - Initial Tax Rate Reduction

Baseline

Fiscal Year	Beginning Fund Balance	Employment Taxes	Interest	Total Charges	Residual	Ending Fund Balance
FY 01-02	\$ 2,077,875,845	\$ 556,836,134	\$ 141,180,603	\$ 1,111,635,877	\$ 356,018,027	\$ 2,088,681,225
FY 02-03	\$ 2,088,681,225	\$ 625,242,628	\$ 86,740,763	\$ 1,037,953,098	\$ (324,830,188)	\$ 1,694,461,849
FY 03-04	\$ 1,694,461,849	\$ 881,823,146	\$ 71,542,332	\$ 873,663,151	\$ (369,890,544)	\$ 1,598,402,282
FY 04-05	\$ 1,598,402,282	\$ 1,075,951,796	\$ 95,807,061	\$ 712,951,558	\$ (332,546,471)	\$ 1,812,803,501
FY 05-06	\$ 1,812,803,501	\$ 1,164,092,187	\$ 111,570,900	\$ 841,987,417	\$ 291,702,002	\$ 2,332,069,917
FY 06-07	\$ 2,332,069,917	\$ 957,980,931	\$ 109,480,453	\$ 1,313,538,805	\$ 598,021,307	\$ 2,534,318,250
FY 07-08	\$ 2,534,318,250	\$ 808,285,378	\$ 61,357,093	\$ 2,398,274,822	\$ 1,135,312,224	\$ 2,099,552,017
FY 08-09	\$ 2,099,552,017	\$ 766,839,271	\$ 1,867,893	\$ 2,526,902,453	\$ (107,149,035)	\$ 449,475,281
FY 09-10	\$ 449,475,281	\$ 982,106,859	\$ -	\$ 1,795,668,704	\$ (47,345,173)	\$ 118,941,270
FY 10-11	\$ 118,941,270	\$ 1,512,479,866	\$ -	\$ 1,237,545,173	\$ (945,138,097)	\$ -
FY 11-12	\$ -	\$ 2,063,742,000	\$ 3,100,903	\$ 1,059,103,815	\$ (1,050,830,582)	\$ -
FY 12-13	\$ -	\$ 2,106,833,494	\$ 22,759,603	\$ 831,708,469	\$ (253,178,927)	\$ 783,932,761
FY 13-14	\$ 783,932,761	\$ 1,846,060,554	\$ 46,445,956	\$ 567,907,875	\$ 73,882,459	\$ 1,792,724,900
FY 14-15	\$ 1,792,724,900	\$ 1,456,371,599	\$ 61,970,700	\$ 434,128,490	\$ 199,684,054	\$ 2,630,054,911
FY 15-16	\$ 2,630,054,911	\$ 1,009,803,747	\$ 74,312,212	\$ 359,692,486	\$ 133,789,362	\$ 3,244,926,305
FY 16-17	\$ 3,244,926,305	\$ 766,462,306	\$ 82,512,767	\$ 346,910,119	\$ 97,560,770	\$ 3,629,213,258
FY 17-18	\$ 3,629,213,258	\$ 551,123,535	\$ 92,165,178	\$ 300,303,721	\$ 8,119,038	\$ 3,874,743,422
FY 18-19	\$ 3,874,743,422	\$ 445,549,669	\$ 101,000,000	\$ 296,300,000	\$ (3,874,621)	\$ 4,085,168,801
FY 19-20	\$ 4,085,168,801	\$ 409,644,400	\$ 116,600,000	\$ 300,900,000	\$ (78,114,801)	\$ 4,273,054,000
FY 20-21	\$ 4,273,054,000	\$ 450,251,600	\$ 130,200,000	\$ 313,500,000	\$ (56,300,000)	\$ 4,514,054,000
FY 21-22	\$ 4,514,054,000	\$ 480,591,100	\$ 139,300,000	\$ 343,000,000	\$ (23,200,000)	\$ 4,786,354,000
FY 22-23	\$ 4,786,354,000	\$ 499,230,800	\$ 147,900,000	\$ 385,300,000	\$ (9,100,000)	\$ 5,056,854,000
FY 23-24	\$ 5,056,854,000	\$ 516,987,700	\$ 156,400,000	\$ 405,200,000	\$ (28,000,000)	\$ 5,311,454,000
FY 24-25	\$ 5,311,454,000	\$ 531,418,300	\$ 165,200,000	\$ 412,400,000	\$ (39,600,000)	\$ 5,569,054,000
FY 25-26	\$ 5,569,054,000	\$ 544,385,200	\$ 174,500,000	\$ 420,700,000	\$ (38,000,000)	\$ 5,841,254,000
FY 26-27	\$ 5,841,254,000	\$ 556,352,800	\$ 184,300,000	\$ 434,400,000	\$ (30,500,000)	\$ 6,126,454,000
FY 27-28	\$ 6,126,454,000	\$ 565,838,100	\$ 194,400,000	\$ 448,100,000	\$ (29,800,000)	\$ 6,417,154,000

Scenario I - Static Effect

Fiscal Year	Beginning Fund Balance	Employment Taxes	Interest	Total Charges	Residual	Ending Fund Balance
FY 01-02	\$ 2,077,875,845	\$ 556,836,134	\$ 141,180,603	\$ 1,111,635,877	\$ 356,018,027	\$ 2,088,681,225
FY 02-03	\$ 2,088,681,225	\$ 625,242,628	\$ 86,740,763	\$ 1,037,953,098	\$ (324,830,188)	\$ 1,694,461,849
FY 03-04	\$ 1,694,461,849	\$ 881,823,146	\$ 71,542,332	\$ 873,663,151	\$ (369,890,544)	\$ 1,598,402,282
FY 04-05	\$ 1,598,402,282	\$ 1,075,951,796	\$ 95,807,061	\$ 712,951,558	\$ (332,546,471)	\$ 1,812,803,501
FY 05-06	\$ 1,812,803,501	\$ 1,164,092,187	\$ 111,570,900	\$ 841,987,417	\$ 291,702,002	\$ 2,332,069,917
FY 06-07	\$ 2,332,069,917	\$ 957,980,931	\$ 109,480,453	\$ 1,313,538,805	\$ 598,021,307	\$ 2,534,318,250
FY 07-08	\$ 2,534,318,250	\$ 808,285,378	\$ 61,357,093	\$ 2,398,274,822	\$ 1,135,312,224	\$ 2,099,552,017
FY 08-09	\$ 2,099,552,017	\$ 766,839,271	\$ 1,867,893	\$ 2,526,902,453	\$ (107,149,035)	\$ 449,475,281
FY 09-10	\$ 449,475,281	\$ 982,106,859	\$ -	\$ 1,795,668,704	\$ (47,345,173)	\$ 118,941,270
FY 10-11	\$ 118,941,270	\$ 1,512,479,866	\$ -	\$ 1,237,545,173	\$ (945,138,097)	\$ -
FY 11-12	\$ -	\$ 2,063,742,000	\$ 3,100,903	\$ 1,059,103,815	\$ (1,050,830,582)	\$ -
FY 12-13	\$ -	\$ 2,106,833,494	\$ 22,759,603	\$ 831,708,469	\$ (253,178,927)	\$ 783,932,761
FY 13-14	\$ 783,932,761	\$ 1,846,060,554	\$ 46,445,956	\$ 567,907,875	\$ 73,882,459	\$ 1,792,724,900
FY 14-15	\$ 1,792,724,900	\$ 1,456,371,599	\$ 61,970,700	\$ 434,128,490	\$ 199,684,054	\$ 2,630,054,911
FY 15-16	\$ 2,630,054,911	\$ 1,009,803,747	\$ 74,312,212	\$ 359,692,486	\$ 133,789,362	\$ 3,244,926,305
FY 16-17	\$ 3,244,926,305	\$ 766,462,306	\$ 82,512,767	\$ 346,910,119	\$ 97,560,770	\$ 3,629,213,258
FY 17-18	\$ 3,629,213,258	\$ 551,123,535	\$ 92,165,178	\$ 300,303,721	\$ 8,119,038	\$ 3,874,743,422
FY 18-19	\$ 3,874,743,422	\$ 445,549,669	\$ 101,000,000	\$ 296,300,000	\$ (3,874,621)	\$ 4,085,168,801
FY 19-20	\$ 4,085,168,801	\$ 409,644,400	\$ 116,600,000	\$ 300,900,000	\$ (78,114,801)	\$ 4,232,398,400
FY 20-21	\$ 4,232,398,400	\$ 384,008,514	\$ 130,200,000	\$ 313,500,000	\$ (56,300,000)	\$ 4,376,806,914
FY 21-22	\$ 4,376,806,914	\$ 361,139,662	\$ 139,300,000	\$ 343,000,000	\$ (23,200,000)	\$ 4,511,046,576
FY 22-23	\$ 4,511,046,576	\$ 378,612,998	\$ 147,900,000	\$ 385,300,000	\$ (9,100,000)	\$ 4,643,159,574
FY 23-24	\$ 4,643,159,574	\$ 395,515,230	\$ 156,400,000	\$ 405,200,000	\$ (28,000,000)	\$ 4,761,874,805
FY 24-25	\$ 4,761,874,805	\$ 408,919,868	\$ 165,200,000	\$ 412,400,000	\$ (39,600,000)	\$ 4,883,994,673
FY 25-26	\$ 4,883,994,673	\$ 420,626,470	\$ 174,500,000	\$ 420,700,000	\$ (38,000,000)	\$ 5,020,421,142
FY 26-27	\$ 5,020,421,142	\$ 431,173,212	\$ 184,300,000	\$ 434,400,000	\$ (30,500,000)	\$ 5,170,994,355
FY 27-28	\$ 5,170,994,355	\$ 439,100,300	\$ 194,400,000	\$ 448,100,000	\$ (29,800,000)	\$ 5,326,594,655

Scenario II - Plus Feedback Effect - 1st Iteration

Fiscal Year	Beginning Fund Balance	Employment Taxes	Interest	Total Charges	Residual	Ending Fund Balance
FY 01-02	\$ 2,077,875,845	\$ 556,836,134	\$ 141,180,603	\$ 1,111,635,877	\$ 356,018,027	\$ 2,088,681,225
FY 02-03	\$ 2,088,681,225	\$ 625,242,628	\$ 86,740,763	\$ 1,037,953,098	\$ (324,830,188)	\$ 1,694,461,849
FY 03-04	\$ 1,694,461,849	\$ 881,823,146	\$ 71,542,332	\$ 873,663,151	\$ (369,890,544)	\$ 1,598,402,282
FY 04-05	\$ 1,598,402,282	\$ 1,075,951,796	\$ 95,807,061	\$ 712,951,558	\$ (332,546,471)	\$ 1,812,803,501
FY 05-06	\$ 1,812,803,501	\$ 1,164,092,187	\$ 111,570,900	\$ 841,987,417	\$ 291,702,002	\$ 2,332,069,917
FY 06-07	\$ 2,332,069,917	\$ 957,980,931	\$ 109,480,453	\$ 1,313,538,805	\$ 598,021,307	\$ 2,534,318,250
FY 07-08	\$ 2,534,318,250	\$ 808,285,378	\$ 61,357,093	\$ 2,398,274,822	\$ 1,135,312,224	\$ 2,099,552,017
FY 08-09	\$ 2,099,552,017	\$ 766,839,271	\$ 1,867,893	\$ 2,526,902,453	\$ (107,149,035)	\$ 449,475,281
FY 09-10	\$ 449,475,281	\$ 982,106,859	\$ -	\$ 1,795,668,704	\$ (47,345,173)	\$ 118,941,270
FY 10-11	\$ 118,941,270	\$ 1,512,479,866	\$ -	\$ 1,237,545,173	\$ (945,138,097)	\$ -
FY 11-12	\$ -	\$ 2,063,742,000	\$ 3,100,903	\$ 1,059,103,815	\$ (1,050,830,582)	\$ -
FY 12-13	\$ -	\$ 2,106,833,494	\$ 22,759,603	\$ 831,708,469	\$ (253,178,927)	\$ 783,932,761
FY 13-14	\$ 783,932,761	\$ 1,846,060,554	\$ 46,445,956	\$ 567,907,875	\$ 73,882,459	\$ 1,792,724,900
FY 14-15	\$ 1,792,724,900	\$ 1,456,371,599	\$ 61,970,700	\$ 434,128,490	\$ 199,684,054	\$ 2,630,054,911
FY 15-16	\$ 2,630,054,911	\$ 1,009,803,747	\$ 74,312,212	\$ 359,692,486	\$ 133,789,362	\$ 3,244,926,305
FY 16-17	\$ 3,244,926,305	\$ 766,462,306	\$ 82,512,767	\$ 346,910,119	\$ 97,560,770	\$ 3,629,213,258
FY 17-18	\$ 3,629,213,258	\$ 551,123,535	\$ 92,165,178	\$ 300,303,721	\$ 8,119,038	\$ 3,874,743,422
FY 18-19	\$ 3,874,743,422	\$ 445,549,669	\$ 101,000,000	\$ 296,300,000	\$ (3,874,621)	\$ 4,085,168,801
FY 19-20	\$ 4,085,168,801	\$ 409,644,400	\$ 116,600,000	\$ 300,900,000	\$ (78,114,801)	\$ 4,232,398,400
FY 20-21	\$ 4,232,398,400	\$ 384,008,514	\$ 130,200,000	\$ 313,500,000	\$ (56,300,000)	\$ 4,376,806,914
FY 21-22	\$ 4,376,806,914	\$ 382,844,038	\$ 139,300,000	\$ 343,000,000	\$ (23,200,000)	\$ 4,532,750,952
FY 22-23	\$ 4,532,750,952	\$ 417,477,610	\$ 147,900,000	\$ 385,300,000	\$ (9,100,000)	\$ 4,703,728,562
FY 23-24	\$ 4,703,728,562	\$ 520,718,733	\$ 156,400,000	\$ 405,200,000	\$ (28,000,000)	\$ 4,947,647,295
FY 24-25	\$ 4,947,647,295	\$ 536,146,711	\$ 165,200,000	\$ 412,400,000	\$ (39,600,000)	\$ 5,196,994,007
FY 25-26	\$ 5,196,994,007	\$ 549,651,029	\$ 174,500,000	\$ 420,700,000	\$ (38,000,000)	\$ 5,462,445,035
FY 26-27	\$ 5,462,445,035	\$ 561,999,014	\$ 184,300,000	\$ 434,400,000	\$ (30,500,000)	\$ 5,743,844,050
FY 27-28	\$ 5,743,844,050	\$ 571,868,815	\$ 194,400,000	\$ 448,100,000	\$ (29,800,000)	\$ 6,032,212,865

Scenario III - Plus Feedback Effect - Subsequent Iterations

Fiscal Year	Beginning Fund Balance	Employment Taxes	Interest	Total Charges	Residual	Ending Fund Balance
FY 01-02	\$ 2,077,875,845	\$ 556,836,134	\$ 141,180,603	\$ 1,111,635,877	\$ 356,018,027	\$ 2,088,681,225
FY 02-03	\$ 2,088,681,225	\$ 625,242,628	\$ 86,740,763	\$ 1,037,953,098	\$ (324,830,188)	\$ 1,694,461,849
FY 03-04	\$ 1,694,461,849	\$ 881,823,146	\$ 71,542,332	\$ 873,663,151	\$ (369,890,544)	\$ 1,598,402,282
FY 04-05	\$ 1,598,402,282	\$ 1,075,951,796	\$ 95,807,061	\$ 712,951,558	\$ (332,546,471)	\$ 1,812,803,501
FY 05-06	\$ 1,812,803,501	\$ 1,164,092,187	\$ 111,570,900	\$ 841,987,417	\$ 291,702,002	\$ 2,332,069,917
FY 06-07	\$ 2,332,069,917	\$ 957,980,931	\$ 109,480,453	\$ 1,313,538,805	\$ 598,021,307	\$ 2,534,318,250
FY 07-08	\$ 2,534,318,250	\$ 808,285,378	\$ 61,357,093	\$ 2,398,274,822	\$ 1,135,312,224	\$ 2,099,552,017
FY 08-09	\$ 2,099,552,017	\$ 766,839,271	\$ 1,867,893	\$ 2,526,902,453	\$ (107,149,035)	\$ 449,475,281
FY 09-10	\$ 449,475,281	\$ 982,106,859	\$ -	\$ 1,795,668,704	\$ (47,345,173)	\$ 118,941,270
FY 10-11	\$ 118,941,270	\$ 1,512,479,866	\$ -	\$ 1,237,545,173	\$ (945,138,097)	\$ -
FY 11-12	\$ -	\$ 2,063,742,000	\$ 3,100,903	\$ 1,059,103,815	\$ (1,050,830,582)	\$ -
FY 12-13	\$ -	\$ 2,106,833,494	\$ 22,759,603	\$ 831,708,469	\$ (253,178,927)	\$ 783,932,761
FY 13-14	\$ 783,932,761	\$ 1,846,060,554	\$ 46,445,956	\$ 567,907,875	\$ 73,882,459	\$ 1,792,724,900
FY 14-15	\$ 1,792,724,900	\$ 1,456,371,599	\$ 61,970,700	\$ 434,128,490	\$ 199,684,054	\$ 2,630,054,911
FY 15-16	\$ 2,630,054,911	\$ 1,009,803,747	\$ 74,312,212	\$ 359,692,486	\$ 133,789,362	\$ 3,244,926,305
FY 16-17	\$ 3,244,926,305	\$ 766,462,306	\$ 82,512,767	\$ 346,910,119	\$ 97,560,770	\$ 3,629,213,258
FY 17-18	\$ 3,629,213,258	\$ 551,123,535	\$ 92,165,178	\$ 300,303,721	\$ 8,119,038	\$ 3,874,743,422
FY 18-19	\$ 3,874,743,422	\$ 445,549,669	\$ 101,000,000	\$ 296,300,000	\$ (3,874,621)	\$ 4,085,168,801
FY 19-20	\$ 4,085,168,801	\$ 409,644,400	\$ 116,600,000	\$ 300,900,000	\$ (78,114,801)	\$ 4,232,398,400
FY 20-21	\$ 4,232,398,400	\$ 384,008,514	\$ 130,200,000	\$ 313,500,000	\$ (56,300,000)	\$ 4,376,806,914
FY 21-22	\$ 4,376,806,914	\$ 388,270,132	\$ 139,300,000	\$ 343,000,000	\$ (23,200,000)	\$ 4,538,177,046
FY 22-23	\$ 4,538,177,046	\$ 436,842,165	\$ 147,900,000	\$ 385,300,000	\$ (9,100,000)	\$ 4,728,519,211
FY 23-24	\$ 4,728,519,211	\$ 564,379,273	\$ 156,400,000	\$ 405,200,000	\$ (28,000,000)	\$ 5,016,098,484
FY 24-25	\$ 5,016,098,484	\$ 605,610,295	\$ 165,200,000	\$ 412,400,000	\$ (39,600,000)	\$ 5,334,908,779
FY 25-26	\$ 5,334,908,779	\$ 633,541,245	\$ 174,500,000	\$ 420,700,000	\$ (38,000,000)	\$ 5,684,250,024
FY 26-27	\$ 5,684,250,024	\$ 648,066,740	\$ 184,300,000	\$ 434,400,000	\$ (30,500,000)	\$ 6,051,716,764
FY 27-28	\$ 6,051,716,764	\$ 659,211,599	\$ 194,400,000	\$ 448,100,000	\$ (29,800,000)	\$ 6,427,428,363

Effective Tax Rate

Rate Year	Baseline	Static Impact	Initial Adjustment	Final Adjustment
2003	0.0144	0.0144	0.0144	0.0144
2004	0.0182	0.0182	0.0182	0.0182
2005	0.0198	0.0198	0.0198	0.0198
2006	0.0183	0.0183	0.0183	0.0183
2007	0.0156	0.0156	0.0156	0.0156
2008	0.0149	0.0149	0.0149	0.0149
2009	0.0179	0.0179	0.0179	0.0179
2010	0.0237	0.0237	0.0237	0.0237
2011	0.0311	0.0311	0.0311	0.0311
2012	0.0360	0.0360	0.0360	0.0360
2013	0.0332	0.0332	0.0332	0.0332
2014	0.0275	0.0275	0.0275	0.0275
2015	0.0206	0.0206	0.0206	0.0206
2016	0.0144	0.0144	0.0144	0.0144
2017	0.0103	0.0103	0.0103	0.0103
2018	0.0076	0.0076	0.0076	0.0076
2019	0.0063	0.0063	0.0063	0.0063
2020	0.0062	0.0057	0.0057	0.0057
2021	0.0066	0.0053	0.0054	0.0055
2022	0.0068	0.0052	0.0056	0.0057
2023	0.0070	0.0053	0.0064	0.0069
2024	0.0071	0.0054	0.0071	0.0079
2025	0.0072	0.0055	0.0072	0.0083
2026	0.0072	0.0056	0.0073	0.0084
2027	0.0073	0.0056	0.0073	0.0084
2028	0.0073	0.0056	0.0073	0.0085

TRUST FUND BALANCE (as of June 30)

	Baseline	Static Impact	Initial Adjustment	Final Adjustment
FY 01-02	2,088.7	2,088.7	2,088.7	2,088.7
FY 02-03	1,694.5	1,694.5	1,694.5	1,694.5
FY 03-04	1,598.4	1,598.4	1,598.4	1,598.4
FY 04-05	1,812.8	1,812.8	1,812.8	1,812.8
FY 05-06	2,332.1	2,332.1	2,332.1	2,332.1
FY 06-07	2,534.3	2,534.3	2,534.3	2,534.3
FY 07-08	2,099.6	2,099.6	2,099.6	2,099.6
FY 08-09	449.5	449.5	449.5	449.5
FY 09-10	118.9	118.9	118.9	118.9
FY 10-11	0.0	0.0	0.0	0.0
FY 11-12	0.0	0.0	0.0	0.0
FY 12-13	783.9	783.9	783.9	783.9
FY 13-14	1,792.7	1,792.7	1,792.7	1,792.7
FY 14-15	2,630.1	2,630.1	2,630.1	2,630.1
FY 15-16	3,244.9	3,244.9	3,244.9	3,244.9
FY 16-17	3,629.2	3,629.2	3,629.2	3,629.2
FY 17-18	3,874.7	3,874.7	3,874.7	3,874.7
FY 18-19	4,085.2	4,085.2	4,085.2	4,085.2
FY 19-20	4,273.1	4,232.4	4,232.4	4,232.4
FY 20-21	4,514.1	4,376.8	4,376.8	4,376.8
FY 21-22	4,786.4	4,511.0	4,532.8	4,538.2
FY 22-23	5,056.9	4,643.2	4,703.7	4,728.5
FY 23-24	5,311.5	4,761.9	4,947.6	5,016.1
FY 24-25	5,569.1	4,884.0	5,197.0	5,334.9
FY 25-26	5,841.3	5,020.4	5,462.4	5,684.3
FY 26-27	6,126.5	5,171.0	5,743.8	6,051.7
FY 27-28	6,417.2	5,326.6	6,032.2	6,427.4

Trust Fund Ending Balance as a Percent of 1-Year Taxable Wages

	Baseline	Static Impact	Initial Adjustment	Final Adjustment
FY 01-02	4.04%	4.04%	4.04%	4.04%
FY 02-03	4.06%	4.06%	4.06%	4.06%
FY 03-04	3.20%	3.20%	3.20%	3.20%
FY 04-05	2.93%	2.93%	2.93%	2.93%
FY 05-06	3.11%	3.11%	3.11%	3.11%
FY 06-07	4.05%	4.05%	4.05%	4.05%
FY 07-08	4.56%	4.56%	4.56%	4.56%
FY 08-09	4.20%	4.20%	4.20%	4.20%
FY 09-10	0.95%	0.95%	0.95%	0.95%
FY 10-11	0.21%	0.21%	0.21%	0.21%
FY 11-12	0.00%	0.00%	0.00%	0.00%
FY 12-13	0.00%	0.00%	0.00%	0.00%
FY 13-14	1.29%	1.29%	1.29%	1.29%
FY 14-15	3.03%	3.03%	3.03%	3.03%
FY 15-16	4.35%	4.35%	4.35%	4.35%
FY 16-17	5.14%	5.14%	5.14%	5.14%
FY 17-18	5.64%	5.64%	5.64%	5.64%
FY 18-19	5.81%	5.81%	5.81%	5.81%
FY 19-20	5.94%	5.94%	5.94%	5.94%
FY 20-21	6.11%	6.05%	6.05%	6.05%
FY 21-22	6.33%	6.14%	6.14%	6.14%
FY 22-23	6.61%	6.23%	6.26%	6.27%
FY 23-24	6.89%	6.32%	6.41%	6.44%
FY 24-25	7.13%	6.39%	6.64%	6.74%
FY 25-26	7.36%	6.46%	6.87%	7.05%
FY 26-27	7.60%	6.54%	7.11%	7.40%
FY 27-28	7.86%	6.63%	7.37%	7.76%

REVENUE ESTIMATING CONFERENCE

Tax: various taxes

Issue: Children’s promise tax credit

Bill Number(s): PCB CFS 20-02 - Sections 4-9 & 13-14

Entire Bill

Partial Bill: Sections 4-9 & 13-14

Sponsor(s):

Month/Year Impact Begins: July 1, 2020

Date of Analysis: 1/31/2020

Section 1: Narrative

a. Current Law: The Children’s Promise Tax Credit does not currently exist.

b. Proposed Change: creates s. 402.60 “Children’s Promise Tax Credit”

Section 4 Creates s. 211.0252, F.S.; **Section 5** creates s. 212.1833, F.S. both titled “Credit for contributions to eligible charitable organizations”. Both sections allow a credit of 100% of an eligible contribution made to an eligible charitable organization under s. 402.60 against any tax due for a taxable year under this chapter after the application of any other allowable credits by the taxpayer for their respective tax sources.

Section 6 adds s. 220.1876, F.S. to the list of statutes listing enumerated taxes in section 220.02

Section 7 also adds s. 220.1876, F.S. as additional reference to credits granted therein.

Section 8 creates s.220.1876, F.S. which is a tax credit for contributions to eligible charitable organizations to be taken against taxes pursuant to Ch. 220

Section 9 creates s. 402.60 “Children’s Promise Tax Credit”, also contains the definitions, administration, roles, etc. that will pertain to the Department of Children and Families (DCF) role in implementing the tax credit and how/what organizations are eligible. Section 402.60 (4) lists out DCF’s obligations under the act. Section 402.60 (5) (a) creates a tax credit cap amount of \$5 million in each state fiscal year.

Section 13 Creates s. 561.1212, F.S.; **Section 14** Creates s. 624.51056, F.S.; both titled “Credit for contributions to eligible charitable organizations”. Both sections allow a credit of 100% of an eligible contribution made to an eligible charitable organization under s. 402.60 against any tax due for a taxable year under this chapter after the application of any other allowable credits by the taxpayer for their respective tax sources. Credit allowed under **Section 13** may not exceed 90 percent of the tax due on the return the credit is taken.

Section 2: Description of Data and Sources

2016 form 990 data

12/2019 FL demographic estimating conference

12/2019 national economic estimating conference

03/22/2019 donations to 501(c)(3) organizations impact analysis

01/20 GR SFO credits

Section 3: Methodology (Include Assumptions and Attach Details)

Form 990 data was pulled to get the federal total contributions. Due to Form 990 including both individual and business contributions the totals were reduced by a percentage to represent business contributions and then apportioned using Florida’s population rate. In the case of “All Other Contributions, Gift, etc.”, the rate of 3.3% was obtained from the 501 (c)(3) impact analysis. There is a \$5 million cap on tax credits which the Florida portion of contributions implies would be easily reachable within a fiscal year. This new credit is substantially similar to the existing SFO credit under section 1002.395 F.S. For this reason, the allocation of SFO credits underlying the 1/20 GR Conference have been used to calculate a similar allocation for the new credit.

The cash is equal to the recurring in the first year due to the timing and applicability of the new credit. The low estimate shows a one quarter lag in the cash values due to potential start up delays.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			\$(5.0 M)	\$(5.0 M)	\$(3.8 M)	\$(5.0 M)
2021-22			\$(5.0 M)	\$(5.0 M)	\$(5.0 M)	\$(5.0 M)
2022-23			\$(5.0 M)	\$(5.0 M)	\$(5.0 M)	\$(5.0 M)
2023-24			\$(5.0 M)	\$(5.0 M)	\$(5.0 M)	\$(5.0 M)
2024-25			\$(5.0 M)	\$(5.0 M)	\$(5.0 M)	\$(5.0 M)

REVENUE ESTIMATING CONFERENCE

Tax: various taxes

Issue: Children’s promise tax credit

Bill Number(s): PCB CFS 20-02 - Sections 4-9 & 13-14

List of affected Trust Funds: General Revenue

Section 5: Consensus Estimate (Adopted: 01/31/20) The Conference adopted the middle estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(5.0)	(5.0)	0.0	0.0	0.0	0.0	(5.0)	(5.0)
2021-22	(5.0)	(5.0)	0.0	0.0	0.0	0.0	(5.0)	(5.0)
2022-23	(5.0)	(5.0)	0.0	0.0	0.0	0.0	(5.0)	(5.0)
2023-24	(5.0)	(5.0)	0.0	0.0	0.0	0.0	(5.0)	(5.0)
2024-25	(5.0)	(5.0)	0.0	0.0	0.0	0.0	(5.0)	(5.0)

	A	B	C	D	E	F	G
1							
2							
3		*total contributions in thousands	% Business	% FL	FL Contributions *total contributions in thousands		
4	Total contributions, gifts and grants	460,507,307	30.4%	3.73%	5,225,836		
5	Federated campaigns	2,099,763	50%	6.4%	67,192		
6	Membership dues	4,636,973	25%	6.4%	74,192		
7	Fundraising events	9,823,092	50%	6.4%	314,339		
8	Related organizations	24,920,874	50%	6.4%	797,468		
9	Government grants (contributions)	178,260,251	0%	6.4%	0		
10	All other contributions, gifts, etc.	240,766,353	50%	3.3%	3,972,645		
11	*Form 990 Returns of 501(c)(3) Organizations contributions total						
12							
13							
14	Tax impact in Millions	\$ (5.00)					
15	*tax credit cap at \$5 million						
16							
17		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
18	Beverage	435.0	435.0	435.0	435.0	435.0	435.0
19	Direct Sales	12.8	16.9	16.9	16.9	16.9	16.9
20	IPT	78.3	79.9	79.9	79.9	79.9	79.9
21	Severance	0.4	0.8	0.8	0.8	0.8	0.8
22	CIT	200.0	200.0	200.0	200.0	200.0	200.0
23	Totals	726.5	732.6	732.6	732.6	732.6	732.6
24	*SFO credits 2019						
25							
26	% of Children's Promise Tax Credit applied to each eligible tax source						
27	Beverage	100%					
28	Direct Sales	100%					
29	IPT	100%					
30	Severance	0%					
31	CIT	100%					

	A	B	C	D	E	F	G
32							
33							
34		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
35	Beverage	435.0	435.0	435.0	435.0	435.0	435.0
36	Direct Sales	12.8	16.9	16.9	16.9	16.9	16.9
37	IPT	78.3	79.9	79.9	79.9	79.9	79.9
38	Severance	-	-	-	-	-	-
39	CIT	200.0	200.0	200.0	200.0	200.0	200.0
40	Totals	726.1	731.8	731.8	731.8	731.8	731.8
41							
42		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
43	Beverage	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)
44	Direct Sales	(0.09)	(0.12)	(0.12)	(0.12)	(0.12)	(0.12)
45	IPT	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
46	Severance	-	-	-	-	-	-
47	CIT	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)
48	Totals	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)
49							
50							
51		Middle		Low			
52	FY	Cash	Recurring	Cash	Recurring		
53	2020-21	\$ (5.0 M)	\$ (5.0 M)	\$ (3.8 M)	\$ (5.0 M)		
54	2021-22	\$ (5.0 M)	\$ (5.0 M)	\$ (5.0 M)	\$ (5.0 M)		
55	2022-23	\$ (5.0 M)	\$ (5.0 M)	\$ (5.0 M)	\$ (5.0 M)		
56	2023-24	\$ (5.0 M)	\$ (5.0 M)	\$ (5.0 M)	\$ (5.0 M)		
57	2024-25	\$ (5.0 M)	\$ (5.0 M)	\$ (5.0 M)	\$ (5.0 M)		