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

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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: 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	*Florida Mobile Home Sales*			
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
41	*Sales Tax Calculations*			
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%	
50		Revenue increase of 1.5% - 2019		
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
55	2019 Growth	1.50%	$ 50,682,072	
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
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		

CS/SB818 - Proposed Language - Section 1

Mobile Home Rate Reduction from 6% to 3%

Method II - Manufactured Housing Institute Data

NEW INFORMATION

Florida Single Section and Multi Section Manufactured Home Shipments

	Single	Multi	Total
CY 2017	1,718	4,137	5,855

Source: 2017 Manufactured Housing Facts: Industry Overview published March 2018 by

Mobile Home TITLES with Differentiation for

	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	
FY 2017	5,855			
FY 2018	5,949	8,899	2,359	
FY 2019	5,975	11,281	2,615	
FY 2020	6,020	11,367	2,404	Forecast
FY 2021	6,059	11,441	2,224	Forecast
FY 2022	6,117	11,550	2,442	Forecast
FY 2023	6,176	11,662	2,512	Forecast
FY 2024	6,241	11,786	2,545	Forecast
FY 2025	6,308	11,912	2,517	Forecast

Median Value of Mobile Homes (Owner-occupied units)

	Median Value	
2016 calendar	50,500	MOE +/-1,326
2017 calendar	52,300	MOE +/-1,572
2018 calendar	57,600	MOE: +/-1,612

ADOPTED PRICE 80,000

FY	Sales	Sales Tax Collections at 6%	Sales Tax Collections at 3%	Reduction in Sales Tax Collections
FY 2020	481,600,000	28,896,000	14,448,000	-14,448,000
FY 2021	484,720,000	29,083,200	14,541,600	-14,541,600
FY 2022	489,360,000	29,361,600	14,680,800	-14,680,800
FY 2023	494,080,000	29,644,800	14,822,400	-14,822,400
FY 2024	499,280,000	29,956,800	14,978,400	-14,978,400
FY 2025	504,640,000	30,278,400	15,139,200	-15,139,200

	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: Article V and Highway Safety Fees
Issue: Court Fees and Other
Bill Number(s): CS/HB903

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Donalds
Month/Year Impact Begins: 07/01/2020
Date of Analysis: 02/07/2020

Section 1: Narrative

a. **Current Law**: Section 28.24, F.S. states that the clerk of the Circuit Court shall charge for services rendered in recording documents. Section 28.246, F.S. provides that the clerk of the circuit court shall accept partial payments for court-related fees, service charges, costs, and fines in accordance with the terms of an established payment plan. An individual seeking to defer payment shall apply to the clerk for enrollment in a payment plan. The clerk shall enter into a payment plan with an individual who the court determines is indigent for costs. A monthly payment amount, calculated based upon all fees and anticipated costs, is presumed to correspond to the person's ability to pay if the amount does not exceed 2 percent of the person's annual net income divided by 12. Section 28.42, F.S. instructs the clerks of court to produce and disseminate a manual of filing fees, service charges, costs, and fines imposed pursuant to state law. Section 318.15, F.S. states that if a person fails to comply with the civil penalties provided in s. 318.18 within the time period specified, fails to enter into or comply with the terms of a penalty payment plan with the clerk of the court, fails to attend driver improvement school, or fails to appear at a scheduled hearing, the clerk of the court shall notify the Department of Highway Safety and Motor Vehicles who shall immediately issue an order suspending the driver license and privilege to drive. Section 318.20, F.S. instructs the Department of Highway Safety and Motor Vehicles to prepare a notification form to be appended to or incorporated as part of the uniform traffic citation. Section 322.245, F.S. provides for the suspension of license upon failure of person charged with specified offense under chapter 316, chapter 320, and chapter 322, failure to comply with directives ordered by traffic court, failure to pay child support in non-IV-D cases as provided in chapter 61, or failure to pay any financial obligation in any other criminal case.

b. **Proposed Change**: Section 28.24, F.S. is revised so that the monthly $5 service charge assessed by the clerks is abolished, leaving only a one-time charge of $25, which may be paid in no more than five equal installments. Section 28.246, F.S. is revised to direct the clerk of the circuit court to accept partial payments electronically, by mail, or in person and enroll the person who seeks to defer payment of fees, costs, service charges, or fines imposed by the court in a payment plan. If the person is incarcerated, the person shall apply to the clerk for enrollment in a payment plan within 30 days of release. The clerk shall enroll individuals with a deposit or credit card account into an automatic payment arrangement. If the clerk enters into a payment plan with an individual the court determines is indigent, the payment plan shall be the greater of $10 per month or 2% of the person's annual net income divided by 12 and must be inclusive of all amounts assessed by that county's court. The court may on its own motion or by petition, waive, modify, or convert the outstanding obligation to community service. The clerk shall transmit notice to the Department of Highway Safety and Motor Vehicles if any payment due under a payment plan is not received within 30 days of the due date unless certain conditions are met. The clerk may electronically or by mail send notices to remind an individual of missed or upcoming payment. Clerks may establish multi-county intergovernmental authorities for the administration of payment plans of multiple counties. Section 28.42, F.S. is revised to direct the clerks of court to develop a uniform payment plan form. Section 318.15, F.S. is revised to extend the deadline for the clerk of court to notify the Department of Highway Safety and Motor Vehicles that a person failed to comply with the civil penalties provided in s. 318.18 within the time period specified, fails to enter into or comply with the terms of a penalty payment plan with the clerk of the court, fails to attend driver improvement school, or fails to appear at a scheduled hearing from 10 days to 30 days. Section 318.20, F.S. is revised to require that the uniform traffic citation include information on paying the civil penalty to the clerk of court and that the person may contact the clerk of court to establish a payment plan. Section 322.245, F.S. is revised to limit the language which provides for the suspension of a driver license upon failure of person to pay any financial obligation in any criminal case other than those specified in chapters 316, 320, or 322 to apply to only suspensions which involve the operation of a motor vehicle. A person whose driver license was suspended solely for nonpayment in a criminal case not involving a motor vehicle prior to July 1, 2020 may have his or her driver license reinstated upon payment of the reinstatement fee. Sections 27.52, F.S., and 57.082, F.S., are revised to conform to changes made elsewhere in the bill.

Section 2: Description of Data and Sources
Highway Safety REC held 01/01/2020 and conference history
Article V REC held 12/19/2019 and conference history
Contact with CCOC and HSMV staff

REVENUE ESTIMATING CONFERENCE

Tax: Article V and Highway Safety Fees
Issue: Court Fees and Other
Bill Number(s): CS/HB903

HSMV Driver's License Suspensions and Revocations FY 2015, FY 2016, FY 2017, and FY 2018

Section 3: Methodology (Include Assumptions and Attach Details)

Payment Plan Service Charges (Section 2)

The bill changes the payment plan service charge assessed by clerks from either a $5 monthly or $25 one-time fee to just a $25 one-time fee which may be paid in no more than five equal installments. The impact from this change is indeterminate. In current administration of this provision, there is a lack of uniformity between clerks with some charging only the $5 fee, some charging only the $25 fee, and others charging both fees with different criteria used to determine which fee is charged. The statewide collection of the current $5 and $25 fees is unknown. Adding to the uncertainty, for individual cases moving from the $5 monthly fee to the $25 one-time fee, the change can be net positive or net negative. For example, a three month payment plan would pay $25 instead of $15 while a six month payment plan would pay $25 instead of $30. Lastly, there is uncertainty concerning how many individuals will pay the $25 in one payment or installments, variability in length of installments (up to five months), and whether the timing of the installments partially pushes collection of the fee into a second fiscal year.

Payment Plans (Sections 3, 4, and 7)

The bill makes the following changes to payment plans:

- Automatically enrolls an individual into a payment plan upon receipt of a partial payment.
- Standardizes payment plans to be the greater of $10 per month or 2% of a person's net income divided by 12.
- If an individual was incarcerated, provides for a 30 day grace period after release for initiation of a payment plan.
- Directs clerks to enroll individuals with a deposit or credit card account into an automatic payment arrangement.
- The court may review the reasonableness of payment plans and waive, modify, or convert the outstanding obligation to community service.
- Allows clerks to establish multi-county intergovernmental authorities for the administration of payment plans of multiple counties.
- The clerk may electronically or by mail send notices to remind an individual of a missed or upcoming payment.
- Provides for the creation of a statewide standard payment plan form.
- Requires that uniform traffic citations include information that the person may contact the clerk of court to establish a payment plan.

While the bill aims to strengthen and standardize the language associated with court related payment plans, with lack of data regarding the current status of various payments plans (i.e. amount being paid, length of the plan, original fine amount, etc.) the impact is indeterminate. Further, the language which allows the court to waive or modify the remaining financial obligations would likely have a negative impact on the collection of outstanding balances; however, uncertainty with the amount of outstanding balances to be waived and discretion of the courts to waive or modify amounts inhibits the ability to assign a specific number on this impact. When considering all of the changes to payment plans, the negative impacts will likely dominate the positive ones, resulting in a net indeterminate negative impact.

Suspension Reinstatement Fee - Remove Non-Driving from 322.245 (Section 8)

Driver license suspensions translate into revenue through reinstatement fees. Section 322.21, F.S. requires a person who applies for reinstatement following a driver license suspension for "failure to comply" to pay a $60 reinstatement fee. Additionally, the county tax collectors are required to charge a service fee of $6.25 when providing services in chapter 322, F.S., including reinstatements. There is also a $25 delinquency fee which is paid to the clerk of court. Of that amount, $10 is transferred to General Revenue. To calculate the impact from partially reducing the suspensions per 322.245, F.S., the calendar year 2015 through 2018 proportion of suspensions which would be eliminated was applied to the total forecast of 322.245, F.S. suspensions per the most recent Highway Safety REC. The local impact is derived from the forecasted state trust fund and GR fees in the latest Highway Safety REC. The first year's cash impact was adjusted for suspensions which were initiated prior to the bill's effective date and individuals who would otherwise not have reinstated their suspended driver license who now may do so only paying the reinstatement fee.

In addition to the direct impact from reinstatement fees, there is potentially an impact to fines and fees collected from the courts if there is no longer the threat of driver license suspension for nonpayment. Without the punitive threat of license suspension, it is possible that unpaid criminal obligations could increase. In contrast, there is the possibility that not suspending the driver license of individuals who owe delinquent fines could result in more collections which would have either not occurred or occurred at a later date. The large degree of uncertainty causes the negative adjustment to the criminal obligations collections by the court to be indeterminate. To show the range of possibilities, the court assessed fines and charges which would potentially be impacted by this

REVENUE ESTIMATING CONFERENCE

Tax: Article V and Highway Safety Fees
Issue: Court Fees and Other
Bill Number(s): CS/HB903

bill were identified from the most recent Article V REC. These amounts were reduced by 5%, 10%, and 20% resulting in total combined annual impacts to General Revenue and Local Funds ranging from -$2.5 million to -$9.8 million (see attached).

Section 4: Proposed Fiscal Impact

Payment Plan Service Charges (Section 2)

GR/Trust/ Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			+/-	+/-		
2021-22			+/-	+/-		
2022-23			+/-	+/-		
2023-24			+/-	+/-		
2024-25			+/-	+/-		

Payment Plans (Sections 3, 4, and 7)

GR/Trust/ Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(**)	(**)		
2021-22			(**)	(**)		
2022-23			(**)	(**)		
2023-24			(**)	(**)		
2024-25			(**)	(**)		

Suspension Reinstatement Fee - Remove Non-Driving from 322.245 (Section 8) – Highway Safety Fees

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(0.3)	(0.6)		
2021-22			(0.6)	(0.6)		
2022-23			(0.7)	(0.7)		
2023-24			(0.7)	(0.7)		
2024-25			(0.7)	(0.7)		

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(0.2)	(0.3)		
2021-22			(0.3)	(0.3)		
2022-23			(0.3)	(0.3)		
2023-24			(0.3)	(0.3)		
2024-25			(0.3)	(0.3)		

Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(0.2)	(0.3)		
2021-22			(0.3)	(0.3)		
2022-23			(0.3)	(0.3)		
2023-24			(0.3)	(0.3)		
2024-25			(0.3)	(0.3)		

REVENUE ESTIMATING CONFERENCE

Tax: Article V and Highway Safety Fees
Issue: Court Fees and Other
Bill Number(s): CS/HB903

Suspension Reinstatement Fee - Remove Non-driving from 322.245 (Section 8) – Article V Fees

GR/Trust/	High		Middle		Low	
Local	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(**)	(**)		
2021-22			(**)	(**)		
2022-23			(**)	(**)		
2023-24			(**)	(**)		
2024-25			(**)	(**)		

List of affected Trust Funds:
General Revenue Funds
Highway Safety Operating Trust Fund
Local Tax Collectors
Clerk's Fines and Forfeiture Funds

Section 5: Consensus Estimate (Adopted: 02/07/2020): The Conference adopted the proposed estimates:

Payment Plan Service Charges (Section 2)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-
2021-22	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-
2022-23	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-
2023-24	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-
2024-25	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-

Payment Plans (Sections 3, 4, and 7)

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

Suspension Reinstatement Fee - Remove Non-Driving from 322.245 (Section 8) – Highway Safety Fees

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(0.3)	(0.6)	(0.2)	(0.3)	(0.2)	(0.3)	(0.7)	(1.2)
2021-22	(0.6)	(0.6)	(0.3)	(0.3)	(0.3)	(0.3)	(1.2)	(1.2)
2022-23	(0.7)	(0.7)	(0.3)	(0.3)	(0.3)	(0.3)	(1.3)	(1.3)
2023-24	(0.7)	(0.7)	(0.3)	(0.3)	(0.3)	(0.3)	(1.3)	(1.3)
2024-25	(0.7)	(0.7)	(0.3)	(0.3)	(0.3)	(0.3)	(1.3)	(1.3)

Suspension Reinstatement Fee - Remove Non-driving from 322.245 (Section 8) – Article V Fees

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

HB 903 DL Suspension Reinstatement Fee Impact - Remove Non-Driving from 322.245

Assumptions Calculations

Failure to Pay Financial Obligation (322.245 Suspensions)

	# of Sanctions Created	# Restored Prior to Becoming Effective	% Restored Before Losing License	# Effective Sanctions	# Restored After Becoming Effective	% Restored After Losing License	# Not Restored as of July Following Year	% Not restored by July of Following Year
CY 2015	318,830	86,535	27.1%	232,295	86,653	37.3%	145,642	45.7%
CY 2016	311,382	91,462	29.4%	219,920	83,890	38.1%	136,030	43.7%
CY 2017	319,974	93,710	29.3%	226,264	139,280	61.6%	86,984	27.2%
CY 2018	322,919	97,591	30.2%	225,328	88,301	39.2%	137,027	42.4%
							4 Year Avg.	**39.7%**
				Adjusted for Additional Reinstatements in 1st year				**44.2%**

	# of Sanctions Created (Failure to Pay)	% of 322.245 Suspensions			
CY 2015	104,550	32.8%			
CY 2016	98,585	31.7%			
CY 2017	104,681	32.7%			
CY 2018	103,209	32.0%			
		32.3%	4 Year Avg.	**Assume 90% non-driving**	**29.1%**

Current Forecast - Reinstatement Fees

	322.245 Suspensions					
	Total	GR	HSOTF	Local (Tax Col.)	Local (Clerk)	Ch 2008-111
SFY 2019	$ 3,446,544	$ 1,590,713	$ 954,428	$ 265,119	$ 636,285	$ 424,190
SFY 2020	$ 3,969,658	$ 1,832,187	$ 1,099,253	$ 305,358	$ 732,860	$ 488,573
SFY 2021	$ 3,758,808	$ 1,734,834	$ 1,040,901	$ 289,139	$ 693,934	$ 462,622
SFY 2022	$ 3,805,160	$ 1,756,227	$ 1,053,736	$ 292,705	$ 702,491	$ 468,327
SFY 2023	$ 3,850,821	$ 1,777,302	$ 1,066,381	$ 296,217	$ 710,921	$ 473,947
SFY 2024	$ 3,892,738	$ 1,796,648	$ 1,077,989	$ 299,441	$ 718,659	$ 479,106
SFY 2025	$ 3,935,067	$ 1,816,185	$ 1,089,711	$ 302,697	$ 726,474	$ 484,316

New Forecast - Reinstatement Fees

	322.245 Suspensions					
	Total	GR	HSOTF	Local (Tax Col.)	Local (Clerk)	Ch 2008-111
SFY 2021 (cash)	$ 3,149,928	$ 1,453,813	$ 872,288	$ 242,302	$ 581,525	$ 387,683
SFY 2021 (recurring)	$ 2,666,723	$ 1,230,795	$ 738,477	$ 205,133	$ 492,318	$ 328,212
SFY 2022	$ 2,699,608	$ 1,245,973	$ 747,584	$ 207,662	$ 498,389	$ 332,259
SFY 2023	$ 2,732,003	$ 1,260,924	$ 756,555	$ 210,154	$ 504,370	$ 336,247
SFY 2024	$ 2,761,741	$ 1,274,650	$ 764,790	$ 212,442	$ 509,860	$ 339,907
SFY 2025	$ 2,791,772	$ 1,288,510	$ 773,106	$ 214,752	$ 515,404	$ 343,603

New Forecast - New Driver Licenses Positive Offset

	Added DL's 322.245	Added DL Fees to GR
SFY 2021 (cash)	1,336	$ 64,138

Assumes 70% of added reinstatements had expired licenses

Impact - Reinstatement Fees

	322.245 Suspensions				
	Total	GR	HSOTF	Local (Tax Col.)	Local (Clerk)
SFY 2021 (cash)	$ (608,879)	$ (291,823)	$ (168,613)	$ (46,837)	$ (112,408)
SFY 2021 (recurring)	$ (1,092,085)	$ (638,450)	$ (302,423)	$ (84,007)	$ (201,616)
SFY 2022	$ (1,105,552)	$ (646,323)	$ (306,153)	$ (85,042)	$ (204,102)
SFY 2023	$ (1,118,818)	$ (654,078)	$ (309,827)	$ (86,063)	$ (206,551)
SFY 2024	$ (1,130,997)	$ (661,198)	$ (313,199)	$ (87,000)	$ (208,799)
SFY 2025	$ (1,143,295)	$ (668,388)	$ (316,605)	$ (87,946)	$ (211,070)

	A	B	C	D	E
1	**HB 903 DL Suspension Article V Fee Impact - Remove Non-Driving from 322.245**				
2					
3	**Fees with Potential to be Impacted (Current Forecast in Millions)**				
4		Clerk's Other 142.01(2) (16.2%)	10% of Fines to Clerks (11.8%)	Ch. 2008-111 Fees (5.55%)	
5	SFY 2021	$ 43.5	$ 2.3	$ 3.5	
6	SFY 2022	$ 43.6	$ 2.3	$ 3.5	
7	SFY 2023	$ 43.7	$ 2.3	$ 3.5	
8	SFY 2024	$ 43.7	$ 2.3	$ 3.5	
9	SFY 2025	$ 43.8	$ 2.3	$ 3.5	
10					
11	**Fee Reductions (5%)**				
12		Clerk's Other 142.01(2) (16.2%)	10% of Fines to Clerks (11.8%)	Ch. 2008-111 Fees (5.55%)	
13	SFY 2021	$ (2.2)	$ (0.1)	$ (0.2)	
14	SFY 2022	$ (2.2)	$ (0.1)	$ (0.2)	
15	SFY 2023	$ (2.2)	$ (0.1)	$ (0.2)	
16	SFY 2024	$ (2.2)	$ (0.1)	$ (0.2)	
17	SFY 2025	$ (2.2)	$ (0.1)	$ (0.2)	
18					
19	**Fund Impact from Fee Reductions (5%)**				
20		Total	GR	Ckerks F&FF	
21	SFY 2021	$ (2.5)	$ (0.2)	$ (2.3)	
22	SFY 2022	$ (2.5)	$ (0.2)	$ (2.3)	
23	SFY 2023	$ (2.5)	$ (0.2)	$ (2.3)	
24	SFY 2024	$ (2.5)	$ (0.2)	$ (2.3)	
25	SFY 2025	$ (2.5)	$ (0.2)	$ (2.3)	
26					
27	**Fee Reductions (10%)**				
28		Clerk's Other 142.01(2) (16.2%)	10% of Fines to Clerks (11.8%)	Ch. 2008-111 Fees (5.55%)	
29	SFY 2021	$ (4.3)	$ (0.2)	$ (0.3)	
30	SFY 2022	$ (4.3)	$ (0.2)	$ (0.3)	
31	SFY 2023	$ (4.3)	$ (0.2)	$ (0.3)	
32	SFY 2024	$ (4.3)	$ (0.2)	$ (0.3)	
33	SFY 2025	$ (4.3)	$ (0.2)	$ (0.3)	
34					
35	**Fund Impact from Fee Reductions (10%)**				
36		Total	GR	Ckerks F&FF	
37	SFY 2021	$ (4.9)	$ (0.3)	$ (4.6)	
38	SFY 2022	$ (4.9)	$ (0.3)	$ (4.6)	
39	SFY 2023	$ (4.9)	$ (0.3)	$ (4.6)	
40	SFY 2024	$ (4.9)	$ (0.3)	$ (4.6)	
41	SFY 2025	$ (4.9)	$ (0.3)	$ (4.6)	
42					
43	**Fee Reductions (20%)**				
44		Clerk's Other 142.01(2) (16.2%)	10% of Fines to Clerks (11.8%)	Ch. 2008-111 Fees (5.55%)	
45	SFY 2021	$ (8.7)	$ (0.5)	$ (0.7)	
46	SFY 2022	$ (8.7)	$ (0.5)	$ (0.7)	
47	SFY 2023	$ (8.7)	$ (0.5)	$ (0.7)	
48	SFY 2024	$ (8.7)	$ (0.5)	$ (0.7)	
49	SFY 2025	$ (8.7)	$ (0.5)	$ (0.7)	
50					
51	**Fund Impact from Fee Reductions (20%)**				
52		Total	GR	Clerks F&FF	
53	SFY 2021	$ (9.8)	$ (0.7)	$ (9.2)	
54	SFY 2022	$ (9.8)	$ (0.7)	$ (9.2)	
55	SFY 2023	$ (9.8)	$ (0.7)	$ (9.2)	
56	SFY 2024	$ (9.8)	$ (0.7)	$ (9.2)	
57	SFY 2025	$ (9.8)	$ (0.7)	$ (9.2)	

HB 903 DL Suspension Impact - Analysis of Pending Legislation from Other States	
State	**Fiscal Analysis Regarding Unpaid Court Obligations**
Virgina	No Fiscal
Mississippi	No Fiscal
Tennessee	"...provisions may alter the timing of revenue collected for unpaid citations, the impact of which cannot be reasonably determined."
California	No Fiscal, Governor's signing statement stated "there does not appear to be a strong connection between suspending someone's driver license and collecting their fine or penalty."
Arkansas	Fiscal considered reinstatement fees, no mention of unpaid fines
Montana	Fiscal only considers General Fund, no impact
Alabama	"the bill could decrease receipts to the State General fund and municipal general funds from fines; decrease receipts to the State General Fund, county general funds, municipal general funds, and other funds to which court costs are deposited by an indeterminate amount..."
Maryland	"…revenues may be foregone entirely if the removal of existing enforcement mechanisms incentivizes nonpaymnet of citation fines"
New York	No Fiscal
Oregon	"The reduction in court collection will be about 36.5% that will no longer be due, because of the lack of suspension violations."
Washington	"In addition to loss from DWL-3 misdemeanor penalties, it is assumed that there will be additionl loss for failure to pay or failure to respond to a traffic infranction or citation."

HB 903 DL Suspension Impact - Data from Other States	
State	**Data Provided by Nation Conference of State Legislatures**
California	"Since eliminating suspensions and introducing payment flexibility, the State of California has experienced an 8.9% increase in collections on newly issued tickets, from $840.3 million in 2016–17 to $922.3 million in 2017–18. The state Judicial Council attributes that increase to the court's 'implement[ation of] several mechanisms to help individuals pay or resolve their court-ordered debt,' including the end of driver's license suspensions."
Texas*	"Comparing the Dallas and Fort Worth Municipal Courts is particularly telling. The Dallas Municipal Court relies heavily upon OmniBase [prevention from renewing licenses unless traffic fines and costs are paid] for enforcement while the Fort Worth Municipal Court reported that it has not used OmniBase at all over the past three years. Yet there is virtually no difference in the revenue per case disposed between the two courts in the most recent year. The Fort Worth Municipal Court collects $116 per case and the Dallas Municipal Court collects $113 per case."

*Analyst Note: The quote (from an advocacy organization) claims that there is "virtually no difference." The Dallas Court collection per case is 2.6% lower.

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Charitable Hospital Exemption
Bill Number(s): Proposed Language

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Caruso
Month/Year Impact Begins: July 1, 2020
Date of Analysis: February 7, 2020

Section 1: Narrative

a. Current Law:

196.197 Additional provisions for exempting property used by hospitals, nursing homes, and homes for special services.—In addition to criteria for granting exemptions for charitable use of property set forth in other sections of this chapter, hospitals, nursing homes, and homes for special services shall be exempt to the extent that they meet the following criteria:
(1) The applicant must be a Florida corporation not for profit that has been exempt as of January 1 of the year for which exemption from ad valorem property taxes is requested from federal income taxation by having qualified as an exempt organization under the provisions of s. 501(c)(3) of the Internal Revenue Code of 1954 or of the corresponding section of a subsequently enacted federal revenue act.
(2) In determining the extent of exemption to be granted to institutions licensed as hospitals, nursing homes, and homes for special services, portions of the property leased as parking lots or garages operated by private enterprise shall not be deemed to be serving an exempt purpose and shall not be exempt from taxation. Property or facilities which are leased to a nonprofit corporation which provides direct medical services to patients in a nonprofit or public hospital and qualifies under s. 196.196 of this chapter are excluded and shall be exempt from taxation.

196.012 Definitions.—For the purpose of this chapter, the following terms are defined as follows, except where the context clearly indicates otherwise:
(8) "Hospital" means an institution which possesses a valid license granted under chapter 395 on January 1 of the year for which exemption from ad valorem taxation is requested.
(9) "Nursing home" or "home for special services" means an institution that possesses a valid license under chapter 400 or part I of chapter 429 on January 1 of the year for which exemption from ad valorem taxation is requested.

b. Proposed Change:

The proposed language replaces the phrase "to the extent that" with the word "if' in fs. 197.196.

The bill also adds subsection three, which states
<u>(3)(a) The county property appraiser shall make the calculations described in this paragraph. In determining the extent of the exemption to be granted to institutions licensed as hospitals, the unadjusted exempt value of a parcel and the unadjusted exempt value of tangible personal property shall be multiplied by a fraction, not to exceed one, the numerator of which is the county net community benefit expense, as determined under paragraph (b), and the denominator of which is the county tax assessment. For purposes of this section:</u>
<u>1. The term "unadjusted exempt value" means the value exempted in a tax year for the charitable use of property as provided in other sections of this chapter and as limited by subsections (1) and (2).</u>
<u>2. The term "adopted millage rate applicable to a parcel" is the sum of all ad valorem tax rates levied by all taxing jurisdictions within which a parcel is located.</u>
<u>3. The term "parcel tax assessment" is the product of the unadjusted exempt value for a parcel for the immediately prior year and the most recent final adopted millage rate applicable to the parcel.</u>
<u>4. The term "adopted millage rate applicable to tangible personal property" is the sum of all ad valorem tax rates levied by all taxing jurisdictions within which tangible personal property is located.</u>
<u>5. The term "tangible personal property tax assessment" is the product of the unadjusted exempt value for tangible personal property for the immediately prior year and the most recent final adopted millage rate applicable to the tangible personal property.</u>
<u>6. The term "county tax assessment" is the sum of all parcel and tangible personal property tax assessments in a county for property owned by the applicant and for which an exemption is being sought.</u>
<u>(b) The county net community benefit expense, to be determined by the applicant, is that portion of the net community benefit expense reported by the applicant on its most recently filed Internal Revenue Service Form 990, schedule H, attributable to those services and activities provided or performed by the hospital in a county.</u>

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Charitable Hospital Exemption
Bill Number(s): Proposed Language

(c) The application for an exemption under this section must include, but is not limited to:

"A copy of the hospital owner's most recently filed Internal Revenue Service Form 990, schedule H.

1. "A schedule displaying:
   a. "The county net community benefit expense for each county in which properties for which the exemption is being sought are located
   b. "The portion of net community benefit expense reported by the applicant on its most recently filed Internal Revenue Service Form 990, schedule H, attributable to those services and activities provided or performed by the hospital outside of Florida;
   c. "The sum of amounts provided under sub-subparagraphs a. and b., which must equal the total net community benefit expense reported by the applicant on its most recently filed Internal Revenue Service Form 990, schedule H.
2. "A statement signed by the hospital's chief executive officer and independent certified public accountant that, upon his or her reasonable knowledge and belief, the statement of the net community benefit expense is true and correct.

"Section 2. This act shall take effect July 1, 2020."

Section 2: Description of Data and Sources

January 2020 Ad Valorem Assessment REC (EDR)
IRS Form 990 Schedule H data (https://www.guidestar.org)
2017 SOI Tax Statistics, Charities & Other Tax Exempt Organizations (IRS)
2020 Ad Valorem Assessment Rolls (DOR)

Section 3: Methodology (Include Assumptions and Attach Details)

For the low impact, it is assumed that properties currently receiving the exemption under 196.197 F.S.. will have sufficient net community benefit expenses such that the fraction described in subsection (3) will be greater-than or equal-to one, resulting in no impact.

For the middle and high, the total amount of real and personal property exemptions was totaled from the 2020 Ad Valorem Assessment Rolls Exemption Breakdown. As this number includes nursing homes, homes for special services, and institutions not licensed as hospitals, it was reduced by 75%. This reduction was based upon research done by the Property Tax Oversight staff to specifically identify properties owned by hospitals within the group of total exempt entities under 196.197, Florida Statutes. Growth rates of non-homestead, non-residential Ad Valorem values were calculated using estimates from the January 2020 Ad Valorem Assessment REC. These growth rates were used to project the total amount of real and personal property exemptions of qualifying hospitals into the future. For a middle impact, it was assumed that the exemption amount would decrease by 33%, and the high assumes that exemptions would decrease by 66%.

Section 4: Proposed Fiscal Impact

Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	$ 42.8 M	$ 42.8 M	$ 21.4 M	$ 21.4 M	$ -	$ -
2021-22	$ 45.3 M	$ 45.3 M	$ 22.7 M	$ 22.7 M	$ -	$ -
2022-23	$ 48.0 M	$ 48.0 M	$ 24.0 M	$ 24.0 M	$ -	$ -
2023-24	$ 50.6 M	$ 50.6 M	$ 25.3 M	$ 25.3 M	$ -	$ -
2024-25	$ 53.2 M	$ 53.2 M	$ 26.6 M	$ 26.6 M	$ -	$ -

List of affected Trust Funds:
Ad Valorem

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Charitable Hospital Exemption
Bill Number(s): Proposed Language

Section 5: Consensus Estimate (Adopted: 02/07/2020): The Conference adopted a positive indeterminate impact except for the first year's cash which is zero.

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

	A	B	C	D	E	F	G
1	Impact Summary						
2							
3	**School Impact**						
4		High		Middle		Low	
5	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
6	2020-21	$ 16.1 M	$ 16.1 M	$ 8.1 M	$ 8.1 M	$ -	$ -
7	2021-22	$ 17.1 M	$ 17.1 M	$ 8.6 M	$ 8.6 M	$ -	$ -
8	2022-23	$ 18.1 M	$ 18.1 M	$ 9.1 M	$ 9.1 M	$ -	$ -
9	2023-24	$ 19.1 M	$ 19.1 M	$ 9.6 M	$ 9.6 M	$ -	$ -
10	2024-25	$ 20.1 M	$ 20.1 M	$ 10.1 M	$ 10.1 M	$ -	$ -
11							
12	**Non-School Impact**						
13		High		Middle		Low	
14	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
15	2020-21	$ 26.6 M	$ 26.6 M	$ 13.3 M	$ 13.3 M	$ -	$ -
16	2021-22	$ 28.2 M	$ 28.2 M	$ 14.1 M	$ 14.1 M	$ -	$ -
17	2022-23	$ 29.9 M	$ 29.9 M	$ 14.9 M	$ 14.9 M	$ -	$ -
18	2023-24	$ 31.5 M	$ 31.5 M	$ 15.8 M	$ 15.8 M	$ -	$ -
19	2024-25	$ 33.1 M	$ 33.1 M	$ 16.6 M	$ 16.6 M	$ -	$ -
20							
21	**Total Impact**						
22		High		Middle		Low	
23	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
24	2020-21	$ 42.8 M	$ 42.8 M	$ 21.4 M	$ 21.4 M	$ -	$ -
25	2021-22	$ 45.3 M	$ 45.3 M	$ 22.7 M	$ 22.7 M	$ -	$ -
26	2022-23	$ 48.0 M	$ 48.0 M	$ 24.0 M	$ 24.0 M	$ -	$ -
27	2023-24	$ 50.6 M	$ 50.6 M	$ 25.3 M	$ 25.3 M	$ -	$ -
28	2024-25	$ 53.2 M	$ 53.2 M	$ 26.6 M	$ 26.6 M	$ -	$ -

	A	B	C	D	E	F
1						
2	Low					
3		Example of fraction calculation for Total Community Contribution and exempt values across identified entity				
4			2017 IRS Form 990, Schedule H, Line 7k, Total Net Community Benefit Expense			
5		Orlando Health Inc	$ 244,659,961.00			
6						
7						
8						
9		Owner	Total Exemption A			
10		ORLANDO HEALTH INC	$ 102,128,137.00			
11		ORLANDO HEALTH INC	$ 315,410.00			
12		ORLANDO HEALTH INC	$ 159,089.00			
13		ORLANDO HEALTH INC	$ 7,800.00			
14		ORLANDO HEALTH INC	$ 50.00			
15		Total	$ 102,610,486.00			
16						
17			2019 Statewide Effective Millage Rates			
18		School	6.4596			
19		Non-School	10.8122			
20		Total	17.2718			
21						
22		Fraction	138			
23		c5/(c15*c22/1000)				
24						

	A	B	C	D	E	F
25			Real Property	$ 10,322,183,048		
26			Tangible Personal	$ 2,775,489,883		
27			Total	$ 13,097,672,931		
28						
29			% of total that are Hospitals	25%		
30			Real Property	$ 2,580,545,762		
31			Tangible Personal	$ 693,872,471		
32			Total	$ 3,274,418,233		
33						
34				2019 Statewide Effective Millage Rates	Revenue	
35			School	6.5523	$ 21,454,970.59	
36			Non-School	10.8014	$ 35,368,301.10	
37			Total	17.3537	$ 56,823,271.69	
38						
39			Middle Increase in Tax Base	High Increase in Tax Base		
40			33%	66%		
41						
42		School				
43		Non-Res Assessed Value	Non-Res Assessed Value Growth	Exemption Total Estimate	High Impact	Middle Impact
44	2019	$ 727,195,486,243		$21,454,971		
45	2020	$ 780,120,763,905	7.28%	$23,016,463	$15,190,866	$7,595,433
46	2021	$ 829,056,482,893	6.27%	$24,460,249	$16,143,764	$8,071,882
47	2022	$ 879,252,913,423	6.05%	$25,941,230	$17,121,212	$8,560,606
48	2023	$ 930,267,988,340	5.80%	$27,446,364	$18,114,601	$9,057,300
49	2024	$ 981,878,078,486	5.55%	$28,969,054	$19,119,576	$9,559,788
50	2025	$ 1,032,358,921,742	5.14%	$30,458,427	$20,102,562	$10,051,281
51						
52		Non-School				
53		Non-Res Assessed Value	Non-Res Assessed Value Growth	Exemption Total Estimate	High Impact	Middle Impact
54	2019	$ 727,195,486,243		$35,368,301		
55	2020	$ 780,120,763,905	7.28%	$37,942,406	$25,041,988	$12,520,994
56	2021	$ 829,056,482,893	6.27%	$40,322,472	$26,612,831	$13,306,416
57	2022	$ 879,252,913,423	6.05%	$42,763,854	$28,224,144	$14,112,072
58	2023	$ 930,267,988,340	5.80%	$45,245,053	$29,861,735	$14,930,867
59	2024	$ 981,878,078,486	5.55%	$47,755,191	$31,518,426	$15,759,213
60	2025	$ 1,032,358,921,742	5.14%	$50,210,407	$33,138,868	$16,569,434
61						
62		Total				
63		Non-Res Assessed Value	Non-Res Assessed Value Growth	Exemption Total Estimate	High Impact	Middle Impact
64	2019	$ 727,195,486,243		$56,823,272		
65	2020	$ 780,120,763,905	7.28%	$60,958,869	$40,232,853	$20,116,427
66	2021	$ 829,056,482,893	6.27%	$64,782,720	$42,756,595	$21,378,298
67	2022	$ 879,252,913,423	6.05%	$68,705,084	$45,345,356	$22,672,678
68	2023	$ 930,267,988,340	5.80%	$72,691,417	$47,976,336	$23,988,168
69	2024	$ 981,878,078,486	5.55%	$76,724,245	$50,638,002	$25,319,001
70	2025	$ 1,032,358,921,742	5.14%	$80,668,833	$53,241,430	$26,620,715

2019 DR-403EB LINE 11

	Real		Personal Property	
COUNTY	Number of Exemptions	Value of Exemptions	Number of Exemptions	Value of Exemptions
Alachua				
Baker				
Bay			5	$ 282,909
Bradford				
Brevard	40	$ 422,893,682		
Broward	74	$ 422,418,160	5	$ 1,306,284
Calhoun	5	$ 1,615,403		
Charlotte			2	$ 102,084
Citrus				
Clay	1	$ 3,438,113	1	$ 526,207
Collier				
Columbia	16	$ 805,763	1	$ 3,617
Miami-Dad	102	$ 1,272,417,916	13	$ 2,875,645
DeSoto	5	$ 9,938,347		
Dixie				
Duval	158	$ 1,605,985,399	81	$ 684,573,351
Escambia				
Flagler	22	$ 59,003,526		
Franklin				
Gadsden				
Gilchrist				
Glades				
Gulf	1	$ 74,400		
Hamilton	4	$ 471,721	1	$ 97,963
Hardee	2	$ 7,141,833		
Hendry				
Hernando	6	$ 8,154,811	8	$ 1,746,412
Highlands	34	$ 105,169,227	22	$ 3,146,757
Hillsboroug	24	$ 396,152,818	36	$ 217,527,300
Holmes	1	$ 5,893,139		
Indian Rive	13	$ 111,169,258	9	$ 513,714
Jackson	15	$ 18,786,264		
Jefferson	1	$ 387,743		
Lafayette			1	$ 87,877
Lake	62	$ 233,253,091	15	$ 71,873,639
Lee	30	$ 203,871,673	26	$ 7,602,873
Leon	49	$ 45,582,567	2	$ 29,524
Levy	3	$ 1,355,593		
Liberty				
Madison	4	$ 7,281,948		

Manatee	22	$	25,278,306	8	$	1,552,976
Marion	21	$	24,912,093			
Martin	40	$	163,968,911			
Monroe	6	$	15,290,394			
Nassau	3	$	1,565,911	6	$	33,385,785
Okaloosa	1	$	986,755			
Okeechobe						
Orange	225	$	2,471,922,865	224	$	680,945,243
Osceola	15	$	201,505,780	19	$	67,840,333
Palm Beach	31	$	408,167,660	57	$	207,082,181
Pasco	13	$	147,430,889			
Pinellas	110	$	843,522,928	145	$	544,937,643
Polk	59	$	142,119,964	1	$	246,897
Putnam	18	$	13,832,240			
St. Johns	8	$	50,589,883	3	$	26,131,802
St. Lucie	9	$	70,942,025			
Santa Rosa	2	$	27,020,420			
Sarasota	13	$	35,313,582	3	$	816,694
Seminole	57	$	178,652,678	45	$	126,905,188
Sumter	9	$	24,526,590	15	$	35,657,973
Suwannee						
Taylor	4	$	3,819,380			
Union						
Volusia	136	$	526,826,940	37	$	57,691,012
Wakulla	2	$	724,459			
Walton						
Washingto						
Totals	1,476	$	10,322,183,048	791	$	2,775,489,883

Source: Form DR-403EB line 11, sent over from PTO

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Exemption Transfer for Veterans
Bill Number(s): CS/HB 1249 – with Amendment

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Rep Sullivan
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."

197.122 Section 1. Paragraph (b) of subsection (3): "The material mistake of fact may be corrected by the property appraiser, in the same manner as provided by law for performing the act in the first place only within 1 year after the approval of the tax roll pursuant to s. 193.1142. If corrected, the tax roll becomes valid ab initio and does not affect the enforcement of the collection of the tax. If the correction results in a refund of taxes paid on the basis of an erroneous assessment included on the current year's tax roll, the property appraiser may request the department to pass upon the refund request pursuant to s. 197.182 or may submit the correction and refund order directly to the tax collector in accordance with the notice provisions of s. 197.182(2). Corrections to tax rolls for previous years which result in refunds must be made pursuant to s. 197.182."

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) <u>Except as provided in s. 196.081,</u> 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) <u>(a)</u> 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.

<u>"(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 or his or her surviving spouse after January 1 of the current tax year and the veteran or his or her surviving spouse received the exemption on another property in the immediately prior tax year. Notwithstanding the exemption filing requirements of s. 196.011, to receive the exemption under this paragraph, the veteran or his or her surviving spouse must file an application with the property appraiser and may do so at any time during the current tax year. 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). The applicant must identify the previous homestead and</u>

the new property and certify under oath that the veteran or his or her surviving spouse meets all of the following requirements:

"1. Is otherwise qualified to receive the exemption under paragraph (a).
"2. Holds legal or beneficial title to the new property.
"3. Intends to use or uses the new property as his or her homestead.

"Section 3. Subsection (3) of section 197.122, Florida Statutes, is amended to read:

"197.122 Lien of taxes; application.-

"(3) A property appraiser shall correct an assessment to reflect an exemption granted under s. 196.081 (b), if the application for such exemption was filed after the 25th day following the date the property appraiser mails the assessment notice under s. 200.069. A property appraiser may also correct a material mistake of fact relation to an essential condition of the subject to reduce an assessment if to do so requires only the exercise of judgement as to the effect of the of the mistake of fact on the assessed or taxable value of the property."

Subsection (b) is amended to read: "(b) The material mistake of fact or the assessment benefitting from an exemption granted under s. 196.081 (b), if the application for such exemption was filed after the 25th day following the date the property appraiser mails the assessment notice under s. 200.069, may be corrected by the property appraiser, in the same manner as provided by law for performing the act in the first place only within 1 year after the approval of the tax roll pursuant to s. 193.1142. If corrected, the tax roll becomes valid ab initio and does not affect the enforcement of the collection of the tax. If the correction results in a refund of taxes paid on the basis of an erroneous assessment included on the current year's tax roll, the property appraiser may request the department to pass upon the refund request pursuant to s. 197.182 or may submit the correction and refund order directly to the tax collector in accordance with the notice provisions of s. 197.182 (2). Corrections to tax rolls for previous years which result in refunds must be made pursuant to s. 197.182."

Section 2: Description of Data and Sources

Real Property Rolls, 2015-2019
Florida Economic Estimating Conference, Long Run Forecast Dec 16, 2019

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 a decreasing growth rate (8%, 7%, 6%, 5%, 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.

For the low estimate it was assumed that only those veterans who transferred their differential in the second year following the sale would be eligible to receive the exemption under the proposed language. For the high and middle, 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.

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Exemption Transfer for Veterans
Bill Number(s): CS/HB 1249 – with Amendment

Section 4: Proposed Fiscal Impact

List of affected Trust Funds: Ad Valorem

Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	$ (5.9 M)	$ (8.2 M)	$ (0.6 M)	$ (1.1 M)	$ (0.6 M)	$ (0.9 M)
2021-22	$ (6.5 M)	$ (8.2 M)	$ (0.7 M)	$ (1.1 M)	$ (0.6 M)	$ (0.9 M)
2022-23	$ (7.1 M)	$ (8.2 M)	$ (0.8 M)	$ (1.1 M)	$ (0.7 M)	$ (0.9 M)
2023-24	$ (7.7 M)	$ (8.2 M)	$ (0.9 M)	$ (1.1 M)	$ (0.8 M)	$ (0.9 M)
2024-25	$ (8.2 M)	$ (8.2 M)	$ (1.1 M)	$ (1.1 M)	$ (0.9 M)	$ (0.9 M)

Section 5: Consensus Estimate (Adopted: 02/07/2020): The Conference adopted the high estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(2.2)	(3.1)	(3.7)	(5.1)	(5.9)	(8.2)
2021-22	(2.4)	(3.1)	(4.0)	(5.1)	(6.5)	(8.2)
2022-23	(2.7)	(3.1)	(4.4)	(5.1)	(7.1)	(8.2)
2023-24	(2.9)	(3.1)	(4.8)	(5.1)	(7.7)	(8.2)
2024-25	(3.1)	(3.1)	(5.1)	(5.1)	(8.2)	(8.2)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	0.0	0.0	0.0	0.0	(5.9)	(8.2)	(5.9)	(8.2)
2021-22	0.0	0.0	0.0	0.0	(6.5)	(8.2)	(6.5)	(8.2)
2022-23	0.0	0.0	0.0	0.0	(7.1)	(8.2)	(7.1)	(8.2)
2023-24	0.0	0.0	0.0	0.0	(7.7)	(8.2)	(7.7)	(8.2)
2024-25	0.0	0.0	0.0	0.0	(8.2)	(8.2)	(8.2)	(8.2)

School Impact

	High		Middle		Low	
Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	$ (2.2 M)	$ (3.1 M)	$ (0.2 M)	$ (0.4 M)	$ (0.2 M)	$ (0.3 M)
2021-22	$ (2.4 M)	$ (3.1 M)	$ (0.3 M)	$ (0.4 M)	$ (0.2 M)	$ (0.3 M)
2022-23	$ (2.7 M)	$ (3.1 M)	$ (0.3 M)	$ (0.4 M)	$ (0.3 M)	$ (0.3 M)
2023-24	$ (2.9 M)	$ (3.1 M)	$ (0.3 M)	$ (0.4 M)	$ (0.3 M)	$ (0.3 M)
2024-25	$ (3.1 M)	$ (3.1 M)	$ (0.4 M)	$ (0.4 M)	$ (0.3 M)	$ (0.3 M)

Non-School Impact

	High		Middle		Low	
Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	$ (3.7 M)	$ (5.1 M)	$ (0.4 M)	$ (0.7 M)	$ (0.4 M)	$ (0.6 M)
2021-22	$ (4.0 M)	$ (5.1 M)	$ (0.4 M)	$ (0.7 M)	$ (0.4 M)	$ (0.6 M)
2022-23	$ (4.4 M)	$ (5.1 M)	$ (0.5 M)	$ (0.7 M)	$ (0.4 M)	$ (0.6 M)
2023-24	$ (4.8 M)	$ (5.1 M)	$ (0.6 M)	$ (0.7 M)	$ (0.5 M)	$ (0.6 M)
2024-25	$ (5.1 M)	$ (5.1 M)	$ (0.7 M)	$ (0.7 M)	$ (0.6 M)	$ (0.6 M)

Total Impact

	High		Middle		Low	
Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	$ (5.9 M)	$ (8.2 M)	$ (0.6 M)	$ (1.1 M)	$ (0.6 M)	$ (0.9 M)
2021-22	$ (6.5 M)	$ (8.2 M)	$ (0.7 M)	$ (1.1 M)	$ (0.6 M)	$ (0.9 M)
2022-23	$ (7.1 M)	$ (8.2 M)	$ (0.8 M)	$ (1.1 M)	$ (0.7 M)	$ (0.9 M)
2023-24	$ (7.7 M)	$ (8.2 M)	$ (0.9 M)	$ (1.1 M)	$ (0.8 M)	$ (0.9 M)
2024-25	$ (8.2 M)	$ (8.2 M)	$ (1.1 M)	$ (1.1 M)	$ (0.9 M)	$ (0.9 M)

Year	Average Just Value	Average 196.081 Exemption	Number of Parcels with exemption	Parcels with sale indicated	Parcels that sold - Qualified	Growth Rates
2015	$160,702	$119,623	44,646	5619	2860	
2016	$175,071	$124,705	47,252	6477	3579	25.14%
2017	$187,860	$131,044	51,730	7347	4291	19.89%
2018	$203,784	$143,560	55,123	8303	5107	19.02%
2019	$217,569	$152,381	60,926	9040	5740	12.39%
Total			259,677	36786	21577	19.11%

FAR Existing Single-Family Home Sales Growth Rates	
2019-20	8.71%
2020-21	0.14%
2021-22	-0.56%
2022-23	-0.79%
2023-24	0.14%
2024-25	3.29%
2025-26	3.69%
Average	2.1%

Source: Florida Economic Estimating Conference, Long Run Forecast Dec 16, 2019

First-year Diff Transfer			Just Value		EXMPT_05 Value	
Year	Count	Growth Rate	Total	Average	Total	Average
2015	456		$ 95,398,698	$ 209,208	$ 78,362,253	$ 171,847
2016	625	37.06%	$ 137,898,700	$ 220,638	$ 110,108,419	$ 176,173
2017	784	25.44%	$ 180,152,865	$ 229,787	$ 138,568,596	$ 176,746
2018	831	5.99%	$ 198,134,592	$ 238,429	$ 153,955,840	$ 185,266
2019	1130	35.98%	$ 303,035,586	$ 268,173	$ 232,401,481	$ 205,665

Second-year Diff Transfer			Just Value		EXMPT_05 Value	
Year	Count	Growth Rate	Total	Average	Total	Average
2015	40		$ 8,214,423	$ 205,361	$ 6,873,420	$ 171,836
2016	72	80.00%	$ 16,384,251	$ 227,559	$ 13,335,041	$ 185,209
2017	87	20.83%	$ 20,587,048	$ 236,633	$ 16,062,370	$ 184,625
2018	94	8.05%	$ 22,140,642	$ 235,539	$ 15,775,896	$ 167,829
2019	122	29.79%	$ 29,452,160	$ 241,411	$ 22,279,146	$ 182,616

Source: NAL Files, filtered to include only those with EXMPT_05 Values and Differential Transfer Flags

First- and Second-Year Diff Transfers			
Totals		Just Value	EXMPT_05 Value
Year	Count	Total	Total
2015	496	$ 103,613,121	$ 85,235,673
2016	697	$ 154,282,951	$ 123,443,460
2017	871	$ 200,739,913	$ 154,630,966
2018	925	$ 220,275,234	$ 169,731,736
2019	1252	$ 332,487,746	$ 254,680,627

Growth Rates		
High	Middle	Low
8.0%	12.4%	8.0%

Expected Impacted Parcels

Just Value	High	Middle	Low	Adopted Growth
2020-21	1,353	$ 137	132	8%
2021-22	1,447	$ 154	142	7%
2022-23	1,534	$ 173	154	6%
2023-24	1,611	$ 195	166	5%
2024-25	1,675	$ 219	180	4%

	A	B	C	D	E	F	G	H	I	J	K	L
39	**Homestead Just Value**											
40		Year	Appreciation	Expected Avg JV								
41		2020	3.62%	$ 250,150								
42		2021	3.36%	$ 258,555								
43		2022	3.21%	$ 266,855								
44		2023	3.19%	$ 275,368								
45		2024	3.08%	$ 283,849								
46		2025	3.03%	$ 292,450								
47		Source: AV REC Jan 2020 Conference Package										
48												
49	**Expected Total Just Value**											
50		**Just Value**	High	Middle	Low							
51		2020-21	$ 338,387,131	$ 34,300,999	$ 32,973,826							
52		2021-22	$ 374,239,924	$ 39,847,888	$ 36,823,956							
53		2022-23	$ 409,428,207	$ 46,224,596	$ 41,063,959							
54		2023-24	$ 443,613,416	$ 53,611,353	$ 45,783,294							
55		2024-25	$ 475,567,777	$ 62,112,243	$ 50,990,591							
56												
57	**Statewide 2019 Millage Rates**											
58		School	Non-School									
59		6.5223	10.8014									
60												
61	**Fiscal Impact**											
62		**School**	**High**	**Middle**	**Low**							
63		2020-21	$ (2,207,062)	$ (223,721)	$ (215,065)							
64		2021-22	$ (2,440,905)	$ (259,900)	$ (240,177)							
65		2022-23	$ (2,670,414)	$ (301,491)	$ (267,831)							
66		2023-24	$ (2,893,380)	$ (349,669)	$ (298,612)							
67		2024-25	$ (3,101,796)	$ (405,115)	$ (332,576)							
68												
69		**Non-School**	**High**	**Middle**	**Low**							
70		2020-21	$ (3,655,055)	$ (370,499)	$ (356,163)							
71		2021-22	$ (4,042,315)	$ (430,413)	$ (397,750)							
72		2022-23	$ (4,422,398)	$ (499,290)	$ (443,548)							
73		2023-24	$ (4,791,646)	$ (579,078)	$ (494,524)							
74		2024-25	$ (5,136,798)	$ (670,899)	$ (550,770)							

REVENUE ESTIMATING CONFERENCE

Tax: Aviation Fuel Tax
Issue: Refund Increase
Bill Number(s): Proposed Language

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Proposed Bill
Month/Year Impact Begins: 07/01/2020
Date of Analysis: 02/07/2020

Section 1: Narrative

a. Current Law: Section 206.9826, F.S. provides that an air carrier conducting scheduled operations or all-cargo operations that are authorized under 14 C.F.A. part 129, or 14 C.F.A. part 135, is entitled to receive a refund of 1.42 cents per gallon from the 4.27 cents per gallons aviation fuel excise tax. This refund, when added to the refunds granted per section 206.9855, F.S., may not exceed 4.27 cents per gallon.

b. Proposed Change: Section 206.9826, F.S. is revised so that the aviation fuel tax refund is increased from 1.42 cents per gallon to 2.84 cents per gallon.

Section 2: Description of Data and Sources
01/10/20 Transportation Revenue Estimating Conference
Phone and e-mail contact with staff from Florida DOR
Revenue Estimating Conference Impact for CS HB 7087 prepared 05/03/2018
Select taxpayer data from Florida DOR

Section 3: Methodology (Include Assumptions and Attach Details)
The aviation fuel tax refund rate increase will result in revenue loss to the State Transportation Trust Fund and the General Revenue Fund via the 8% GR service charge. The current forecast of these amounts was retrieved directly from the latest Transportation REC. In both scenarios, the unadjusted new refund amount was calculated by doubling the portion section 206.9826, F.S. refunds represents of currently forecasted refunds, calculated by using the FY 2020-21 percentage of 206.9826, F.S. refunds from the Revenue Estimating Conference Impact for CS HB 7087 prepared 05/03/2018, which was then grown by the growth rate for aviation fuel tax refunds from the latest Transportation REC. Because the 206.9826, F.S. refunds are doubled and the remaining share of refunds is mostly comprised of the workforce tax credit and is thus not effected by level of activity, excise rate, or refund rate changes, the total unadjusted amount refundable would exceed the gross collections. However, section 206.9826, F.S. currently states that refunds under this section, when added to refunds provided under section 206.9855, F.S., cannot exceeds the current tax rate of 4.27 cents per gallon. This provision capping section 206.9826 F.S. refunds, coupled with the assumption that 5% of taxpayers do not qualify for refunds per section 206.9826, F.S., prevents refunds from completely exceeding gross collections throughout the horizon. In addition, market share for the workforce tax credits could cause larger taxpayers to reach the refund cap earlier, resulting in a lower negative impact. Fiscal 2019 gallons and workforce credit data was provided by DOR for selected taxpayers. Four taxpayers were analyzed. Of the four, three taxpayers had refunds exceed the collections thresholds by varying degrees. The low scenario adjusts refunds for the average amount of refunds unrealized for the taxpayers observed. The high scenario uses the same average weighted for taxpayer size.

The FY 2020-21 cash impact was adjusted for the four month lag in refunds in both scenarios.

Section 4: Proposed Fiscal Impact

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(0.4)	(0.6)			(0.3)	(0.5)
2021-22	(0.6)	(0.6)			(0.5)	(0.5)
2022-23	(0.7)	(0.7)			(0.6)	(0.6)
2023-24	(0.7)	(0.7)			(0.6)	(0.6)
2024-25	(0.7)	(0.7)			(0.5)	(0.5)

REVENUE ESTIMATING CONFERENCE

Tax: Aviation Fuel Tax
Issue: Refund Increase
Bill Number(s): Proposed Language

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(4.9)	(7.3)			(3.9)	(5.8)
2021-22	(7.6)	(7.6)			(6.0)	(6.0)
2022-23	(7.7)	(7.7)			(6.1)	(6.1)
2023-24	(8.0)	(8.0)			(6.3)	(6.3)
2024-25	(8.1)	(8.1)			(6.5)	(6.5)

List of affected Trust Funds:
General Revenue Fund
State Transportation Trust Fund

Section 5: Consensus Estimate (Adopted: 02/07/2020): The Conference adopted the high estimate

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(0.4)	(0.6)	(4.9)	(7.3)	0.0	0.0	(5.3)	(7.9)
2021-22	(0.6)	(0.6)	(7.6)	(7.6)	0.0	0.0	(8.2)	(8.2)
2022-23	(0.7)	(0.7)	(7.7)	(7.7)	0.0	0.0	(8.4)	(8.4)
2023-24	(0.7)	(0.7)	(8.0)	(8.0)	0.0	0.0	(8.7)	(8.7)
2024-25	(0.7)	(0.7)	(8.1)	(8.1)	0.0	0.0	(8.8)	(8.8)

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	**Handout - Taxpayer Examples**												
2													
3	**Taxpayer Example #1**												
4		Gallons	Gross Collections @ 4.27 cents per gallon	Wage Refund	Refund @ 2.84 cents per gallon	Total Unadjusted Refunds	Gross Collections Plus Refunds	Hit Cap?	% of Refunds Not Realized		Aviation Gallons Growth Rates	Aviation Gallons Growth Rates SFY 2022	FEEC Employment Growth Rates
5													
6													
7	SFY 2019	255,666,058		$ (7,263,120)									
8													
9	SFY 2020	259,117,696		$ (7,454,558)								1.35%	2.64%
10	SFY 2021	259,117,696	$ 11,064,326	$ (7,590,693)	$ (7,358,943)	$ (14,949,636)	$ (3,885,309.9)	Yes	26%			1.35%	1.83%
11	SFY 2022	262,615,933	$ 11,213,700	$ (7,691,414)	$ (7,458,293)	$ (15,149,706)	$ (3,936,006.1)	Yes	26%		1.35%		1.33%
12	SFY 2023	266,108,925	$ 11,362,851	$ (7,765,328)	$ (7,557,493)	$ (15,322,821)	$ (3,959,970.0)	Yes	26%		1.33%		0.96%
13	SFY 2024	269,568,427	$ 11,510,572	$ (7,819,164)	$ (7,655,743)	$ (15,474,907)	$ (3,964,335.5)	Yes	26%		1.30%		0.69%
14	SFY 2025	273,070,102	$ 11,660,093	$ (7,883,884)	$ (7,755,191)	$ (15,639,075)	$ (3,978,982.0)	Yes	25%		1.30%		0.83%
15	SFY 2026	276,565,305	$ 11,809,339	$ (7,963,564)	$ (7,854,455)	$ (15,818,018)	$ (4,008,679.8)	Yes	25%		1.28%		1.01%
16	SFY 2027	280,133,144	$ 11,961,685	$ (8,053,506)	$ (7,955,781)	$ (16,009,287)	$ (4,047,601.8)	Yes	25%		1.29%		1.13%
17	SFY 2028	283,718,736	$ 12,114,790	$ (8,152,238)	$ (8,057,612)	$ (16,209,850)	$ (4,095,059.9)	Yes	25%		1.28%		1.23%
18	SFY 2029	287,322,026	$ 12,268,651	$ (8,256,696)	$ (8,159,946)	$ (16,416,642)	$ (4,147,991.3)	Yes	25%		1.27%		1.28%
19													
20	**Taxpayer Example #2**												
21		Gallons	Gross Collections @ 4.27 cents per gallon	Wage Refund	Refund @ 2.84 cents per gallon	Total Unadjusted Refunds	Gross Collections Plus Refunds	Hit Cap?	% of Refunds Not Realized		Aviation Gallons Growth Rates	Aviation Gallons Growth Rates SFY 2022	FEEC Employment Growth Rates
22													
23													
24	SFY 2019	146,966,066		$ (1,401,901)									
25													
26	SFY 2020	148,950,192		$ (1,438,852)								1.35%	2.64%
27	SFY 2021	148,950,192	$ 6,360,173	$ (1,465,128)	$ (4,230,185)	$ (5,695,313)	$ 664,859.8	No	0%			1.35%	1.83%
28	SFY 2022	150,961,105	$ 6,446,039	$ (1,484,569)	$ (4,287,295)	$ (5,771,864)	$ 674,175.1	No	0%		1.35%		1.33%
29	SFY 2023	152,969,002	$ 6,531,776	$ (1,498,835)	$ (4,344,320)	$ (5,843,155)	$ 688,621.5	No	0%		1.33%		0.96%
30	SFY 2024	154,957,649	$ 6,616,692	$ (1,509,227)	$ (4,400,797)	$ (5,910,024)	$ 706,667.8	No	0%		1.30%		0.69%
31	SFY 2025	156,970,538	$ 6,702,642	$ (1,521,719)	$ (4,457,963)	$ (5,979,682)	$ 722,960.0	No	0%		1.30%		0.83%
32	SFY 2026	158,979,707	$ 6,788,433	$ (1,537,098)	$ (4,515,024)	$ (6,052,122)	$ 736,311.8	No	0%		1.28%		1.01%
33	SFY 2027	161,030,629	$ 6,876,008	$ (1,554,458)	$ (4,573,270)	$ (6,127,728)	$ 748,279.6	No	0%		1.29%		1.13%
34	SFY 2028	163,091,757	$ 6,964,018	$ (1,573,515)	$ (4,631,806)	$ (6,205,321)	$ 758,696.9	No	0%		1.28%		1.23%
35	SFY 2029	165,163,058	$ 7,052,463	$ (1,593,677)	$ (4,690,631)	$ (6,284,308)	$ 768,154.3	No	0%		1.27%		1.28%
36													
37	**Taxpayer Example #3**												
38		Gallons	Gross Collections @ 4.27 cents per gallon	Wage Refund	Refund @ 2.84 cents per gallon	Total Unadjusted Refunds	Gross Collections Plus Refunds	Hit Cap?	% of Refunds Not Realized		Aviation Gallons Growth Rates	Aviation Gallons Growth Rates SFY 2022	FEEC Employment Growth Rates
39													
40													
41	SFY 2019	12,570,656		$ (382,722)									
42													
43	SFY 2020	12,740,367		$ (392,810)								1.35%	2.64%
44	SFY 2021	12,740,367	$ 544,014	$ (399,984)	$ (361,826)	$ (761,810)	$ (217,796.3)	Yes	29%			1.35%	1.83%
45	SFY 2022	12,912,369	$ 551,358	$ (405,291)	$ (366,711)	$ (772,002)	$ (220,644.0)	Yes	29%		1.35%		1.33%
46	SFY 2023	13,084,114	$ 558,692	$ (409,186)	$ (371,589)	$ (780,775)	$ (222,082.9)	Yes	28%		1.33%		0.96%
47	SFY 2024	13,254,211	$ 565,955	$ (412,023)	$ (376,420)	$ (788,442)	$ (222,487.3)	Yes	28%		1.30%		0.69%
48	SFY 2025	13,426,383	$ 573,307	$ (415,433)	$ (381,309)	$ (796,742)	$ (223,435.6)	Yes	28%		1.30%		0.83%
49	SFY 2026	13,598,236	$ 580,645	$ (419,632)	$ (386,190)	$ (805,821)	$ (225,176.8)	Yes	28%		1.28%		1.01%
50	SFY 2027	13,773,660	$ 588,135	$ (424,371)	$ (391,172)	$ (815,543)	$ (227,407.6)	Yes	28%		1.29%		1.13%
51	SFY 2028	13,949,957	$ 595,663	$ (429,574)	$ (396,179)	$ (825,752)	$ (230,089.1)	Yes	28%		1.28%		1.23%
52	SFY 2029	14,127,125	$ 603,228	$ (435,078)	$ (401,210)	$ (836,288)	$ (233,059.9)	Yes	28%		1.27%		1.28%
53													
54	**Taxpayer Example #4**												
55		Gallons	Gross Collections @ 4.27 cents per gallon	Wage Refund	Refund @ 2.84 cents per gallon	Total Unadjusted Refunds	Gross Collections Plus Refunds	Hit Cap?	% of Refunds Not Realized		Aviation Gallons Growth Rates	Aviation Gallons Growth Rates SFY 2022	FEEC Employment Growth Rates
56													
57													
58	SFY 2019	5,093,440		$ (76,635)									
59													
60	SFY 2020	5,162,204		$ (78,655)								1.35%	2.64%
61	SFY 2021	5,162,204	$ 220,426	$ (80,091)	$ (146,607)	$ (226,698)	$ (6,271.4)	Yes	3%			1.35%	1.83%
62	SFY 2022	5,231,897	$ 223,402	$ (81,154)	$ (148,586)	$ (229,740)	$ (6,337.5)	Yes	3%		1.35%		1.33%
63	SFY 2023	5,301,485	$ 226,373	$ (81,934)	$ (150,562)	$ (232,496)	$ (6,122.3)	Yes	3%		1.33%		0.96%
64	SFY 2024	5,370,406	$ 229,316	$ (82,502)	$ (152,520)	$ (235,021)	$ (5,704.7)	Yes	2%		1.30%		0.69%
65	SFY 2025	5,440,168	$ 232,295	$ (83,184)	$ (154,501)	$ (237,685)	$ (5,390.0)	Yes	2%		1.30%		0.83%
66	SFY 2026	5,509,800	$ 235,268	$ (84,025)	$ (156,478)	$ (240,503)	$ (5,235.0)	Yes	2%		1.28%		1.01%
67	SFY 2027	5,580,879	$ 238,304	$ (84,974)	$ (158,497)	$ (243,471)	$ (5,167.6)	Yes	2%		1.29%		1.13%
68	SFY 2028	5,652,312	$ 241,354	$ (86,016)	$ (160,526)	$ (246,542)	$ (5,187.8)	Yes	2%		1.28%		1.23%
69	SFY 2029	5,724,098	$ 244,419	$ (87,118)	$ (162,564)	$ (249,682)	$ (5,263.4)	Yes	2%		1.27%		1.28%
70													
71		Average Refund Not Realized:		19%	Average Refund Not Realized (Weighted):			16%					

	A	B	C	D	E	F	G	H	I	J	K
1	**Proposed Language Aviation Fuel Tax Refund Increase**										
2											
3	**Current Forecast - Aviation Fuel Tax (millions)**										
4								Refunds Breakdown			
5		Gross Collections	Refunds	DOR Admin Charge	GR Service Charge	Net to STTF		206.9826	Other		Aviation Refund Growth Rates
6	SFY 2021	$ 54.8	$ 38.0	$ 0.2	$ 1.3	$ 15.3		$ 16.7	$ 21.3		
7	SFY 2022	$ 55.6	$ 39.0	$ 0.2	$ 1.3	$ 15.1		$ 17.2	$ 21.8		2.63%
8	SFY 2023	$ 56.3	$ 40.1	$ 0.2	$ 1.3	$ 14.7		$ 17.6	$ 22.5		2.82%
9	SFY 2024	$ 57.1	$ 41.2	$ 0.2	$ 1.3	$ 14.4		$ 18.1	$ 23.1		2.74%
10	SFY 2025	$ 57.8	$ 42.3	$ 0.2	$ 1.2	$ 14.1		$ 18.6	$ 23.7		2.67%
11	SFY 2026	$ 58.5	$ 43.5	$ 0.2	$ 1.2	$ 13.6		$ 19.1	$ 24.4		2.84%
12	SFY 2027	$ 59.3	$ 44.7	$ 0.2	$ 1.2	$ 13.2		$ 19.7	$ 25.0		2.76%
13	SFY 2028	$ 60.1	$ 46.0	$ 0.2	$ 1.1	$ 12.8		$ 20.2	$ 25.8		2.91%
14	SFY 2029	$ 60.8	$ 47.3	$ 0.2	$ 1.1	$ 12.2		$ 20.8	$ 26.5		2.83%
15											
16	**High Scenario New Forecast - Aviation Fuel Tax (millions)**										
17								Refunds Breakdown (unadjusted)			
18		Gross Collections	Refunds (adjusted)	DOR Admin Charge	GR Service Charge	Net to STTF		206.9826	Other		
19	SFY 2021 (cash)	$ 54.8	$ 43.3	$ 0.2	$ 0.9	$ 10.4		$ 27.8	$ 21.3		
20	SFY 2021 (recurring)	$ 54.8	$ 45.9	$ 0.2	$ 0.7	$ 8.0		$ 33.4	$ 21.3		
21	SFY 2022	$ 55.6	$ 47.2	$ 0.2	$ 0.7	$ 7.5		$ 34.3	$ 21.8		
22	SFY 2023	$ 56.3	$ 48.5	$ 0.2	$ 0.6	$ 7.0		$ 35.3	$ 22.5		
23	SFY 2024	$ 57.1	$ 49.9	$ 0.2	$ 0.6	$ 6.4		$ 36.3	$ 23.1		
24	SFY 2025	$ 57.8	$ 51.1	$ 0.2	$ 0.5	$ 6.0		$ 37.2	$ 23.7		
25	SFY 2026	$ 58.5	$ 52.6	$ 0.2	$ 0.5	$ 5.2		$ 38.3	$ 24.4		
26	SFY 2027	$ 59.3	$ 54.0	$ 0.2	$ 0.4	$ 4.7		$ 39.3	$ 25.0		
27	SFY 2028	$ 60.1	$ 55.7	$ 0.2	$ 0.3	$ 3.9		$ 40.5	$ 25.8		
28	SFY 2029	$ 60.8	$ 57.2	$ 0.2	$ 0.3	$ 3.1		$ 41.6	$ 26.5		
29											
30	**High Scenario Impact - Aviation Fuel Refund Rate Increase**										
31		Total	GR	Trust	Local						
32	SFY 2021 (cash)	$ (5.3)	$ (0.4)	$ (4.9)	$ -						
33	SFY 2021 (recurring)	$ (7.9)	$ (0.6)	$ (7.3)	$ -						
34	SFY 2022	$ (8.2)	$ (0.6)	$ (7.6)	$ -						
35	SFY 2023	$ (8.4)	$ (0.7)	$ (7.7)	$ -						
36	SFY 2024	$ (8.7)	$ (0.7)	$ (8.0)	$ -						
37	SFY 2025	$ (8.8)	$ (0.7)	$ (8.1)	$ -						
38	SFY 2026	$ (9.1)	$ (0.7)	$ (8.4)	$ -						
39	SFY 2027	$ (9.3)	$ (0.8)	$ (8.5)	$ -						
40	SFY 2028	$ (9.7)	$ (0.8)	$ (8.9)	$ -						
41	SFY 2029	$ (9.9)	$ (0.8)	$ (9.1)	$ -						
42											
43	**Low Scenario New Forecast - Aviation Fuel Tax (millions)**										
44								Refunds Breakdown (unadjusted)			
45		Gross Collections	Refunds (adjusted)	DOR Admin Charge	GR Service Charge	Net to STTF		206.9826	Other		
46	SFY 2021 (cash)	$ 54.8	$ 42.2	$ 0.2	$ 1.0	$ 11.4		$ 27.8	$ 21.3		
47	SFY 2021 (recurring)	$ 54.8	$ 44.3	$ 0.2	$ 0.8	$ 9.5		$ 33.4	$ 21.3		
48	SFY 2022	$ 55.6	$ 45.5	$ 0.2	$ 0.8	$ 9.1		$ 34.3	$ 21.8		
49	SFY 2023	$ 56.3	$ 46.8	$ 0.2	$ 0.7	$ 8.6		$ 35.3	$ 22.5		
50	SFY 2024	$ 57.1	$ 48.1	$ 0.2	$ 0.7	$ 8.1		$ 36.3	$ 23.1		
51	SFY 2025	$ 57.8	$ 49.3	$ 0.2	$ 0.7	$ 7.6		$ 37.2	$ 23.7		
52	SFY 2026	$ 58.5	$ 50.8	$ 0.2	$ 0.6	$ 6.9		$ 38.3	$ 24.4		
53	SFY 2027	$ 59.3	$ 52.1	$ 0.2	$ 0.6	$ 6.4		$ 39.3	$ 25.0		
54	SFY 2028	$ 60.1	$ 53.7	$ 0.2	$ 0.5	$ 5.7		$ 40.5	$ 25.8		
55	SFY 2029	$ 60.8	$ 55.2	$ 0.2	$ 0.4	$ 5.0		$ 41.6	$ 26.5		
56											
57	**Low Scenario Impact - Aviation Fuel Refund Rate Increase**										
58		Total	GR	Trust	Local						
59	SFY 2021 (cash)	$ (4.2)	$ (0.3)	$ (3.9)	$ -						
60	SFY 2021 (recurring)	$ (6.3)	$ (0.5)	$ (5.8)	$ -						
61	SFY 2022	$ (6.5)	$ (0.5)	$ (6.0)	$ -						
62	SFY 2023	$ (6.7)	$ (0.6)	$ (6.1)	$ -						
63	SFY 2024	$ (6.9)	$ (0.6)	$ (6.3)	$ -						
64	SFY 2025	$ (7.0)	$ (0.5)	$ (6.5)	$ -						
65	SFY 2026	$ (7.3)	$ (0.6)	$ (6.7)	$ -						
66	SFY 2027	$ (7.4)	$ (0.6)	$ (6.8)	$ -						
67	SFY 2028	$ (7.7)	$ (0.6)	$ (7.1)	$ -						
68	SFY 2029	$ (7.9)	$ (0.7)	$ (7.2)	$ -						

REVENUE ESTIMATING CONFERENCE

Tax: Corporate Income Tax
Issue: Piggyback
Bill Number(s): Proposed Language

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): N/A
Month/Year Impact Begins: Upon Becoming Law
Date of Analysis: 1/30/2020

Section 1: Narrative

a. Current Law: Section 220.03(1)(n) defines "Internal Revenue Code" to mean the United States Internal Revenue Code of 1986, as amended and in effect on January 1, 2019, except as provided in subsection (3).
Section 220.03((2)(c) provides: Any term used in this code has the same meaning as when used in a comparable context in the Internal Revenue Code and other statutes of the United States relating to federal income taxes, as such code and statutes are in effect on January 1, 2019. However, if subsection (3) is implemented, the meaning of a term shall be taken at the time the term is applied under this code.

Section 220.13(1)(b)3. provides: In computing "adjusted federal income" for taxable years beginning after December 31, 1976, there shall be allowed as a deduction the amount of wages and salaries paid or incurred within this state for the taxable year for which no deduction is allowed pursuant to s. 280C(a) of the Internal Revenue Code (relating to credit for employment of certain new employees).

b. Proposed Change: : Section 220.03(1)(n) defines "Internal Revenue Code" to mean the United States Internal Revenue Code of 1986, as amended and in effect on January 1, ~~2019~~ 2020, except as provided in subsection (3).
Section 220.03((2)(c) provides: Any term used in this code has the same meaning as when used in a comparable context in the Internal Revenue Code and other statutes of the United States relating to federal income taxes, as such code and statutes are in effect on January 1, ~~2019~~ 2020. However, if subsection (3) is implemented, the meaning of a term shall be taken at the time the term is applied under this code.

Section 2: Description of Data and Sources
Joint Committee on Taxation Publication JCX-54R19

Section 3: Methodology (Include Assumptions and Attach Details)
The Joint Committee on Taxation methodology was used to share the federal impacts to Florida. For items newly deductible at the federal level, the total impact was divided by the federal 21% Corporate Income Tax rate to determine the federal base impact. This base impact was shared to Florida using a 4.4% share of federal corporate profits. The Florida tax rate (4.458% in 2020 and 2021 and 5.5% for all future years) was applied to the assumed Florida base impact to arrive at an estimate of the Florida CIT impact. These impacts were then converted to Florida fiscal year impacts by shifting 21.04% out of each period and into the subsequent period.

For certain newly authorized credits at the federal, it is assumed that the taxpayer taking the credit is required to add back related deductions to arrive at federal taxable income. While federal credits do not impact Florida's Corporate Income Tax, the elimination of the corresponding deduction increase the federal taxable income, which does flow down to Florida. It is assumed that the reported impacts by JCT are net of the reduced deduction. To arrive at the total credit amount (which is assumed to be equal to the disallowed deduction, the impact reported by JCT is divided by (1-0.21) or 0.79. Stated otherwise, the total impact is the credit amount less the disallowed deduction (which is assumed equal to the credit amount) times the tax rate of 21%. This amount is positive federal tax base impact, to which the 4.4% Florida share and applicable year Florida tax rate are applied to arrive at the Florida impact. For those credits that affect employment credits, only 95.6% of the federal base impact was included as Florida wages would still be deductible under Section 220.13(1)(B)3. Certain other credits were identified as having no impact to Florida as they either were not available to corporate income taxpayers or did not result in increasing federal taxable income.

The Florida impacts were then converted to Florida fiscal year impacts by shifting 21.04% out of each period and into the subsequent period.
For the low impact, the 2019 REC impact for Film special treatment was used. For the high impact, the JCT analysis was used for Fil special treatment.
Assumptions:

1. Those changes at the federal level that affect the Florida CIT were properly selected

REVENUE ESTIMATING CONFERENCE

Tax: Corporate Income Tax
Issue: Piggyback
Bill Number(s): Proposed Language

2. Deductions must be added back for all credits authorized at federal level
3. 4.4% Florida share of federal corporate profits holds for all firms
4. 4.4% Florida share holds at expense level as well
5. 4.4% Florida share also holds for Florida share of wages where subtracted pursuant to section 220.13(1)(b) 3.
6. The conversion from federal fiscal year to state fiscal year is properly specified
7. No tax planning occurs
8. All impacts are 100% within Federal Corporate Income Tax

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	($1.5 M)				($7.3 M)	
2021-22	$11.5 M				$0.55 M	
2022-23	$21.0 M				$7.14 M	
2023-24	$10.5 M				$5.48 M	
2024-25	$2.7 M				$2.32 M	

List of affected Trust Funds: Corporate Income Tax Group

Section 5: Consensus Estimate (Adopted: 02/07/2020): The Conference adopted a positive/negative indeterminate impact.

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

	A	B	C	D	E	F	G	H	I	J	K
1	**JCT Impacts - Federal Level ($ Millions)**	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2	B. Incentives for Employment, Economic Growth, and Community Development										
3	1. Extension of Indian employment tax credit (sunset 12/31/20)	-$141.0	-$58.0								
4	2. Extension of railroad track maintenance credit (sunset 12/31/22)	-$536.0	-$216.0	-$216.0	-$97.0						
5	3. Extension of mine rescue team training credit (sunset 12/31/20)	-$3.0	-$1.0	-$1.0	-$1.0						
6	4. Extension of classification of certain race horses as 3-year property (sunset 12/31/20)										
7	5. Extension of 7-year recovery period for motorsports entertainment complexes (sunset 12/31/20)	-$70.0	-$41.0	-$30.0	-$21.0	-$17.0	-$13.0	-$7.0	$1.0	$5.0	$7.0
8	6. Extension of accelerated depreciation for business property on Indian reservations (sunset 12/31/20)	-$58.0	-$31.0	-$12.0	-$3.0	-$2.0	-$4.0	-$9.0	-$12.0	-$14.0	-$14.0
9	7. Extension of special expensing rules for certain film, television, and live theatrical productions (sunset 12/31/20)	-$1,686.0	$579.0	$846.0	$242.0						
10	8. Extension of empowerment zone tax incentives (sunset 12/31/20)	-$590.0	-$240.0	$2.0	-$2.0						
11	9. Extension of American Samoa economic development credit (sunset 12/31/20)	-$21.0	-$4.0								
12											
13	C. Incentives for Energy Production, Efficiency, and Green Economy Jobs										
14	1. Biodiesel and renewable diesel incentives - extend present-law income tax credits, excise tax credit, and outlay payments (sunset 12/31/22)	-$8,121.0	-$3,092.0	-$3,124.0	-$846.0						
15	2. Extension of second generation biofuel producer credit (sunset 12/31/20)	-$36.0	-$7.0								
16	3. Extension of credit for section 25C nonbusiness energy property (sunset 12/31/20)	-$375.0	-$471.0								
17	4. Extension of alternative motor vehicle credit for qualified fuel cell motor vehicles (sunset 12/31/20	-$12.0	-$2.0								
18	5. Extension of credit for alternative fuel vehicle refueling property (sunset 12/31/20)	-$200.0	-$97.0	-$9.0	-$8.0	-$8.0	-$7.0	-$4.0	-$1.0	$1.0	$1.0
19	6. Extension of credit for two-wheeled plug-in electric vehicles (sunset 12/31/20)	-$2.0	-$1.0								
20	7. Extension of credit for electricity produced from certain renewable resources (sunset 12/31/20)	-$102.0	-$185.0	-$213.0	-$161.0	-$169.0	-$208.0	-$239.0	-$258.0	-$261.0	-$263.0
21	8. Extension of production credit for Indian coal facilities (sunset 12/31/20) [19	-$59.0	-$16.0	-$9.0	-$8.0	-$8.0	-$7.0	-$4.0	-$2.0		
22	9. Extension of credit for construction of energy-efficient new homes (sunset 12/31/20)	-$414.0	-$119.0	-$64.0	-$56.0	-$45.0	-$26.0	-$7.0			
23	10. Extension of special depreciation allowance for second generation biofuel plant property (sunset 12/31/20)										
24	11. Extension of energy-efficient commercial buildings deduction (sunset 12/31/20)	-$222.0	-$25.0	$5.0	$4.0	$3.0	$3.0	$2.0	$2.0	$1.0	
25	12. Extension of special rule for sales or dispositions to implement Federal Energy Regulatory Commission (“FERC”) or State electric restructuring policy for qualified electric utilities (sunset 12/31/20)	-$423.0	-$2.0	$78.0	$78.0	$78.0	$78.0	$62.0	$36.0	$10.0	
26											
27	D. Certain Provisions Expiring at the End of 2019										
28	2. Extension of employer credit for paid family and medical leave (sunset 12/31/20)	-$767.0	-$803.0	-$334.0	-$167.0	-$119.0	-$48.0				
29	3. Extension of work opportunity tax credit (sunset 12/31/20)	-$571.0	-$826.0	-$289.0	-$113.0	-$86.0	-$78.0	-$32.0	-$28.0	-$16.0	-$2.0

	A	B	C	D	E	F	G	H	I	J	K
1	**Federal Base Impacts ($ Millions)**	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2	B. Incentives for Employment, Economic Growth, and Community Development										
3	1. Extension of Indian employment tax credit (sunset 12/31/20)	$178.5	$73.4								
4	2. Extension of railroad track maintenance credit (sunset 12/31/22)	$678.5	$273.4	$273.4	$122.8						
5	3. Extension of mine rescue team training credit (sunset 12/31/20)	$3.8	$1.3	$1.3	$1.3						
6	4. Extension of classification of certain race horses as 3-year property (sunset 12/31/20)										
7	5. Extension of 7-year recovery period for motorsports entertainment complexes (sunset 12/31/20)	-$333.3	-$195.2	-$142.9	-$100.0	-$81.0	-$61.9	-$33.3	$4.8	$23.8	$33.3
8	6. Extension of accelerated depreciation for business property on Indian reservations (sunset 12/31/20)	-$276.2	-$147.6	-$57.1	-$14.3	-$9.5	-$19.0	-$42.9	-$57.1	-$66.7	-$66.7
9	7. Extension of special expensing rules for certain film, television, and live theatrical productions (sunset 12/31/20)	-$8,028.6	$2,757.1	$4,028.6	$1,152.4						
10	8. Extension of empowerment zone tax incentives (sunset 12/31/20)	-$2,809.5	-$1,142.9	$9.5	-$9.5						
11	9. Extension of American Samoa economic development credit (sunset 12/31/20)	-$100.0	-$19.0	$0.0	$0.0						
12											
13	C. Incentives for Energy Production, Efficiency, and Green Economy Jobs										
14	1. Biodiesel and renewable diesel incentives - extend present-law income tax credits, excise tax credit, and outlay payments (sunset 12/31/22)	$10,279.7	$3,913.9	$3,954.4	$1,070.9						
15	2. Extension of second generation biofuel producer credit (sunset 12/31/20)	$45.6	$8.9								
16	3. Extension of credit for section 25C nonbusiness energy property (sunset 12/31/20)	$474.7	$596.2								
17	4. Extension of alternative motor vehicle credit for qualified fuel cell motor vehicles (sunset 12/31/20	$15.2	$2.5								
18	5. Extension of credit for alternative fuel vehicle refueling property (sunset 12/31/20)	$253.2	$122.8	$11.4	$10.1	$10.1	$8.9	$5.1	$1.3	-$1.3	-$1.3
19	6. Extension of credit for two-wheeled plug-in electric vehicles (sunset 12/31/20)	$2.5	$1.3								
20	7. Extension of credit for electricity produced from certain renewable resources (sunset 12/31/20)	$129.1	$234.2	$269.6	$203.8	$213.9	$263.3	$302.5	$326.6	$330.4	$332.9
21	8. Extension of production credit for Indian coal facilities (sunset 12/31/20) [19	$74.7	$20.3	$11.4	$10.1	$10.1	$8.9	$5.1	$2.0		
22	9. Extension of credit for construction of energy-efficient new homes (sunset 12/31/20)	$524.1	$150.6	$81.0	$70.9	$57.0	$32.9	$8.9			
23	10. Extension of special depreciation allowance for second generation biofuel plant property (sunset 12/31/20)										
24	11. Extension of energy-efficient commercial buildings deduction (sunset 12/31/20)	-$1,057.1	-$119.0	$23.8	$19.0	$14.3	$14.3	$9.5	$9.5	$4.8	$0.0
25	12. Extension of special rule for sales or dispositions to implement Federal Energy Regulatory Commission ("FERC") or State electric restructuring policy for qualified electric utilities (sunset 12/31/20)	-$2,014.3	-$9.5	$371.4	$371.4	$371.4	$371.4	$295.2	$171.4	$47.6	$0.0
26											
27	D. Certain Provisions Expiring at the End of 2019										
28	2. Extension of employer credit for paid family and medical leave (sunset 12/31/20)	$970.9	$1,016.5	$422.8	$211.4	$150.6	$60.8				
29	3. Extension of work opportunity tax credit (sunset 12/31/20)	$722.8	$1,045.6	$365.8	$143.0	$108.9	$98.7	$40.5	$35.4	$20.3	$2.5

	A	B	C	D	E	F	G	H	I	J	K
1	**Florida Base Impacts ($ Millions)**	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2	B. Incentives for Employment, Economic Growth, and Community Development										
3	1. Extension of Indian employment tax credit (sunset 12/31/20)	$7.5	$3.1								
4	2. Extension of railroad track maintenance credit (sunset 12/31/22)	$29.9	$12.0	$12.0	$5.4						
5	3. Extension of mine rescue team training credit (sunset 12/31/20)	$0.2	$0.1	$0.1	$0.1						
6	4. Extension of classification of certain race horses as 3-year property (sunset 12/31/20)										
7	5. Extension of 7-year recovery period for motorsports entertainment complexes (sunset 12/31/20)	-$14.7	-$8.6	-$6.3	-$4.4	-$3.6	-$2.7	-$1.5	$0.2	$1.0	$1.5
8	6. Extension of accelerated depreciation for business property on Indian reservations (sunset 12/31/20)	-$12.2	-$6.5	-$2.5	-$0.6	-$0.4	-$0.8	-$1.9	-$2.5	-$2.9	-$2.9
9	7. Extension of special expensing rules for certain film, television, and live theatrical productions (sunset 12/31/20)	-$353.3	$121.3	$177.3	$50.7						
10	8. Extension of empowerment zone tax incentives (sunset 12/31/20)	-$123.6	-$50.3	$0.4	-$0.4						
11	9. Extension of American Samoa economic development credit (sunset 12/31/20)	-$4.4	-$0.8								
12											
13	C. Incentives for Energy Production, Efficiency, and Green Economy Jobs										
14	1. Biodiesel and renewable diesel incentives - extend present-law income tax credits, excise tax credit, and outlay payments (sunset 12/31/22)	$452.3	$172.2	$174.0	$47.1						
15	2. Extension of second generation biofuel producer credit (sunset 12/31/20)	$2.0	$0.4								
16	3. Extension of credit for section 25C nonbusiness energy property (sunset 12/31/20)	$0.0	$0.0								
17	4. Extension of alternative motor vehicle credit for qualified fuel cell motor vehicles (sunset 12/31/20	$0.7	$0.1								
18	5. Extension of credit for alternative fuel vehicle refueling property (sunset 12/31/20)	$11.1	$5.4								
19	6. Extension of credit for two-wheeled plug-in electric vehicles (sunset 12/31/20)	$0.1	$0.1	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
20	7. Extension of credit for electricity produced from certain renewable resources (sunset 12/31/20)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
21	8. Extension of production credit for Indian coal facilities (sunset 12/31/20) [19	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
22	9. Extension of credit for construction of energy-efficient new homes (sunset 12/31/20)	$23.1	$6.6	$3.6	$3.1	$2.5	$1.4	$0.4			
23	10. Extension of special depreciation allowance for second generation biofuel plant property (sunset 12/31/20)										
24	11. Extension of energy-efficient commercial buildings deduction (sunset 12/31/20)	-$46.5	-$5.2	$1.0	$0.8	$0.6	$0.6	$0.4	$0.4	$0.2	
25	12. Extension of special rule for sales or dispositions to implement Federal Energy Regulatory Commission (“FERC”) or State electric restructuring policy for qualified electric utilities (sunset 12/31/20)	-$88.6	-$0.4	$16.3	$16.3	$16.3	$16.3	$13.0	$7.5	$2.1	
26											
27	D. Certain Provisions Expiring at the End of 2019										
28	2. Extension of employer credit for paid family and medical leave (sunset 12/31/20)	$42.7	$44.7	$18.6	$9.3	$6.6	$2.7				
29	3. Extension of work opportunity tax credit (sunset 12/31/20)	$30.4	$44.0	$15.4	$6.0	$4.6	$4.2	$1.7	$1.5	$0.9	
30											
31	Total Florida Base Impacts	-$43.3	$338.1	$409.9	$133.5	$26.7	$21.7	$12.2	$7.1	$1.3	

	A	B	C	D	E	F	G	H	I	J	K
1	**Florida Impacts ($ Millions)**	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2	Current Law Florida Tax Rate	4.458%	4.458%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
3	B. Incentives for Employment, Economic Growth, and Community Development										
4	1. Extension of Indian employment tax credit (sunset 12/31/20)	$0.33	$0.14								
5	2. Extension of railroad track maintenance credit (sunset 12/31/22)	$1.33	$0.54	$0.66	$0.30						
6	3. Extension of mine rescue team training credit (sunset 12/31/20)	$0.01	$0.00	$0.00	$0.00						
7	4. Extension of classification of certain race horses as 3-year property (sunset 12/31/20)										
8	5. Extension of 7-year recovery period for motorsports entertainment complexes (sunset 12/31/20)	-$0.65	-$0.38	-$0.35	-$0.24	-$0.20	-$0.15	-$0.08	$0.01	$0.06	$0.08
9	6. Extension of accelerated depreciation for business property on Indian reservations (sunset 12/31/20)	-$0.54	-$0.29	-$0.14	-$0.03	-$0.02	-$0.05	-$0.10	-$0.14	-$0.16	-$0.16
10	7. Extension of special expensing rules for certain film, television, and live theatrical productions (sunset 12/31/20)	-$23.10	-$6.50	-$4.60	$0.20	$0.20					
11	8. Extension of empowerment zone tax incentives (sunset 12/31/20)	-$5.51	-$2.24	$0.02	-$0.02						
12	9. Extension of American Samoa economic development credit (sunset 12/31/20)	-$0.20	-$0.04								
13											
14	C. Incentives for Energy Production, Efficiency, and Green Economy Jobs										
15	1. Biodiesel and renewable diesel incentives - extend present-law income tax credits, excise tax credit, and outlay payments (sunset 12/31/22)	$20.16	$7.68	$9.57	$2.59						
16	2. Extension of second generation biofuel producer credit (sunset 12/31/20)	$0.09	$0.02	$0.00	$0.00						
17	3. Extension of credit for section 25C nonbusiness energy property (sunset 12/31/20)	$0.00	$0.00								
18	4. Extension of alternative motor vehicle credit for qualified fuel cell motor vehicles (sunset 12/31/20	$0.03	$0.00								
19	5. Extension of credit for alternative fuel vehicle refueling property (sunset 12/31/20)	$0.50	$0.24								
20	6. Extension of credit for two-wheeled plug-in electric vehicles (sunset 12/31/20)	$0.00	$0.00								
21	7. Extension of credit for electricity produced from certain renewable resources (sunset 12/31/20)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
22	8. Extension of production credit for Indian coal facilities (sunset 12/31/20) [19	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
23	9. Extension of credit for construction of energy-efficient new homes (sunset 12/31/20)	$1.03	$0.30	$0.20	$0.17	$0.14	$0.08	$0.02	$0.00	$0.00	$0.00
24	10. Extension of special depreciation allowance for second generation biofuel plant property (sunset 12/31/20)										
25	11. Extension of energy-efficient commercial buildings deduction (sunset 12/31/20)	-$2.07	-$0.23	$0.06	$0.05	$0.03	$0.03	$0.02	$0.02	$0.01	
26	12. Extension of special rule for sales or dispositions to implement Federal Energy Regulatory Commission ("FERC") or State electric restructuring policy for qualified electric utilities (sunset 12/31/20)	-$3.95	-$0.02	$0.90	$0.90	$0.90	$0.90	$0.71	$0.41	$0.12	
27											
28	D. Certain Provisions Expiring at the End of 2019										
29	2. Extension of employer credit for paid family and medical leave (sunset 12/31/20)	$1.90	$1.99	$1.02	$0.51	$0.36	$0.15				
30	3. Extension of work opportunity tax credit (sunset 12/31/20)	$1.36	$1.96	$0.85	$0.33	$0.25	$0.23	$0.08	$0.07	$0.04	
31											
32	Total Florida Impacts	-$9.28	$3.17	$8.20	$4.75	$1.67	$1.19	$0.65	$0.38	$0.06	-$0.08
33											
34	Converted to Florida Fiscal Year ($ Millions)	-$7.33	$0.55	$7.14	$5.48	$2.32	$1.29	$0.76	$0.44	$0.13	-$0.05

	A	B	C	D	E	F	G	H	I	J	K
1	**JCT Impacts - Federal Level ($ Millions)**	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2	B. Incentives for Employment, Economic Growth, and Community Development										
3	1. Extension of Indian employment tax credit (sunset 12/31/20)	-$141.0	-$58.0								
4	2. Extension of railroad track maintenance credit (sunset 12/31/22)	-$536.0	-$216.0	-$216.0	-$97.0						
5	3. Extension of mine rescue team training credit (sunset 12/31/20)	-$3.0	-$1.0	-$1.0	-$1.0						
6	4. Extension of classification of certain race horses as 3-year property (sunset 12/31/20)										
7	5. Extension of 7-year recovery period for motorsports entertainment complexes (sunset 12/31/20)	-$70.0	-$41.0	-$30.0	-$21.0	-$17.0	-$13.0	-$7.0	$1.0	$5.0	$7.0
8	6. Extension of accelerated depreciation for business property on Indian reservations (sunset 12/31/20)	-$58.0	-$31.0	-$12.0	-$3.0	-$2.0	-$4.0	-$9.0	-$12.0	-$14.0	-$14.0
9	7. Extension of special expensing rules for certain film, television, and live theatrical productions (sunset 12/31/20)	-$1,686.0	$579.0	$846.0	$242.0						
10	8. Extension of empowerment zone tax incentives (sunset 12/31/20)	-$590.0	-$240.0	$2.0	-$2.0						
11	9. Extension of American Samoa economic development credit (sunset 12/31/20)	-$21.0	-$4.0								
12											
13	C. Incentives for Energy Production, Efficiency, and Green Economy Jobs										
14	1. Biodiesel and renewable diesel incentives - extend present-law income tax credits, excise tax credit, and outlay payments (sunset 12/31/22)	-$8,121.0	-$3,092.0	-$3,124.0	-$846.0						
15	2. Extension of second generation biofuel producer credit (sunset 12/31/20)	-$36.0	-$7.0								
16	3. Extension of credit for section 25C nonbusiness energy property (sunset 12/31/20)	-$375.0	-$471.0								
17	4. Extension of alternative motor vehicle credit for qualified fuel cell motor vehicles (sunset 12/31/20	-$12.0	-$2.0								
18	5. Extension of credit for alternative fuel vehicle refueling property (sunset 12/31/20)	-$200.0	-$97.0	-$9.0	-$8.0	-$8.0	-$7.0	-$4.0	-$1.0	$1.0	$1.0
19	6. Extension of credit for two-wheeled plug-in electric vehicles (sunset 12/31/20)	-$2.0	-$1.0								
20	7. Extension of credit for electricity produced from certain renewable resources (sunset 12/31/20)	-$102.0	-$185.0	-$213.0	-$161.0	-$169.0	-$208.0	-$239.0	-$258.0	-$261.0	-$263.0
21	8. Extension of production credit for Indian coal facilities (sunset 12/31/20) [19	-$59.0	-$16.0	-$9.0	-$8.0	-$8.0	-$7.0	-$4.0	-$2.0		
22	9. Extension of credit for construction of energy-efficient new homes (sunset 12/31/20)	-$414.0	-$119.0	-$64.0	-$56.0	-$45.0	-$26.0	-$7.0			
23	10. Extension of special depreciation allowance for second generation biofuel plant property (sunset 12/31/20)										
24	11. Extension of energy-efficient commercial buildings deduction (sunset 12/31/20)	-$222.0	-$25.0	$5.0	$4.0	$3.0	$3.0	$2.0	$2.0	$1.0	
25	12. Extension of special rule for sales or dispositions to implement Federal Energy Regulatory Commission (“FERC”) or State electric restructuring policy for qualified electric utilities (sunset 12/31/20)	-$423.0	-$2.0	$78.0	$78.0	$78.0	$78.0	$62.0	$36.0	$10.0	
26											
27	D. Certain Provisions Expiring at the End of 2019										
28	2. Extension of employer credit for paid family and medical leave (sunset 12/31/20)	-$767.0	-$803.0	-$334.0	-$167.0	-$119.0	-$48.0				
29	3. Extension of work opportunity tax credit (sunset 12/31/20)	-$571.0	-$826.0	-$289.0	-$113.0	-$86.0	-$78.0	-$32.0	-$28.0	-$16.0	-$2.0

	A	B	C	D	E	F	G	H	I	J	K
1	**Federal Base Impacts ($ Millions)**	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2	B. Incentives for Employment, Economic Growth, and Community Development										
3	1. Extension of Indian employment tax credit (sunset 12/31/20)	$178.5	$73.4								
4	2. Extension of railroad track maintenance credit (sunset 12/31/22)	$678.5	$273.4	$273.4	$122.8						
5	3. Extension of mine rescue team training credit (sunset 12/31/20)	$3.8	$1.3	$1.3	$1.3						
6	4. Extension of classification of certain race horses as 3-year property (sunset 12/31/20)										
7	5. Extension of 7-year recovery period for motorsports entertainment complexes (sunset 12/31/20)	-$333.3	-$195.2	-$142.9	-$100.0	-$81.0	-$61.9	-$33.3	$4.8	$23.8	$33.3
8	6. Extension of accelerated depreciation for business property on Indian reservations (sunset 12/31/20)	-$276.2	-$147.6	-$57.1	-$14.3	-$9.5	-$19.0	-$42.9	-$57.1	-$66.7	-$66.7
9	7. Extension of special expensing rules for certain film, television, and live theatrical productions (sunset 12/31/20)	-$8,028.6	$2,757.1	$4,028.6	$1,152.4						
10	8. Extension of empowerment zone tax incentives (sunset 12/31/20)	-$2,809.5	-$1,142.9	$9.5	-$9.5						
11	9. Extension of American Samoa economic development credit (sunset 12/31/20)	-$100.0	-$19.0	$0.0	$0.0						
12											
13	C. Incentives for Energy Production, Efficiency, and Green Economy Jobs										
14	1. Biodiesel and renewable diesel incentives - extend present-law income tax credits, excise tax credit, and outlay payments (sunset 12/31/22)	$10,279.7	$3,913.9	$3,954.4	$1,070.9						
15	2. Extension of second generation biofuel producer credit (sunset 12/31/20)	$45.6	$8.9								
16	3. Extension of credit for section 25C nonbusiness energy property (sunset 12/31/20)	$474.7	$596.2								
17	4. Extension of alternative motor vehicle credit for qualified fuel cell motor vehicles (sunset 12/31/20	$15.2	$2.5								
18	5. Extension of credit for alternative fuel vehicle refueling property (sunset 12/31/20)	$253.2	$122.8	$11.4	$10.1	$10.1	$8.9	$5.1	$1.3	-$1.3	-$1.3
19	6. Extension of credit for two-wheeled plug-in electric vehicles (sunset 12/31/20)	$2.5	$1.3								
20	7. Extension of credit for electricity produced from certain renewable resources (sunset 12/31/20)	$129.1	$234.2	$269.6	$203.8	$213.9	$263.3	$302.5	$326.6	$330.4	$332.9
21	8. Extension of production credit for Indian coal facilities (sunset 12/31/20) [19	$74.7	$20.3	$11.4	$10.1	$10.1	$8.9	$5.1	$2.0		
22	9. Extension of credit for construction of energy-efficient new homes (sunset 12/31/20)	$524.1	$150.6	$81.0	$70.9	$57.0	$32.9	$8.9			
23	10. Extension of special depreciation allowance for second generation biofuel plant property (sunset 12/31/20)										
24	11. Extension of energy-efficient commercial buildings deduction (sunset 12/31/20)	-$1,057.1	-$119.0	$23.8	$19.0	$14.3	$14.3	$9.5	$9.5	$4.8	$0.0
25	12. Extension of special rule for sales or dispositions to implement Federal Energy Regulatory Commission ("FERC") or State electric restructuring policy for qualified electric utilities (sunset 12/31/20)	-$2,014.3	-$9.5	$371.4	$371.4	$371.4	$371.4	$295.2	$171.4	$47.6	$0.0
26											
27	D. Certain Provisions Expiring at the End of 2019										
28	2. Extension of employer credit for paid family and medical leave (sunset 12/31/20)	$970.9	$1,016.5	$422.8	$211.4	$150.6	$60.8				
29	3. Extension of work opportunity tax credit (sunset 12/31/20)	$722.8	$1,045.6	$365.8	$143.0	$108.9	$98.7	$40.5	$35.4	$20.3	$2.5

	A	B	C	D	E	F	G	H	I	J	K
1	**Florida Base Impacts ($ Millions)**	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2	B. Incentives for Employment, Economic Growth, and Community Development										
3	1. Extension of Indian employment tax credit (sunset 12/31/20)	$7.5	$3.1								
4	2. Extension of railroad track maintenance credit (sunset 12/31/22)	$29.9	$12.0	$12.0	$5.4						
5	3. Extension of mine rescue team training credit (sunset 12/31/20)	$0.2	$0.1	$0.1	$0.1						
6	4. Extension of classification of certain race horses as 3-year property (sunset 12/31/20)										
7	5. Extension of 7-year recovery period for motorsports entertainment complexes (sunset 12/31/20)	-$14.7	-$8.6	-$6.3	-$4.4	-$3.6	-$2.7	-$1.5	$0.2	$1.0	$1.5
8	6. Extension of accelerated depreciation for business property on Indian reservations (sunset 12/31/20)	-$12.2	-$6.5	-$2.5	-$0.6	-$0.4	-$0.8	-$1.9	-$2.5	-$2.9	-$2.9
9	7. Extension of special expensing rules for certain film, television, and live theatrical productions (sunset 12/31/20)	-$353.3	$121.3	$177.3	$50.7						
10	8. Extension of empowerment zone tax incentives (sunset 12/31/20)	-$123.6	-$50.3	$0.4	-$0.4						
11	9. Extension of American Samoa economic development credit (sunset 12/31/20)	-$4.4	-$0.8								
12											
13	C. Incentives for Energy Production, Efficiency, and Green Economy Jobs										
14	1. Biodiesel and renewable diesel incentives - extend present-law income tax credits, excise tax credit, and outlay payments (sunset 12/31/22)	$452.3	$172.2	$174.0	$47.1						
15	2. Extension of second generation biofuel producer credit (sunset 12/31/20)	$2.0	$0.4								
16	3. Extension of credit for section 25C nonbusiness energy property (sunset 12/31/20)	$0.0	$0.0								
17	4. Extension of alternative motor vehicle credit for qualified fuel cell motor vehicles (sunset 12/31/20	$0.7	$0.1								
18	5. Extension of credit for alternative fuel vehicle refueling property (sunset 12/31/20)	$11.1	$5.4								
19	6. Extension of credit for two-wheeled plug-in electric vehicles (sunset 12/31/20)	$0.1	$0.1	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
20	7. Extension of credit for electricity produced from certain renewable resources (sunset 12/31/20)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
21	8. Extension of production credit for Indian coal facilities (sunset 12/31/20) [19	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
22	9. Extension of credit for construction of energy-efficient new homes (sunset 12/31/20)	$23.1	$6.6	$3.6	$3.1	$2.5	$1.4	$0.4	$0.0	$0.0	$0.0
23	10. Extension of special depreciation allowance for second generation biofuel plant property (sunset 12/31/20)										
24	11. Extension of energy-efficient commercial buildings deduction (sunset 12/31/20)	-$46.5	-$5.2	$1.0	$0.8	$0.6	$0.6	$0.4	$0.4	$0.2	
25	12. Extension of special rule for sales or dispositions to implement Federal Energy Regulatory Commission ("FERC") or State electric restructuring policy for qualified electric utilities (sunset 12/31/20)	-$88.6	-$0.4	$16.3	$16.3	$16.3	$16.3	$13.0	$7.5	$2.1	
26											
27	D. Certain Provisions Expiring at the End of 2019										
28	2. Extension of employer credit for paid family and medical leave (sunset 12/31/20)	$42.7	$44.7	$18.6	$9.3	$6.6	$2.7				
29	3. Extension of work opportunity tax credit (sunset 12/31/20)	$30.4	$44.0	$15.4	$6.0	$4.6	$4.2	$1.7	$1.5	$0.9	
30											
31	Total Florida Base Impacts	-$43.3	$338.1	$409.9	$133.5	$26.7	$21.7	$12.2	$7.1	$1.3	

	A	B	C	D	E	F	G	H	I	J	K
1	**Florida Impacts ($ Millions)**	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2	Current Law Florida Tax Rate	4.458%	4.458%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
3	B. Incentives for Employment, Economic Growth, and Community Development										
4	1. Extension of Indian employment tax credit (sunset 12/31/20)	$0.33	$0.14								
5	2. Extension of railroad track maintenance credit (sunset 12/31/22)	$1.33	$0.54	$0.66	$0.30						
6	3. Extension of mine rescue team training credit (sunset 12/31/20)	$0.01	$0.00	$0.00	$0.00						
7	4. Extension of classification of certain race horses as 3-year property (sunset 12/31/20)										
8	5. Extension of 7-year recovery period for motorsports entertainment complexes (sunset 12/31/20)	-$0.65	-$0.38	-$0.35	-$0.24	-$0.20	-$0.15	-$0.08	$0.01	$0.06	$0.08
9	6. Extension of accelerated depreciation for business property on Indian reservations (sunset 12/31/20)	-$0.54	-$0.29	-$0.14	-$0.03	-$0.02	-$0.05	-$0.10	-$0.14	-$0.16	-$0.16
10	7. Extension of special expensing rules for certain film, television, and live theatrical productions (sunset 12/31/20)	-$15.75	$5.41	$9.75	$2.79						
11	8. Extension of empowerment zone tax incentives (sunset 12/31/20)	-$5.51	-$2.24	$0.02	-$0.02						
12	9. Extension of American Samoa economic development credit (sunset 12/31/20)	-$0.20	-$0.04								
13											
14	C. Incentives for Energy Production, Efficiency, and Green Economy Jobs										
15	1. Biodiesel and renewable diesel incentives - extend present-law income tax credits, excise tax credit, and outlay payments (sunset 12/31/22)	$20.16	$7.68	$9.57	$2.59						
16	2. Extension of second generation biofuel producer credit (sunset 12/31/20)	$0.09	$0.02	$0.00	$0.00						
17	3. Extension of credit for section 25C nonbusiness energy property (sunset 12/31/20)	$0.00	$0.00								
18	4. Extension of alternative motor vehicle credit for qualified fuel cell motor vehicles (sunset 12/31/20	$0.03	$0.00								
19	5. Extension of credit for alternative fuel vehicle refueling property (sunset 12/31/20)	$0.50	$0.24								
20	6. Extension of credit for two-wheeled plug-in electric vehicles (sunset 12/31/20)	$0.00	$0.00								
21	7. Extension of credit for electricity produced from certain renewable resources (sunset 12/31/20)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
22	8. Extension of production credit for Indian coal facilities (sunset 12/31/20) [19	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
23	9. Extension of credit for construction of energy-efficient new homes (sunset 12/31/20)	$1.03	$0.30	$0.20	$0.17	$0.14	$0.08	$0.02	$0.00	$0.00	$0.00
24	10. Extension of special depreciation allowance for second generation biofuel plant property (sunset 12/31/20)										
25	11. Extension of energy-efficient commercial buildings deduction (sunset 12/31/20)	-$2.07	-$0.23	$0.06	$0.05	$0.03	$0.03	$0.02	$0.02	$0.01	
26	12. Extension of special rule for sales or dispositions to implement Federal Energy Regulatory Commission (“FERC”) or State electric restructuring policy for qualified electric utilities (sunset 12/31/20)	-$3.95	-$0.02	$0.90	$0.90	$0.90	$0.90	$0.71	$0.41	$0.12	
27											
28	D. Certain Provisions Expiring at the End of 2019										
29	2. Extension of employer credit for paid family and medical leave (sunset 12/31/20)	$1.90	$1.99	$1.02	$0.51	$0.36	$0.15				
30	3. Extension of work opportunity tax credit (sunset 12/31/20)	$1.36	$1.96	$0.85	$0.33	$0.25	$0.23	$0.08	$0.07	$0.04	
31											
32	Total Florida Impacts	-$1.93	$15.07	$22.54	$7.34	$1.47	$1.19	$0.65	$0.38	$0.06	-$0.08
33											
34	Converted to Florida Fiscal Year ($ Millions)	-$1.52	$11.50	$20.97	$10.54	$2.70	$1.25	$0.76	$0.44	$0.13	-$0.05

JOINT COMMITTEE ON TAXATION
December 17, 2019
JCX-54-19 R

ESTIMATED BUDGET EFFECTS OF THE REVENUE PROVISIONS CONTAINED IN THE HOUSE AMENDMENT TO THE SENATE AMENDMENT TO H.R. 1865, THE FURTHER CONSOLIDATED APPROPRIATIONS ACT, 2020 (RULES COMMITTEE PRINT 116-44)

Fiscal Years 2020 - 2029

[Millions of Dollars]

Provision	Effective	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-24	2020-29
DIVISION M - BIPARTISAN AMERICAN MINERS													
The "Bipartisan American Miners Act of 2019"													
1. Reduction in minimum age for allowable in-service distributions	pyba 12/31/19	186	273	256	216	175	135	77	41	3	-37	1,105	1,325
TOTAL OF DIVISION M, SECTION 104		**186**	**273**	**256**	**216**	**175**	**135**	**77**	**41**	**3**	**-37**	**1,105**	**1,325**
DIVISION N - HEALTH AND HUMAN SERVICES EXTENDERS													
I. Health and Human Services Extenders													
E. Revenue Provisions													
1. Repeal of medical device excise tax	sa 12/31/19	-1,589	-2,202	-2,314	-2,431	-2,553	-2,679	-2,751	-2,864	-3,001	-3,145	-11,090	-25,529
2. Repeal of 40% excise tax on high cost employer-sponsored health coverage [1][2]	tyba 12/31/19	---	---	-6,568	-14,474	-17,922	-22,105	-25,592	-31,506	-35,970	-42,828	-38,964	-196,966
3. Repeal of annual fee on health insurance providers	cyba 12/31/20	---	-13,710	-14,535	-15,393	-16,271	-17,161	-17,003	-17,852	-18,732	-20,183	-59,908	-150,839
TOTAL OF DIVISION N, TITLE I, SUBTITLE E		**-1,589**	**-15,912**	**-23,417**	**-32,298**	**-36,746**	**-41,945**	**-45,346**	**-52,222**	**-57,703**	**-66,156**	**-109,962**	**-373,334**
DIVISION O - SETTING EVERY COMMUNITY UP FOR RETIREMENT ENHANCEMENT													
The "Setting Every Community Up for Retirement Enhancement ('SECURE') Act of 2019"													
I. Expanding and Preserving Retirement Savings													
1. Multiple employer plans and pooled employer plans; reporting [3]	generally pyba 12/31/20	-29	-74	-161	-251	-342	-437	-511	-523	-541	-553	-857	-3,421
2. Increase in 10-percent cap for automatic enrollment safe harbor after first plan year	pyba 12/31/19	*Negligible Revenue Effect*											
3. Rules relating to election of safe harbor 401(k) status	pyba 12/31/19	*Negligible Revenue Effect*											

Provision	Effective	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-24	2020-29
4. Increase in credit limitation for small employer plan start-up costs	tyba 12/31/19	-1	-3	-3	-3	-3	-3	-3	-3	-3	-3	-13	-29
5. Small employer automatic enrollment credit	tyba 12/31/19	[4]	[4]	[4]	-1	-1	-1	-1	-1	-1	-1	-2	-5
6. Certain taxable non-tuition fellowship and stipend payments treated as compensation for IRA purposes	tyba 12/31/19	[4]	[4]	[4]	[4]	[4]	[4]	[4]	-1	-1	-1	-1	-3
7. Repeal of maximum age for traditional IRA contributions	cadmf tyba 12/31/19	-4	-7	-9	-11	-13	-15	-16	-17	-18	-20	-44	-130
8. Qualified employer plans prohibited from making loans through credit cards and other similar arrangements	lma DOE	*Negligible Revenue Effect*											
9. Portability of lifetime income options	pyba 12/31/19	*Negligible Revenue Effect*											
10. Treatment of custodial accounts on termination of section 403(b) plans	DOE [5]	*Negligible Revenue Effect*											
11. Clarification of retirement income account rules relating to church-controlled organizations	ybbo/a DOE	*Negligible Revenue Effect*											
12. Qualified cash or deferred arrangements must allow long-term employees working more than 500 but less than 1,000 hours per year to participate [6]	[7]	---	-27	-41	-48	-54	-62	-80	-96	-105	-115	-170	-628
13. Penalty-free withdrawal and recontribution from retirement plans for birth of child or adoption (distributions limited to $5,000 per individual) [8]	dma 12/31/19	-8	-23	-44	-69	-100	-134	-181	-193	-204	-215	-244	-1,171
14. Increase age of required beginning date for required minimum distributions to 72	[9]	-737	-869	-885	-902	-877	-866	-953	-944	-903	-923	-4,269	-8,859
15. Special rules for minimum funding standards for community newspaper plans [1][10]	pyea 12/31/17	[11]	[11]	[11]	[11]	[11]	1	2	2	2	2	[11]	9
16. Treating excluded difficulty of care payments as compensation for determining retirement contribution limitations	ca DOE & pyba 12/31/15	-10	-7	-10	-15	-20	-25	-31	-37	-43	-51	-62	-249
Total of Expanding and Preserving Retirement Savings		**-789**	**-1,010**	**-1,153**	**-1,300**	**-1,410**	**-1,542**	**-1,774**	**-1,813**	**-1,817**	**-1,880**	**-5,662**	**-14,486**
II. Administrative Improvements													
1. Plan adopted by filing due date for year may be treated as in effect as of close of year	paf tyba 12/31/19	---	-9	-10	-11	-12	-13	-14	-15	-15	-16	-41	-113
2. Combined annual report for group of plans	rrtbfwrt pyba 12/31/19 & ararf pyba 12/31/21	*Negligible Revenue Effect*											
3. Disclosure regarding lifetime income [12]	[13]	*No Budget Effect*											
4. Fiduciary safe harbor for selection of lifetime income provider [12]	DOE	*No Budget Effect*											
5. Modification of nondiscrimination rules to protect older, longer service participation	DOE	*Negligible Revenue Effect*											
6. Modification of PBGC premiums for cooperative and small employer charity ("CSEC") plans [1][12]	[14]	-110	-114	-119	-124	-129	-134	-138	-144	-150	-156	-596	-1,318
Total of Administrative Improvements		**-110**	**-123**	**-129**	**-135**	**-141**	**-147**	**-152**	**-159**	**-165**	**-172**	**-637**	**-1,431**

Provision	Effective	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-24	2020-29
III. Other Benefits													
1. Benefits for volunteer firefighters and emergency medical responders (sunset 12/31/20) [15]..	tyba 12/31/19	-25	-8	---	---	---	---	---	---	---	---	-34	-34
2. Expansion of section 529 plans..	dma 12/31/18	-23	-19	-20	-20	-21	-21	-22	-23	-23	-24	-102	-215
Total of Other Benefits…..		**-48**	**-27**	**-20**	**-20**	**-21**	**-21**	**-22**	**-23**	**-23**	**-24**	**-136**	**-249**
IV. Revenue Provisions													
1. Modification of required distribution rules for designated beneficiaries...	[16]	212	643	1,026	1,295	1,508	1,704	2,024	2,326	2,458	2,552	4,685	15,749
2. Increase in penalty for failure to file....................................	rtddfwieia 12/31/19	1	4	4	4	4	4	4	4	5	5	16	39
3. Increased penalties for failure to file retirement plan returns...	[17]	[4]	14	29	29	30	30	31	32	32	33	102	260
4. Increase information sharing to administer excise taxes.......	DOE	2	8	14	16	17	19	20	21	21	21	58	160
Total of Revenue Providions…..		**215**	**669**	**1,073**	**1,344**	**1,559**	**1,757**	**2,079**	**2,383**	**2,516**	**2,611**	**4,861**	**16,208**
V. Tax Relief for Certain Children													
1. Modification of rules relating to the taxation of unearned income of certain children..	tyba 12/31/19 & tyba 12/31/17	-241	-83	-53	-35	-26	-21	-11	---	---	---	-437	-470
Total of Tax Relief for Certain Children…...		**-241**	**-83**	**-53**	**-35**	**-26**	**-21**	**-11**	**0**	**0**	**0**	**-437**	**-470**
VI. Administrative Provisions													
1. Provisions relating to plan amendments...............................	[18]	*Negligible Revenue Effect*											
Total of Administrative Provisions…...		***Negligible Revenue Effect***											
TOTAL OF DIVISION O - The "SECURE Act of 2019"…...		**-973**	**-574**	**-282**	**-146**	**-39**	**26**	**120**	**388**	**511**	**535**	**-2,011**	**-428**
DIVISION Q - REVENUE PROVISIONS													
The "Taxpayer Certainty and Disaster Tax Relief Act of 2019"													
I. Extension of Certain Expiring Provisions													
A. Tax Relief and Support for Families and Individuals													
1. Extension of exclusion from gross income of discharge of indebtedness on qualified principal residence (sunset 12/31/20)...	doia 12/31/17	-1,617	-666	---	---	---	---	---	---	---	---	-2,283	-2,283
2. Extension of mortgage insurance premiums treated as qualified residence interest (sunset 12/31/20).......................	apoaa 12/31/17	-828	-426	---	---	---	---	---	---	---	---	-1,253	-1,253
3. Extension of medical expense deduction for expenses in excess of 7.5 percent of adjusted gross income (sunset 12/31/20)...	tyea 12/31/18	-2,191	-1,439	---	---	---	---	---	---	---	---	-3,629	-3,629

Provision	Effective	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-24	2020-29
4. Extension of above-the-line deduction for qualified tuition and related expenses (sunset 12/31/20)......................	tyba 12/31/17	-489	-175	---	---	---	---	---	---	---	---	-664	-664
5. Extension of Black Lung Disability Trust Fund - increase in amount of excise tax on coal (sunset 12/31/20)................	fdofcmba DOE	121	41	---	---	---	---	---	---	---	---	162	162
B. Incentives for Employment, Economic Growth, and Community Development													
1. Extension of Indian employment tax credit (sunset 12/31/20)..	tyba 12/31/17	-141	-58	---	---	---	---	---	---	---	---	-199	-199
2. Extension of railroad track maintenance credit (sunset 12/31/22)..	epoid tyba 12/31/17	-536	-216	-216	-97	---	---	---	---	---	---	-1,065	-1,065
3. Extension of mine rescue team training credit (sunset 12/31/20)..	tyba 12/31/17	-3	-1	-1	-1	[4]	[4]	[4]	---	---	---	-6	-7
4. Extension of classification of certain race horses as 3-year property (sunset 12/31/20)...	ppisa 12/31/17	- -	- - - - - - - - -	- - - - - - - -	- - - - - - - -	- - - - *No Revenue*	*Effect* - - - -	- - - - - - - -	- - - - - - - -	- - - - - - - -	- - - - - - - -	- - - - - - - -	- - - - - - - -
5. Extension of 7-year recovery period for motorsports entertainment complexes (sunset 12/31/20).........................	ppisa 12/31/17	-70	-41	-30	-21	-17	-13	-7	1	5	7	-179	-187
6. Extension of accelerated depreciation for business property on Indian reservations (sunset 12/31/20)...............	ppisa 12/31/17	-58	-31	-12	-3	-2	-4	-9	-12	-14	-14	-106	-159
7. Extension of special expensing rules for certain film, television, and live theatrical productions (sunset 12/31/20)..	pca 12/31/17	-1,686	579	846	242	[11]	[11]	[11]	[11]	[11]	[11]	-19	-18
8. Extension of empowerment zone tax incentives (sunset 12/31/20)..	tyba 12/31/17	-590	-240	2	-2	---	---	---	---	---	---	-830	-830
9. Extension of American Samoa economic development credit (sunset 12/31/20)...	tyba 12/31/17	-21	-4	---	---	---	---	---	---	---	---	-25	-25
C. Incentives for Energy Production, Efficiency, and Green Economy Jobs													
1. Biodiesel and renewable diesel incentives - extend present-law income tax credits, excise tax credit, and outlay payments (sunset 12/31/22).......................................	fsoua 12/31/17	-8,121	-3,092	-3,124	-846	---	---	---	---	---	---	-15,183	-15,183
2. Extension of second generation biofuel producer credit (sunset 12/31/20)...	qsgbpa 12/31/17	-36	-7	---	---	---	---	---	---	---	---	-43	-43
3. Extension of credit for section 25C nonbusiness energy property (sunset 12/31/20)...	ppisa 12/31/17	-375	-471	---	---	---	---	---	---	---	---	-846	-846
4. Extension of alternative motor vehicle credit for qualified fuel cell motor vehicles (sunset 12/31/20).............	ppa 12/31/17	-12	-2	---	---	---	---	---	---	---	---	-14	-14
5. Extension of credit for alternative fuel vehicle refueling property (sunset 12/31/20)...................................	ppisa 12/31/17	-200	-97	-9	-8	-8	-7	-4	-1	1	1	-323	-331
6. Extension of credit for two-wheeled plug-in electric vehicles (sunset 12/31/20)...	vaa 12/31/17	-2	-1	[4]	[4]	[4]	---	---	---	---	---	-3	-3
7. Extension of credit for electricity produced from certain renewable resources (sunset 12/31/20).................................	1/1/18	-102	-185	-213	-161	-169	-208	-239	-258	-261	-263	-831	-2,060
8. Extension of production credit for Indian coal facilities (sunset 12/31/20) [19]...	cpa 12/31/17	-59	-16	-9	-8	-8	-7	-4	-2	[4]	[4]	-100	-113

Provision	Effective	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-24	2020-29
9. Extension of credit for construction of energy-efficient new homes (sunset 12/31/20)...	haa 12/31/17	-414	-119	-64	-56	-56	-45	-26	-7	---	---	-710	-788
10. Extension of special depreciation allowance for second generation biofuel plant property (sunset 12/31/20).............	ppisa 12/31/17	Negligible Revenue Effect											
11. Extension of energy-efficient commercial buildings deduction (sunset 12/31/20)..	ppisa 12/31/17	-222	-25	5	4	4	3	3	2	2	1	-234	-223
12. Extension of special rule for sales or dispositions to implement Federal Energy Regulatory Commission ("FERC") or State electric restructuring policy for qualified electric utilities (sunset 12/31/20).........................	da 12/31/17	-423	2	78	78	78	78	62	36	10	---	-186	---
13. Extension and clarification of excise tax credits relating to alternative fuels (sunset 12/31/20):													
a. Alternative fuels mixture credit claims filed before January 8, 2018 and subject to "no inference".................	[21]	See Footnote [20] Below											
b. For all other claims relating to alternative fuels..............	fsoua 12/31/17	-1,795	-183	---	---	---	---	---	---	---	---	-1,978	-1,978
14. Extension of Oil Spill Liability Trust Fund financing rate (sunset 12/31/20)...	fdofcmba DOE	No Revenue Effect											
D. Certain Provisions Expiring at the End of 2019													
1. Extension of new markets tax credit (sunset 12/31/20) [22]...	cyba 12/31/19	[4]	-8	-37	-113	-173	-200	-226	-247	-248	-215	-332	-1,468
2. Extension of employer credit for paid family and medical leave (sunset 12/31/20) [23]..................................	wpi tyba 12/31/19	-767	-803	-334	-167	-119	-48	---	---	---	---	-2,190	-2,237
3. Extension of work opportunity tax credit (sunset 12/31/20)..	iwbwftea 12/31/19	-571	-826	-289	-113	-86	-78	-32	-28	-16	-2	-1,885	-2,042
4. Extension of certain provisions related to beer, wine, and distilled spirits (sunset 12/31/20):													
a. Special rule for the production period for beer, wine, and distilled spirits..	icpoaa 12/31/19	-27	5	5	5	4	-1	[4]	[4]	[4]	[4]	-8	-10
b. Modifying the rates of taxation of beer and certain other rules..	bra 12/31/19	-89	-35	---	---	---	---	---	---	---	---	-125	-125
c. Modifying the rates of taxation of wine and certain other rules..	wra 12/31/19	-123	-53	---	---	---	---	---	---	---	---	-176	-176
d. Modifying the rates of taxation of distilled spirits and certain other rules..	dsra 12/31/19	-426	-214	---	---	---	---	---	---	---	---	-640	-640
e. Simplification of rules regarding records, statements, and returns...	cqba 12/31/19	Negligible Revenue Effect											
5. Extension of look-through treatment of payments between related CFCs under foreign personal holding company income rules (sunset 12/31/20).............................	[24]	-471	-202	---	---	---	---	---	---	---	---	-673	-673
6. Extension of credit for health insurance costs of eligible individuals (health coverage tax credit) (sunset 12/31/20) [1]..	mba 12/31/19	-28	-15	---	---	---	---	---	---	---	---	-43	-43
Total of Extension of Certain Expiring Provisions......................................		**-22,372**	**-9,024**	**-3,402**	**-1,267**	**-552**	**-530**	**-482**	**-516**	**-521**	**-485**	**-36,619**	**-39,153**

Provision	Effective	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-24	2020-29
II. Disaster Tax Relief													
1. Special disaster-related rules for use of retirement funds	DOE	-211	-141	-66	-55	-11	[4]	[4]	[4]	[4]	[4]	-486	-486
2. Employee retention credit for employers affected by qualified disasters	[25]	-292	-21	-12	-5	[4]	[4]	---	---	---	---	-331	-331
3. Other disaster-related tax relief provisions:													
a. Temporary increase in limitation on qualified contributions	DOE	-4,250	1,848	685	422	273	---	---	---	---	---	-1,022	-1,022
b. Special rules for qualified disaster-related personal casualty losses	DOE	-4,940	-2,964	-1,482	-494	[4]	[4]	[4]	[4]	[4]	[4]	-9,880	-9,880
c. Special rule for determining earned income [1]	DOE	-237	-30	---	---	---	---	---	---	---	---	-268	-268
4. Automatic extension of filing deadlines in case of certain taxpayers affected by Federally declared disasters	Fddda DOE	*Negligible Revenue Effect*											
5. Modification of the tax rate for the excise tax on investment income of private foundations	tyba DOE	*Negligible Revenue Effect*											
6. Additional low-income housing credit allocation for qualified 2017 and 2018 California disaster areas	DOE	-2	-25	-65	-92	-99	-99	-99	-99	-99	-99	-283	-778
7. Treatment of certain possessions	DOE	*Estimate Included in Items II.1.- II.5.*											
Total of Disaster Tax Relief		**-9,932**	**-1,333**	**-940**	**-224**	**163**	**-99**	**-99**	**-99**	**-99**	**-99**	**-12,270**	**-12,765**
III. Other Provisions													
1. Modification of income for purposes of determining tax-exempt status of certain mutual or cooperative telephone or electric companies	tyba 12/31/17	-2	-2	-2	-2	-3	-3	-4	-5	-5	-6	-11	-34
2. Repeal of increase in unrelated business taxable income for certain fringe benefit expenses [26]	[27]	-177	-147	-157	-166	-176	-187	-197	-209	-220	-235	-822	-1,870
Total of Other Provisions		**-179**	**-149**	**-159**	**-168**	**-179**	**-190**	**-201**	**-214**	**-225**	**-241**	**-833**	**-1,904**
TOTAL OF DIVISION Q - The "Taxpayer Certainty and Disaster Tax Relief Act of 2019"		**-32,483**	**-10,506**	**-4,501**	**-1,659**	**-568**	**-819**	**-782**	**-829**	**-845**	**-825**	**-49,722**	**-53,822**
NET TOTAL		**-34,860**	**-26,718**	**-27,943**	**-33,887**	**-37,178**	**-42,603**	**-45,931**	**-52,622**	**-58,034**	**-66,483**	**-160,589**	**-426,259**

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is assumed to be prior to December 31, 2019.

[Legend and Footnotes for JCX-54-19 R appear on the following pages]

Legend and Footnotes for JCX-54-19 R:

Legend for "Effective" column:

apoaa = amounts paid or accrued after
ararf = annual returns and reports for
bra = beer removed after
ca = contributions after
cadmf = contributions and distributions made for
cpa = coal produced after
cqba = calendar quarters beginning after
cyba = calendar years beginning after
da = dispositions after
dma = distributions made after
DOE = date of enactment
doia = discharge of indebtedness after
dsra = distilled spirits removed after
epoid = expenditures paid or incurred during
Fddda = Federally declared disasters declared after
fdofcmba = first day of first calendar month beginning after
fsoua = fuel sold or used after
haa = homes acquired after
icpoaa = interest costs paid or accrued after
iwbwftea = individuals who begin work for the employer after
lma = loans made after
mba = months beginning after
paf = plans adopted for
pca = productions commencing after
ppa = property purchased after
ppisa = property placed in service after
pyba = plan years beginning after
pyea = plan years ending after
rrtbfwrt = returns required to be filed with respect to
rtddfwieia = returns the due date for which (including extensions) is after
qsgbpa = qualified second generation biofuel production after
sa = sales after
tyba = taxable years beginning after
tyea = taxable years ending after
vaa = vehicles acquired after
wpi = wages paid in
wra = wine removed after
ybbo/a = years beginning before, on, or after

[1] Estimates contain the following outlay effect:	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-24	2020-29
Repeal of the 40% excise tax on high cost employer-sponsored health coverage….........	---	---	-241	-473	-499	-537	-432	-376	-462	-566	-1,213	-3,585
Modification of PBGC Premiums for Cooperative and Small Employer Charity ("CSEC") Plans [12]........	110	114	119	124	129	134	138	144	150	156	596	1,318
Special rules for minimum funding standards for community newspaper plans [10]........	[28]	[28]	[28]	[28]	[28]	[28]	-1	-1	-1	-1	[28]	-4
Credit for health insurance costs of eligible individuals (health coverage tax credit)........	26	9	---	---	---	---	---	---	---	---	35	35
Special rule for determining earned income........	172	22	---	---	---	---	---	---	---	---	194	194

[2] Estimate includes the following budget effects:	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-24	2020-29
Total Revenue Effect........	---	---	-6,568	-14,474	-17,922	-22,105	-25,592	-31,506	-35,970	-42,828	-38,964	-196,966
On-budget effects........	---	---	-4,972	-11,745	-14,445	-17,712	-21,011	-26,390	-29,929	-35,495	-31,163	-161,701
Off-budget effects........	---	---	-1,596	-2,729	-3,476	-4,393	-4,581	-5,116	-6,041	-7,333	-7,801	-35,265

[3] Estimate includes the following budget effects:	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-24	2020-29
Total Revenue Effect........	-29	-74	-161	-251	-342	-437	-511	-523	-541	-553	-857	-3,421
On-budget effects........	-26	-68	-148	-230	-315	-402	-469	-480	-497	-510	-787	-3,145
Off-budget effects........	-2	-6	-13	-20	-28	-35	-42	-42	-43	-43	-70	-276

[4] Loss of less than $500,000.

[5] Guidance must apply for taxable years beginning after December 31, 2008.

[6] Estimate includes the following budget effects:	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2019-24	2019-29
Total Revenue Effect........	---	-27	-41	-48	-54	-62	-80	-96	-105	-115	-170	-628
On-budget effects........	---	-25	-38	-44	-50	-56	-73	-86	-95	-104	-155	-570
Off-budget effects........	---	-2	-4	-4	-5	-6	-7	-10	-10	-11	-15	-58

[7] Generally effective for plan years beginning after December 31, 2020, except that for purposes of section 401(k)(2)(D)(ii), 12-month periods beginning before January 1, 2021, shall not be taken into account.

[Footnotes for JCX-54-19 R continue on the following page]

Footnotes for JCX-54-19 R continued:

[8] Estimate includes the following budget effects:

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2019-24	2019-29
Total Revenue Effect	-8	-23	-44	-69	-100	-134	-181	-193	-204	-215	-244	-1,171
On-budget effects	-8	-22	-42	-66	-96	-129	-174	-186	-197	-207	-234	-1,127
Off-budget effects	---	-1	-2	-3	-4	-5	-7	-7	-7	-8	-10	-44

[9] Effective for distributions required to be made after December 31, 2019, for employees and IRA owners who attain age 70 1/2 after December 31, 2019.

[10] Estimate provided by the Joint Committee on Taxation and the Congressional Budget Office.

[11] Gain of less than $500,000.

[12] Estimate provided by the Congressional Budget Office.

[13] Effective with respect to benefit statements provided more than 12 months after the latest of the issuance by the Secretary of Labor of: (1) interim final rules, (2) the model disclosure, or (3) prescribed assumptions.

[14] Effective upon enactment, applies for plan years beginning after December 31, 2018.

[15] Estimate includes the following budget effects:

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-24	2020-29
Total Revenue Effect	-24	-8	---	---	---	---	---	---	---	---	-32	-32
On-budget effects	-15	-5	---	---	---	---	---	---	---	---	-20	-20
Off-budget effects	-9	-3	---	---	---	---	---	---	---	---	-12	-12

[16] Generally effective for distributions with respect to employees who die after December 31, 2019.

[17] Effective for returns, statements and notifications required to be filed, and withholding notices required to be provided, after December 31, 2019.

[18] Retroactive amendments generally permitted beginning on effective date of each provision and ending on last day of first plan year beginning on or after January 1, 2022, or such later date as the Secretary of Treasury may prescribe; substituting 2024 for 2022 for governmental and, in certain circumstances, certain collectively bargained plans.

[19] Estimate assumes additional years of credit eligibility. The placed-in-service sunset date is assumed to be unchanged at December 31, 2008.

[20] Estimates exclude alternative fuel mixture credit claims involving mixtures of butane with gasoline, butane with propane, and butane with compressed natural gas ("at-issue alternative fuel mixture claims"). The validity of claims filed for these mixtures is currently being litigated by taxpayers and the IRS, which published Revenue Ruling 2018-02 in the Internal Revenue Bulletin on January 8, 2018. The proposal here provides that "Nothing contained in this subsection or the amendments made by this subsection shall be construed to create any inference as to a change in law or guidance in effect prior to enactment of this subsection." Should taxpayers prevail in court against the IRS's position in Revenue Ruling 2018-02, we estimate that the potential payments of refunds from the Treasury for at-issue alternative fuel mixture claims to taxpayers would be $8.4 billion. Even if the IRS position on mixtures of butane and gasoline prevails in court, payments for other at-issue alternative fuel mixtures claims may reduce Federal fiscal year budget receipts by as much as hundreds of millions of dollars.

[21] Effective for fuel sold or used before the date of enactment and with claims for credit for such fuel filed before January 8, 2018.

[22] Allocation in calendar year 2020 increased to $5 billion.

[23] Estimate includes the following budget effects:

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-24	2020-29
Total Revenue Effect	-767	-803	-334	-167	-119	-48	---	---	---	---	-2,190	-2,237
On-budget effects	-774	-805	-334	-167	-119	-48	---	---	---	---	-2,199	-2,246
Off-budget effects	7	3	---	---	---	---	---	---	---	---	9	9

[24] Effective for taxable years of foreign corporations beginning after December 31, 2019, and for taxable years of U.S. shareholders with or within which such taxable years of such foreign corporations end.

[25] For employers affected by qualified disasters, effective for wages paid or incurred from the date the trade or business became inoperable through the earlier of the date such trade or business resumed significant operations or 150 days after the last day of the incident period of the qualified disaster.

[26] Estimate includes the following budget effects:

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-24	2020-29
Total Revenue Effect	-177	-147	-157	-166	-176	-187	-197	-209	-220	-235	-822	-1,870
On-budget effects	-166	-131	-139	-148	-156	-166	-175	-185	-195	-208	-740	-1,670
Off-budget effects	-11	-16	-18	-19	-20	-21	-22	-23	-25	-27	-82	-200

[27] Effective as if included in the amendments made by section 13703 of Public Law 115-97.

[28] Decrease in outlays of less than $500,000.

REVENUE ESTIMATING CONFERENCE

Tax: Insurance Premium Tax
Issue: Surplus Lines Tax – 5% Tax Rate on All Risk
Bill Number(s): Proposed Language

☒ **Entire Bill: Proposed Language, F.S. 626.932(3)**
☐ **Partial Bill**:
Sponsor(s): N/A
Month/Year Impact Begins: 7/1/2021
Date of Analysis: 2/7/2020

Section 1: Narrative

a. Current Law: F.S. 626.932(3) If a surplus lines policy covers risks or exposures only partially in this state and Florida is the home state. The tax payable shall be computed on the gross premium amount. However, the tax must not exceed the tax rate where the risk or exposure is located.

b. Proposed Change: The proposed law states that all surplus line policies with partial exposure in this state and Florida as the home state shall be taxed at the 5% rate.

Section 2: Description of Data and Sources
Premium Data from FSLSO

Section 3: Methodology (Include Assumptions and Attach Details)

The proposed language will likely lead to an increase in surplus line collections because of the required 5% tax rate. Current language allows for qualified policy premiums to be taxed at a lower rate if the policy covers risk in states where the surplus lines tax is less than 5%. As the table below shows, a surplus lines tax rate of under 5% does exist in a few states in the Southeast and in states with large GDP(s).

State	Surplus Lines Tax
Florida	**5%**
Georgia	4%
Alabama	6%
South Carolina	6%
North Carolina	5%
Mississippi	4%
Louisiana	4.85%
Texas	4.85%
California	3%
Pennsylvania	3%
New York	3.60%

This analysis (see attached) compared the current effective tax rate and the proposed 5% tax rate for the impacted policies. The difference between the impacted policies current tax obligation and the new tax obligation from the 5% tax rate is the proposed impact.

The analysis used growth rates from the 01/2020 General Revenue Estimate Conference. The cash amount is impacted by the delay between premium submittal to FSLSO and premium billing to FSLSO.

REVENUE ESTIMATING CONFERENCE

Tax: Insurance Premium Tax
Issue: Surplus Lines Tax – 5% Tax Rate on All Risk
Bill Number(s): Proposed Language

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			$2.63m	$3.50m		
2021-22			$3.59m	$3.63m		
2022-23			$3.72m	$3.75m		
2023-24			$3.85m	$3.88m		
2024-25			$3.99m	$4.02m		

List of affected Trust Funds: 91.2% - General Revenue, the rest to TF.

Section 5: Consensus Estimate (Adopted: 02/07/2020): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	2.4	3.2	0.2	0.3	0.0	0.0	2.6	3.5
2021-22	3.3	3.3	0.3	0.3	0.0	0.0	3.6	3.6
2022-23	3.4	3.4	0.3	0.3	0.0	0.0	3.7	3.7
2023-24	3.5	3.5	0.3	0.3	0.0	0.0	3.8	3.8
2024-25	3.6	3.7	0.4	0.4	0.0	0.0	4.0	4.1

Surplus Line Impacted Multi-State Policies (1/1/2019-12/31/2019)

	# of Impacted Policies	Taxable Premium	Associated Taxes on Taxable Premium	Effective Tax Rate
2019	6,743	$ 625,573,970.04	$ 27,894,481.10	4.46%

Year	GR Surplus Lines Growth Rate	Estimate of Taxable Premium Amount on Impacted Policies	Estimated Collections Based on Current Effective Tax Rate (4.46%)	Estimated Collections on 5% Tax Rate	Difference
2020-21	3.5%	647,469,059	$28,870,788	$ 32,373,452.95	$3,502,665.01
2021-22	3.5%	670,130,476	$29,881,266	$ 33,506,523.80	$3,625,258.29
2022-23	3.5%	693,585,043	$30,927,110	$ 34,679,252.14	$3,752,142.33
2023-24	3.5%	717,860,519	$32,009,559	$ 35,893,025.96	$3,883,467.31
2024-25	3.5%	742,985,637	$33,129,893	$ 37,149,281.87	$4,019,388.66

Proposed Fiscal Impact		
Year	Recurring	Cash
2020-21	$3,502,665.01	$2,626,998.76
2021-22	$3,625,258.29	$3,594,609.97
2022-23	$3,752,142.33	$3,720,421.32
2023-24	$3,883,467.31	$3,850,636.06
2024-25	$4,019,388.66	$3,985,408.32

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees
Issue: Makes various changes to the Florida Impact Fee Act (s. 163.31801, F.S.).
Bill Number(s): CS/CS/HB 637 (SB 1066 is similar.)

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): House Ways and Means Committee; Local, Federal & Veterans Affairs Subcommittee, and Representative DiCeglie
Month/Year Impact Begins: July 1, 2020
Date of Analysis: February 7, 2020

Section 1: Narrative

a. Current Law: Impact fees are amounts imposed by local governments to fund local infrastructure needed to expand local services to meet the demands of population growth caused by development. Pursuant to the Florida Impact Fee Act (s. 163.31801, F.S.), an impact fee adopted by ordinance of a county or municipality or by resolution of a special district must, at a minimum, satisfy all of the following conditions.

1. The calculation of the impact fee must be based on the most recent and localized data.
2. The local government must provide for accounting and reporting of impact fee collections and expenditures. If a local governmental entity imposes an impact fee to address its infrastructure needs, the entity must account for the revenues and expenditures of such impact fee in a separate accounting fund.
3. Administrative charges for the collection of impact fees must be limited to actual costs.
4. The local government must provide notice not less than 90 days before the effective date of an ordinance or resolution imposing a new or increased impact fee. A county or municipality is not required to wait 90 days to decrease, suspend, or eliminate an impact fee.
5. Collection of the impact fee may not be required to occur earlier than the date of issuance of the building permit for the property that is subject to the fee.
6. The impact fee must be proportional and reasonably connected to, or have a rational nexus with, the need for additional capital facilities and the increased impact generated by the new residential or commercial construction.
7. The impact fee must be proportional and reasonably connected to, or have a rational nexus with, the expenditures of the funds collected and the benefits accruing to the new residential or nonresidential construction.
8. The local government must specifically earmark funds collected under the impact fee for use in acquiring, constructing, or improving capital facilities to benefit new users.
9. Revenues generated by the impact fee may not be used, in whole or in part, to pay existing debt or for previously approved projects unless the expenditure is reasonably connected to, or has a rational nexus with, the increased impact generated by the new residential or nonresidential construction.

The local government must credit against the collection of the impact fee any contribution, whether identified in a proportionate share agreement or other form of exaction, related to public education facilities, including land dedication, site planning and design, or construction. Any contribution must be applied to reduce any education-based impact fees on a dollar-for-dollar basis at fair market value.

If a local government increases its impact fee rates, the holder of any impact fee credits, whether such credits are granted under s. 163.3180, s. 380.06, or otherwise, which were in existence before the increase, is entitled to the full benefit of the intensity or density prepaid by the credit balance as of the date it was first established. This subsection shall operate prospectively and not retrospectively.

Audits of financial statements of local governmental entities and district school boards which are performed by a certified public accountant pursuant to s. 218.39 and submitted to the Auditor General must include an affidavit signed by the chief financial officer of the local governmental entity or district school board stating that the local governmental entity or district school board has complied with this section.

In any action challenging an impact fee or the government's failure to provide required dollar-for-dollar credits for the payment of impact fees as provided in s. 163.3180(6)(h)2.b., the government has the burden of proving by a preponderance of the evidence that the imposition or amount of the fee or credit meets the requirements of state legal precedent and this section. The court may not use a deferential standard for the benefit of the government.

A county, municipality, or special district may provide an exception or waiver for an impact fee for the development or construction of housing that is affordable, as defined in s. 420.9071. If a county, municipality, or special district provides such an exception or waiver, it is not required to use any revenues to offset the impact.

Finally, the Act does not apply to water and sewer connection fees.

b. Proposed Change: CS/CS/HB 637 proposes the following changes to the Florida Impact Fee Act.

Application of the Florida Impact Fee Act

- The bill clarifies legislative intent of the Florida Impact Fee Act. The bill requires that the Act would apply to a county or municipality that adopts, <u>collects, or administers</u> an impact fee by ordinance or a special district that adopts, <u>collects, or administers</u> an impact fee by resolution.

Calculation of Impact Fees and Accounting Issues

- The bill requires that the calculation of the impact fee be based on the most recent and localized data <u>collected within the last 36 months and excludes any cost that does not meet the definition of infrastructure</u>. For purposes of the Act, <u>the term “infrastructure” means any fixed capital expenditure or fixed capital outlay associated with the construction, reconstruction, or improvement of a public facility, excluding the cost of repairs or maintenance, that have a life expectancy of 5 or more years; any related land acquisition, land improvement, design, engineering, and permitting costs; and all other related construction costs required to bring the public facility into service. The term “public facility” means any facility as defined in s. 163.3164(39), and includes any fire and law enforcement facility</u>. Pursuant to s. 163.3164(39), F.S., the term “public facilities” means major capital improvements, including transportation, sanitary sewer, solid waste, drainage, potable water, educational, parks and recreational facilities.
- The bill requires that a local government must … <u>Account for the revenues and expenditures of such impact fee in a separate impact fee account, if the local governmental entity imposes an impact fee to address its infrastructure needs.</u>
- Current law requires that administrative charges for the collection of impact fees be limited to actual costs. The bill specifies that … <u>The cost per student station established in school impact fee calculations may not exceed that statutory total maximum cost per student station calculated under s. 1013.64(6)</u>.

Collection of Impact Fees

- Current law requires a local government to provide notice not less than 90 days before the ordinance’s or resolution’s effective date imposing a new or increased impact fee. The bill specifies that … <u>New or increased impact fees may not apply to current or pending permit applications submitted before the effective date of an ordinance or resolution imposing a new or increased impact fee.</u>

Audits of Financial Statements

- Current law requires that audits of financial statements submitted to the Auditor General must include an affidavit signed by the chief financial officer of the local governmental entity or district school board stating that the local governmental entity or district school board has complied with the Act. The bill adds that the affidavit must also include that the local governmental entity or district school board has complied with <u>the spending period provision in the local ordinance or resolution.</u>

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees
Issue: Makes various changes to the Florida Impact Fee Act (s. 163.31801, F.S.).
Bill Number(s): CS/CS/HB 637 (SB 1066 is similar.)

Action Challenging an Impact Fee

- The bill specifies that … In any action challenging an impact fee or the government's failure to provide required dollar-for-dollar credits for the payment of impact fees <u>or for contributions made</u> as provided in <u>this chapter</u> ~~s. 163.3180(6)(h)2.b.~~, the government has the burden of proving by a preponderance of the evidence that the imposition or amount of the fee or credit meets the requirements of state legal precedent and this section. The court may not use a deferential standard for the benefit of the government.

Impact Fee Credits

- The bill specifies that … <u>Impact fee credits are assignable and transferable at any time after establishment from one development or parcel to any other development or parcel within the same impact fee jurisdiction for the same type of public facility for which the impact fee applies.</u>
- The bill requires local governments to provide impact fee credits or other forms of compensation if a contribution is greater in value than the applicable impact fee. Furthermore, contributions relating to the transportation system shall be creditable against the combined total of all impact fees and exactions charged for mobility.

Impact Fee Review Committee

- The bill requires each county or municipality assessing impact fees to establish an Impact Fee Review Committee composed of seven full-time members and three alternate members. The Committee shall: 1) establish policy and methodology for determining impact fees on new developments; 2) review proposed impact fees on each new development before the fee becomes final; 3) submit recommendations to the county or city commission; 4) present the recommendations at the meeting at which the impact fee on the new development will be discussed and voted; 5) review all proposed expenditures of the impact fee after adoption by the local government to ensure that the fee is used for capital projects within the jurisdiction; and 6) ensure that meetings are duly noticed and open to the public as required by s. 286.011, F.S.

Section 2: Description of Data and Sources

Impact Fee Revenue Collections Reported in Counties, Municipalities, and Special Districts in Annual Financial Reports (AFRs)

Local FY	Counties	Municipalities	Special Districts	Total
2002-03	$479,479,595	$183,843,818	$21,711,285	$685,034,698
2003-04	$560,496,789	$232,910,041	$20,337,344	$813,744,174
2004-05	$812,732,909	$308,009,057	$31,681,665	$1,152,423,631
2005-06	$1,060,597,975	$342,267,200	$25,405,434	$1,428,270,609
2006-07	$736,339,197	$312,321,512	$23,433,726	$1,072,094,435
2007-08	$484,141,722	$222,508,702	$20,311,517	$726,961,941
2008-09	$206,819,386	$139,307,822	$8,552,553	$354,679,761
2009-10	$212,423,990	$123,304,422	$7,420,750	$343,149,162
2010-11	$185,664,703	$107,753,843	$8,213,352	$301,631,898
2011-12	$246,882,772	$113,956,207	$8,773,028	$369,612,007
2012-13	$305,043,650	$146,917,768	$11,288,627	$463,250,045
2013-14	$422,384,294	$167,987,620	$16,218,908	$606,590,822
2014-15	$503,921,835	$225,734,604	$17,357,595	$747,014,034
2015-16	$557,292,553	$279,314,277	$21,214,871	$857,821,701
2016-17	$629,664,693	$287,110,683	$21,367,807	$938,153,183
2017-18 (preliminary)	$735,922,630	$338,728,803	$26,810,844	$1,101,462,277

Data obtained from the Florida Department of Financial Services.

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees
Issue: Makes various changes to the Florida Impact Fee Act (s. 163.31801, F.S.).
Bill Number(s): CS/CS/HB 637 (SB 1066 is similar.)

Impact Fee Revenue Collections Reported in School Districts' Capital Project Funds

State FY	School Districts
2002-03	$117,672,871
2003-04	$254,878,409
2004-05	$344,249,808
2005-06	$489,862,914
2006-07	$339,000,579
2007-08	$179,699,713
2008-09	$102,026,663
2009-10	$109,156,431
2010-11	$86,654,687
2011-12	$100,147,102
2012-13	$168,548,623
2013-14	$202,651,023
2014-15	$251,438,926
2015-16	$265,309,739
2016-17	$329,651,109
2017-18	$352,204,280

Data obtained from the Florida Department of Education's Office of Funding and Financial Reporting.

Section 3: Methodology (Include Assumptions and Attach Details)
EDR staff emailed county and municipal governments to inquire about the bill's potential fiscal impacts and received a number of responses from local officials. Due to the qualitative nature of the responses, it was not possible to develop a numerical fiscal impact. A separate document, summarizing these responses, is attached to this analysis. Based on the totality of the comments received, EDR staff is recommending a negative indeterminate fiscal impact.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(**)	(**)		
2021-22			(**)	(**)		
2022-23			(**)	(**)		
2023-24			(**)	(**)		
2024-25			(**)	(**)		

List of Affected Trust Funds: Local funds only.

Section 5: Consensus Estimate (Adopted: 02/07/2020): The Conference adopted a positive/negative indeterminate impact.

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

CS/CS/HB 637 Analysis
Comments Received from County and Municipal Government Officials

Brevard County
Yes, this proposed legislation, if enacted into law, would have a fiscal impact on Brevard County. The proposed legislation appears to eliminate Brevard County's ability to collect impact fees for correctional facilities, emergency medical services facilities, fire/rescue facilities and library facilities. Please note that I could not find s. 215.055(2)(d)1.a. in the online statutes. These impact fee programs cumulatively collected $857,689 in revenue in FY18/19. This would be a loss of revenue. The requirement to base impact fee rates on data collected within the past 36 months would allow Brevard County to charge higher impact fee rates for other types of infrastructure. This would create a positive fiscal impact of unknown magnitude in the event that the Board of County Commissioners chose to adopt higher rates.

Stephen M. Swanke
Impact Fee Program Manager, Planning & Development Department

Broward County
Broward County collects impact fees for Transportation/Roadway, public schools, and regional public facilities. My read of the proposed Bill is that it would add considerable additional administrative costs, associated with staffing an impact fee committee and with updating impact fee studies. However, I do not think it would significantly change the revenue that we collect in impact fees. Broward County refunds unused impact fee credits; therefore I think the proposed the transfer option would have limited applicability and be revenue neutral for Broward. What would change fee collection is a new definition of "infrastructure." If affordable housing were to be included in an expanded definition (as has occurred in other States), then Broward would be able to enact a linkage fee.

Josie P. Sesodia, AICP
Director, Environmental Protection and Growth Management Department

Citrus County
The proposed bill will require the following:

1. The bill requires local governments and special districts that adopt, collect or administer an impact fee to calculate the fee based on the most recent and localized date collected within the last 36 months and any costs that do not meet the definition of "infrastructure". Infrastructure in this bill is defined as any fixed capital expenditure or fixed capital outlay associated with the construction, reconstruction or improvement of a public facility, excluding the cost of repairs or maintenance, that have a life expectancy of 5 or more years; any related land acquisition, land improvement, design, engineering and permitting costs and all other related construction costs required to bring the public facility it service.

   COMMENT: Using 36 months as the bench mark for local data is a pretty short time period. Our ordinance and statute requires that the impact fee is updated every five (5) years. While I think the use of local data is good, maybe the past 60 months (5 years) would be a better time period. The 36 month period would require a lot of staff time updating the data and ordinance. The term "infrastructure" replaces the term "capital project" in this proposed bill. IMPACT TO CITRUS COUNTY: Could be substantial cost to the county in time updating the ordinance.

2. The bill requires that local government must segregate the revenues and expenditures of any impact fee that addresses the entity's infrastructure needs in a separate impact fee account.

   COMMENT: This section revises existing language that basically does the same thing. IMPACT TO CITRUS COUNTY: NONE.

3. The bill makes impact fee credits assignable and transferable from one development or parcel to another within the same jurisdiction for the same type of public facility to which the fee applies.

   COMMENT: While the county has allowed impact fee credits transferred in the past, requiring impact fees to be universally transferable could create a need for additional staff for administration of the transferable impact fee credits. IMPACT TO CITRUS COUNTY: This could create the need for additional staff for creation and administration of a tracking system for transferable impact fee credits. Chuck Dixon's analysis (copied and pasted below) also has concerns that by allowing this transferable credits county wide, an issue could be created regarding the rational nexus requirement of impact fees.

4. The bill as proposed does not allow the local government to require payment of impact fees prior to issuance of a building permit. The bill does not address whether or not local governments can encourage prepayment of impact fees by fee reduction or other financial considerations.

   COMMENT: The bill should be clarified to allow local governments and land developers to agree on prepayment of impact fees for financial considerations. IMPACT TO CITRUS COUNTY: NONE although it would be better if prepayment was clarified and allowed.

5. The bill requires each local government assessing impact fees to establish an "Impact Fee Review Committee" comprised of seven (7) full-time members and three alternative members.

   COMMENT: This new section requires the county to establish an Impact Fee Review Committee that will assist in the review of any impact fees or updates. I am not sure if the new bill would require the Impact Fee Committee to weigh in on every project, as the proposed language is not clear. I am hoping that the proposed language would only require the Committee to participate in development of the methodology and setting the rates/ fees prior to adoption. I agree that having the Committee weigh in on every project would be so burdensome, bureaucratic and unnecessary. This portion of the section needs to be clarified I think. IMPACT TO CITRUS COUNTY: By requiring an Impact Fee Committee to weigh on every land development project and building permit would be a bureaucratic nightmare. The bill needs to be clarified to address this question. If the Committee is only involved in development or revision of the impact fees then that would not be such a big issue.

Randy Oliver
County Administrator

<u>Collier County</u>
Lines 56-59 Revenue Impacts: Unknown at this time. During periods with higher construction costs, the smaller sample size may drive costs up and would result in the converse in years of lower construction costs. The definition of "localized data" will become extremely important as jurisdictions that do not have representative projects in the prior three years, or with projects that have cost anomalies and are therefore excluded, my need to pull data from other similar, nearby communities. For communities with smaller programs, or those that do not utilize debt, this approach may be problematic.

Lines 76-79 Revenue Impacts: None. Collier County already uses the permit application date to set the rates that will be assessed and also provides that if the rates are reduced after application the lower rates will be applied prior to payment at Certificate of Occupancy.

Lines 139-158 Revenue Impacts: Transfer of Credits: Unknown at this time but could be significant in revenue loss (temporary due to timing and re-construction and payment of impact fees on parcels previously stripped of fees) and administrative costs and burden. Clarification needed on if this is intended to apply only to credits for new development (i.e., Developer Agreements) and does not include credits for existing structures. Once paid, impact fees run with the land, however, most Developer Agreements and other similar agreements allow for the transfer of credits under certain conditions, which occurs prior to construction and therefore is accounted for before the demand is created. Credits for existing structures are tied to the land/development and are not portable, otherwise the nexus and benefit of the fees to that parcel will be broken. If this applies only to credits related to new development, Collier currently complies with the proposed provisions.

Contributions/Credits: None. Currently, Collier does not have a mobility fee (or any other similar mobility-related funding source, other than Transportation Impact Fees) and provides credits to developers through Developer Agreements and other official land use documents to provide such credits for all impact fee eligible contributions. Developer Agreements are not limited to Transportation Impact Fees. This assumes that there is the general understanding that credits cannot be applied across funds (i.e. Parks credits cannot be used to pay Road Impact Fees).

Amy Patterson
Director of Capital Project Planning, Impact Fees & Program Management

<u>Lee County</u>

It is difficult to respond directly to the questions you have posed given the nature of the changes. There are a lot of questions about how this would be applied as written, and what effect exactly the changes would have on local revenues. Different requirements would appear likely to increase Lee County's costs, but it is not clear to what extent they may affect actual collections. Having to issue impact fee credits for proportionate share payments over the "applicable impact fee", even if that was by old DRIs that were required years ago by State statute at the time to pay a proportionate share, would certainly affect the County's revenues. And a proportionate share calculation is a site-specific impact analysis that reflects the improvement needs at that location based on that proposed development at that point in time, very different than an impact fee calculation that more generally attempts to capture the costs of replacing lost capacity based on certain land use types. Does this apply to "site-related" transportation improvements that under County definition are solely the responsibility of a developer, for things like turn lanes at the site entrance? What is the applicable impact fee? The rates have gone up and down over the many years they have been in place in Lee County, and right now the Lee County BOCC has set as a matter of policy a collection rate of less than 100%.

The establishment of a review committee would certainly involve costs if the County is responsible for administering it, and if intended to apply to every single development on which impact fees are assessed would definitely cost developers weeks of time and money waiting for a committee review and recommendation and BOCC action for something that is handled administratively by staff now with the issuance of a building permit.

Rather than continue with examples, Lee County's concerns, questions and recommendations regarding this draft bill language are outlined below:

Lee County recommends:

- Deletion of the requirement for an impact fee review committee;
- Amendment of 163, Fla. Stat., to require a Comprehensive Plan element that reflects the intent of responsibilities for this committee and assigns them to the Local Planning Agency.
- Clarification of language regarding:
    - Applicability to "pending permit applications;"
    - Applicability to discounted impact fee rates, as are currently charged in Lee County.

This bill would:

1. Require impact fee credits "at the time any contribution is accepted, REGARDLESS of when those contributions were agreed upon or committed to" – Section 1 (3)(g)(11), resulting in these negative outcomes:
    - Require the County to issue impact fee credits for all developments that previously paid (regardless of how many years/decades ago) prop share payments in excess of the "applicable impact fee;"
    - Destabilize Lee County's program of issuing impact fee credits to encourage options for affordable housing;

2. Require Lee County to change its five-year review cycle to three years – Section 1 (3) (a), resulting in these negative outcomes:
   - o Increase frequency of review costs;
   - o Increase risk that that the study itself and the forecasting of future development costs will be influenced by short-term economic fluctuations;
   - o Eliminate the rational nexus provisions because the fees would instead be based statutory parameters, and therefore should be sufficient to meet any rational nexus test.
3. Establish a statutory definition of "infrastructure" and "public facilities" regarding impact fees – Section 1 (3)(g), resulting in these negative outcomes:
   - o The definition may not comport with how local governments analyze their infrastructure to determine impact fees, possibly forcing changes to their calculations;
   - o The definition, which includes any capital improvement cost "associated with" the construction, reconstruction, or improvement of public facilities, may actually expand uses of impact fees to include traffic signals, reconstruction or repaving of roads that don't add capacity, replacement bunk houses and ambulances, etc. Currently, Lee County restricts the use of impact fees to capacity improvements.
4. Create a committee to review impact fees Section 1 (12)(a), with these negative outcomes:
   - o Usurping of Commissioners responsibility for setting impact fee policy by requiring the Committee to establish (not recommend) a policy and methodology for determining impact fees on new developments.
   - o Redundancy and possible conflict with current impact fee review responsibilities of the Local Planning Agency;
   - o May require the Committee to review all impact fee expenditures from the School Board, Fire Districts, EMS, etc. with no provision for staffing, legal counsel or funding and no explanation of the committee's authority to react to its findings.

In addition, this bill as written is vague regarding:

5. The exemption of "pending permit applications" from new or increased permit fees – Section 1 (3)(d):
   - o This provision could include pending development permits, development orders, zoning resolutions, etc., and all future resulting building permits. Other sections of this bill refer specifically to collection at building permit issuance; therefore, the section should be amended to clarify that.
   - o Currently, Lee County discounts its impact fees and has approved 3% increases over time as it moved toward charging 100% of the fee. This section should be amended to clarity that it does not apply to Board actions that do not result in the collection of the full rate due. Otherwise, Lee Commissioners would be better served by not giving the development community a break on the collection rate.
6. Extent of duties and authority of the impact fee review committee:
   - o Clarify that the board will recommend policy to elected officials and will not "establish policy" as currently written – Section 1 (12)(d)1;
   - o Clarify that the committee would review the effect of the proposed impact fee on new development in general before the impact fee is adopted, not for each new development prior to imposing the fee. Note: If the bill requires fees based on a study every three years, that will dictate the fee amount. Therefore, review of each new development would do nothing more than delay the development project – Section 1 (12)(d)2;
   - o Revise the provision that committee recommendations must be presented at the meeting when "the impact fee on the new development will be "discussed and voted upon." The Board's approval of new developments is limited to zoning decisions; the Board is not involved with the review of building permits, which is when the fee amount will be imposed – Section 1 (12)(d)3.

David M. Loveland, AICP
Director, Dept. of Community Development

Martin County

There was a change already made to impact fee collections where they are now to be paid at time of building permit being issued. Having to establish a review committee would create another layer for review and delay projects. Impact

Fees are developed by those that have the expertise to review data from each entity and develop fees that are specific for that community – a committee would not have that expertise, and impact fee calculations would become subjective and if challenged, those individuals on that committee would be responsible to provide methodology calculations that are defendable. As a committee making recommendations to Commissioners and Council members, they would be subject to sunshine – creating more work for each entity as far as staffing the committee, minutes, record retention, etc. Some of the other elements that are going to create accounting nightmares will be the separate funds for each project and transferring of impact fees.

Taryn G. Kryzda, MPA, CPM
County Administrator

Orange County
Lines 56-59: The 36 month requirement will limit the prior projects that can be included in our impact fee data. Impact fee updates occur in 5-7 year increments and we will not be able to use a project's costs if completed more than 3 years before the impact fee update. This will limit the pool of project comparisons which may result in our impact fee being artificially low and thus impacting revenues. The addition of a definition of "Infrastructure" as having a "life expectancy of 5 years" could impact fire, law enforcement, and parks impact fees since we are required to fully outfit first responders and certain uniform items may not last five years. Additionally, in order to preserve green space, the parks impact fee is used for certain properties that may not fall in line with the proposed definition of "infrastructure." If we are unable to fund these items with impact fees, our other revenue will be impacted.

Lines 76-79: Orange County's impact fees are due at building permit (note impact fee increases already have a 90 day wait period) and there is no grandfathering. This bill would allow an applicant to avoid an increase in impact fees if an application is submitted – note, the bill does not require an actual permit to have been issued. If passed, it is likely there will be a mass number of incomplete and incorrect applications submitted anytime there is an announcement of an impending increase in impact fees, which would not only create a loss in impact fee revenue, but would likely require us to adjust staffing any time we increase impact fees to deal with the rush of applications.

Lines 139-143: Not sure what "impact fee Jurisdiction means" but it could mean the ability to transfer to any place in the county. We only have one impact fee, the transportation impact fee, that has zones. If credits can go anywhere, the legal requirement for nexus may be lost. Given that we are required to meet the dual rational nexus test, and the burden is on the county to prove that, we could also incur legal fees if challenged on a transfer outside the zone (if this is the intent of the language).

The contribution language seems problematic and may fiscally impact the county. The language is vague which makes it hard to assess the actual impact, but here as well, we may need to adjust staffing if the development community takes advantage of the transferability provisions. Additionally, we collect school impact fees for the school board pursuant to an interlocal agreement. Right now, any transferability of those credits goes through the school board and they just let us know when / if a school impact fee credit account can be transferred. With the provision in the bill, it appears that applicants could come directly to us to transfer their credits which could mean a lot more paperwork. As of right now, under the Interlocal Agreement with the school board, we retain 3% of the school impact fees collected as the cost of collecting them for Orange County Public Schools (OCPS). If we have to start handling transfers of school impact fees, we may end up losing money under the Interlocal Agreement. It is difficult to tell what the "contribution" language is aimed at, but if we are to provide "impact fee credits or other forms of compensation" that will surely have some type of fiscal impact. If the last sentence of this provision is an attempt at requiring the credit for contributions to be at present day fair market value as opposed to the value they would have been when the agreement was entered into, there could be a discrepancy in the value of the contribution vs the credit depending on when each is effectuated, which could be another financial hit.

Lines 159-206: This bill also requires the creation of an impact fee committee. That requires staffing to coordinate the process and provide the necessary information to the committee, which is another cost.

Kurt Petersen
Manager, Office of Management and Budget

Osceola County

The bill requires counties, municipalities and special districts that adopt, collect, or administer an impact fee, to calculate the fee based on the most recent and localized data collected within the last 36 months … COMMENT: I think we would have to update our fees more often to meet this requirement. The bill makes impact fee credits assignable and transferable from one development or parcel to another within the same impact fee jurisdiction for the same type of public facility to which the fee applies. Local government must provide impact fee credits or other forms of compensation where a contribution is greater in value than the applicable impact fee. COMMENT: I think we already do this. The bill requires each county or municipality assessing impact fees to establish an Impact Fee Review Committee. COMMENTS: We would have to have committees for all impact fees - not sure whether we do that now. This includes schools - currently the School District develops the fee, but this legislation specifies that the local jurisdiction would have to have the committee. Not sure how that would change the school impact fee process, but County-School District coordination would not be a problem. Reviewing each project? That's a lot of work, and I'm not sure the committee is the best place for that determination to be made. Are fees for individual projects or for the impact fee ordinance itself? If it's for individual projects (which it sounds like it is), not even sure developers would want that because it adds delay to their approval process. Regarding the two members who are employed by the county and the two members who are licensed general or residential contractors … not sure why they need to be residents of the county since their interest/expertise is more relevant than where they live. I think the school impact fee provision will affect us. COMMENT: The County’s fee are higher than the statutory maximum for a valid reason, and this will put us at even more of a disadvantage that we’re at now.

Susan E. Caswell, AICP
Assistant Community Development Administrator

Perhaps I am splitting hairs, but I’d like to know what their definition of “jurisdiction” is. Currently credits can transfer within districts, but if their definition of jurisdiction is the agency implementing the fee, that would be across districts. Will the committee have the ability to contract with Consultants, as it does not appear that the membership would have the requisite knowledge to determine methodology for all impact fee types? Or, would they be able to review and accept methodologies presented to them by the agencies. I spoke with the Impact Fee crew for permits earlier, and they believe that as long as there are 1-2 meetings per year for the committee, that they could handle the administrative part of it (notices, minutes, setting up the meeting, etc.) If we will require more meetings than this, we probably would need an additional staff person. It appears this person could be funded from the administration fee if needed. It appear the committee would fall under Sunshine law, and if so we would need to be cognizant of that in selecting employees for the committee, so that they did not have day to day conversations about impact fees. It may not be a violation, but there could be that perception.

Ken Brown
Customer Care Director, Department of Community Development

In reviewing the proposed legislation, I see increased costs for the administration of the Impact Fee Program. If I am following along, it looks like we would be required to refresh the data (study) every 3 years and also implement an Impact Fee Review Board with many associated requirements. Neither of these requirements should impact revenue collections.

Christie Dyer Kilcoyne
Financial Compliance Manager, Osceola County Fire Rescue

Pasco County
I have reviewed the proposed legislation that you provided and concluded that this would have no fiscal impact on Pasco County's impact fee revenue.

Austin Padova
Budget Analyst II, Office of Management and Budget

Pinellas County
This proposed legislation would have a fiscal impact on our revenue collections. While I believe the impact to revenue collections could be somewhat minimal, the expenditures necessitated by this legislation could be more substantial. As an urbanized County, we have had traffic impact fees for quite some time, so we are familiar with the collection and administration of such fees, the issuance of credits, etc. and we understand the importance of having a rational nexus. The area of the legislation that become a bit more challenging is the establishment of the impact fee review committee. While the committee members are to serve without compensation according to lines 185 -186, two members of the committee are to be "employed by the county" (line 160) which means they will be compensated for their time (under personnel rules). Additionally, the local government would have to staff the committee, which would require addition resources, none of which are provided for in the legislation. Can some of the monies collected from the impact fees be used by the local government to fund the staffing of the committee (this is not currently allowed)? The time commitment of the committee could be somewhat substantial given that the committee must "review the proposed impact fee on each new development" (line 190) as well as review all proposed expenditures (line 198). The requirement to review the proposed impact fees on each new development could also have a timing implication that significantly impacts the ability of developers to complete their project in a timely manner. Unnecessary delays can cost the developer significant amounts of money and/or be the reason a project fails.

Brian Lowack
Assistant to the County Administrator and Intergovernmental Liaison

St. Lucie County
The following proposals in the Bill are the most problematic for St. Lucie County:

1. More frequent Impact Fee Methodology Updates (Lines 56-59)
    a. Impact Fee Methodology Studies are technical and complex, requiring a skillset unavailable with current staff. The most recent Impact Fee Study cost nearly $100,000. Our Code requires the Study to be updated every five (5) years. If this is statutorily required to be completed every three (3) years, as proposed in the Bill, it will have an additional annual budget impact of $13,000 annually on the taxpayers.
2. Impact Fee Credits: Amount of Credit Due (Lines 150-158)
    a. The County currently provides for credits against impact fees for non- site related improvements or dedications regardless of whether the contribution is greater than the applicable fee. For example, if the credit amount is $500 and the impact fee is $1,000 the fee payer would still be entitled to a credit but only pay an impact fee of $500. The proposed law seems to say that you would only give credits if the contribution is more than $1000, using the example above. This may be counterproductive, as the County uses the offering of these credits to encourage ROW dedication.
3. Impact Fee Credits: Assignability and Transferability (Lines 139-143)
    a. Requiring transferability of Impact Fee Credits is in conflict with the purpose of the Florida Impact Fee Act.
        i. FS 163.31801 (2) …impact fees are an important source of revenue for a local government to use in funding the infrastructure necessitated by new growth."
        ii. FS 163.31801 (3)f The impact fee must be proportional and reasonably connected to, or have a rational nexus with, the need for additional capital facilities and the increased impact generated by the new residential or commercial development.
        iii. St. Lucie County is a very large jurisdiction. It is feasible, even likely, that an Impact Fee Credit generated in the southern portion of the County could be transferred to a new development on North Hutchinson Island, 25 miles away. After transfer, this Impact Fee Credit would have very little rational nexus with

the original improvement or dedication for infrastructure capacity. For instance, if ROW was dedicated in Tradition, and a Credit issued, and then that Credit is transferred to North Hutchinson Island, that north county development did not cause the need for ROW dedicated in Tradition. This is inconsistent with the rational nexus language in FS, referenced above.

   b. Fiscal Impact: Requiring transferability adds more complexity to the Impact Fee Credit system, requiring additional local government resources to manage it. This would compound the issues created last year by HB 7103, which mandated a price fixing system for Impact Fee Credits. As a result of that hastily adopted measure, the County will be required to create a complex system of assigning different Impact Fee rates to multiple different developments, depending on when they received an Impact Fee Credit. The fiscal impacts of last year's price fixing language are also significant. Taxpayers and state and federal agencies will be required to make up the difference in the cost of providing infrastructure at the time of development, rather than the development itself. If adopted, the transferability requirement will add further complexity and administrative tracking challenges.
      i. Transferability, when added to last year's Impact Fee price fixing language, will require significantly more specialized staff resources. One (1) full time position will be required.
      ii. Assume an annual budget increase of $105,000 for salary and benefits for one (1) full time position

4. Impact Fee Committee (Lines 161-206)
   a. Assuming that this new committee could add value to the Impact Fee review and administration process, there are some drawbacks, as follows:
      i. Fiscal: St. Lucie County does not currently have the staff resources necessary to manage a new committee. Required resources include: minutes, scheduling, agenda compilation, staff reports, and meeting attendance. An additional full time administrative assistant will be required. Assume an annual budget increase of $50,000 for wages and benefits.
      ii. Operational: Lines 196-202 call for the committee to "review the proposed impact fee on each new development before the fee becomes final" and to make a recommendation to the Commission when the impact fee will be discussed and voted upon." St. Lucie County Impact Fees are set by the adopted methodology study and ministerially applied at the time of each building permit. If adopted, this new requirement will not only require significant additional staff resources, it will significantly slow down the pace of all development and increase Commission meeting times. Every building permit creating new building area will be required to go through two (2) meetings (Impact Fee Committee and BOCC) before the permit can be issued.

Summary of fiscal impacts:

- Increased expense from mandating a 3-year (instead of a 5-year) methodology update: $13,000/year
- Staffing and resources for new Impact Fee Committee and more complex Impact Fee Credit program:

$165,000/year (includes two (2) new staff positions and other required resources)

Courtney Calderone
Legislative Affairs Grants Coordinator

<u>Sumter County</u>

I reviewed the bill and staff analysis. With the sole focus of your review of revenue impacts, Sumter County has only a road impact fee, and nothing in the proposed bill will impact the County's revenue, and (other than yet another committee required by the bill) we already work with our development community in a similar light as proposed to be required by the bill. So – the answer to your #1 question below is No.

Bradley Arnold
County Administrator

Bradenton
No. It does not appear that the proposed legislation will impact the city of Bradenton financially. The language is consistent with existing case law, and the city does not charge an administrative fee.

One comment regarding the proposed committee: it's unclear if the proposed language means that the committee will review a local government's new ordinance (or when it amends its impact fee ordinance), or if the committee is supposed to review the fee that applies to each and every proposed new project. If it's the latter: that's extremely burdensome (based on the sheer number of permits the committee would have to review) to the local government, and political appointees should not be evaluating these on a case by case basis. The formulas go through a rigorous review prior to adoption and should be applied consistently across the board.

Catherine Hartley, AICP, CNU-a
Director, Department of Planning and Community Development

Cape Coral
The City of Cape Coral relies heavily on impact fee revenue. Road Impact fees are the primary source of the City's efforts to maintain, improve and create new roadways. Police Protection and Advanced Life Safety Impact fees are crucial in providing public safety efforts to our citizens. Park Impact fees assure that the citizens of Cape Coral enjoy a quality of life through parks and parks organized programs. Our Utility Impact fees are critical to maintaining a healthy supply of water and a safe disposal of wastewater. The utility rates our citizens pay are held to comparable and reasonable costs based on the fact that Utility Impact fees are collected. If any of the Impact Fees were reduced, the result would be that the citizens would either see their ad valorem taxes increase, their level of service provided drastically decrease or a combination of both.

Chris Phillips, CGFM
Management/Budget Administrator

Dade City
Due to the City's small size and limited resources, the requirement to calculate fees based on data collected within the past 36 months would impact the City. Fees are not currently evaluated every 3 years, and the City does not have the staffing resources to analyze the data without a third party consultant. Due to the City's small size and limited resources, establishing a 7 member Impact Fee Review Committee with the required composition would be challenging administratively and financially.

Leslie Porter
City Manager/Finance Officer

Estero
We estimate a loss of revenue of approximately $50,000 in collections based on last budget year. There are other fiscal impacts as well that the legislature should be aware of and that the summary analysis of the bill does not identify (cost of consultants to do studies every 3 years, cost of establishing a committee, credit issues, audit requirements, etc.). This bill is very concerning for many other reasons that I won't go into but are not outlined anywhere in the bill summary.

Mary Gibbs, FAICP
Community Development Director

Fort Myers Beach
Obviously, YES the frequency of study will impact net impact fee collections (more frequent - more costs for recurring studies). 3 years is too frequent for small municipalities of less than 10,000 residents – if the State determines there is overwhelming need to preempt local rule/control.

Roger Hernstadt
Town Manager

Kissimmee
The City of Kissimmee currently collects two impact fees, Parks and Recreational Impact Fees and Mobility (Transportation) Fees. The City collects approximately $800, 000 a year in parks and Rec Impact Fee, which are used to provide recreational facilities for a fast growing population.   Kissimmee population has increased 54.2 percent since 2000. If the City were unable to collect these impact fees, the addition of new recreational facilities would be greatly reduced, forcing the City's residents to place growing demands on the City's existing facilities. The City collects approximately $1.8 million annual in Mobility Fees to create additional transportation capacity to accommodate our quickly expanding population. Without the additional capacity added to our roads and bike/pedestrian trails, the ability to move people and goods in and around Kissimmee would be greatly impaired and reduce business viability and quality of life. The City's current tax base and other revenue streams are simply not capable of handling these needs and associated cost.

Craig M. Holland, AICP
Development Services Director

Lake Wales
Line 77 states that new or increased impact fees may not apply to current or pending permit applications. "Permits" is not defined and a new development may apply for a site development permit or land development permit well in advance of an actual building permit. As a result, a new or increased fee may not apply if the developer argues that there was a current or pending permit on the property when the fees were changed, reducing potential revenue.

Kenneth Fields
City Manager

Leesburg
The City of Leesburg's response to your question on the proposed impact fee legislation follows below.

1. There will be a financial impact to the City from the proposed legislation.
2. There will be costs associated with Consultant and Engineering fees to recalculate the impact fees every 36 months.
3. Having a seven member Fee Review Committee that has to review and recommend to the City Commission on "Each" new development is a real problem. Once fees are approved by the City Commission as part of the 36 month cycle, what is the purpose of having another review by the City Commission after City staff, Planning Commission, and City Commission has approved the new development. Impact fees are calculated by staff based on the approved plans. There is not a lot of discretion how those calculations are made once the City and Developer agree on the plans and the plans are approved at a public meeting. This is an inefficient and duplicative effort. The same applies to the review of expenditures. Impact fee expenditures are approved by the City Commission as part of the budgeting process. So the review by another committee is just more duplication of effort and poor use of resources.
4. The effect on the administration of the impact fees is more burdensome than required. It duplicates and hinders the timing of approvals of new projects more than anything else.
5. The costs of reviewing every 36 months is not as much of a concern as are the review requirements. Also, the 36 month review is actually likely to increase the cost of the fees more frequently than what happens now due to the rapid rise of construction costs in the current market. I would guess that is not what is anticipated with the sponsors of this legislation.

Jim Williams
Finance Director

Live Oak

Collections would be negatively impacted. Impact fees are already governed by the local ordinance and audited each year by our auditors. This ruling will increase stipulations that would further complicate our building and growth processes. The committee requirement will slow down a builder's permitting process. They will be disgruntled, waiting for a committee forum to assign his fees, then will be required to wait again for a monthly council meeting to vote on those calculations. The proposed waiver and variety of calculations may remove the consistency our ordinance strives to uphold and may also open the door to manipulations of the rates.

Joanne Luther
Finance Director

Longwood

We believe the answer to the first question will be yes; that it does affect the City's ability to collect impact fees (this would include the establishment of the amount of fees to be charged as well). The reasons are as follows:

1. The definition of Infrastructure in Section 3(a) has a service life limitation – it should be recognized as a total service life expectancy of 5-years and not a remaining service life of 5-years. Although I do not think a service life provision should be in the bill, it needs to be limited to a life when the asset was placed into service. For example, if the City were recovering impact fees for constructed assets that can serve new growth, like a treatment plant that on a composite basis has a long service life, but a major component of the asset was to be replaced say in 3-years, would these capital costs be precluded.
2. Continuing with item 1, many impact fees (e.g., police and fire) recognize the initial purchase of a vehicle and equipment to equip a station or a policeman (only the initial purchase, not the replacement of such equipment). These assets and definitely attributable to growth and recovered in the fee based on the LOS attributable to the fee. Having a 5-year minimum may significantly affect the fee derivation (hence the recovery of costs) and the financial capabilities of the local government.
3. The reference to Public Facilities in Section 3(b) which is defined as infrastructure in FS 163.3164(39) may limit the City as to what infrastructure can be recovered in the impact fee. Although most municipal infrastructure is mentioned, items like reclaimed water, jails, public works facilities, libraries, and other primary general government facilities are not listed or may be inadequately defined (is jails considered as law enforcement) which could be material in the recovery of capital costs from new development.
4. Pursuant to Section 3(4) (d), it appears that the City will not be able enter into a developer agreement to recover impact fees that are being adjusted prior to the effective date. This is further compounded by the fact that a local government must wait 90 days to implement the fee which allows the applicant to circumvent the impact fee increase by filing for a permit (the language states that a pending permit application cannot reflect the proposed fee increase. This simply is unfair and could significantly affect impact fee collections.
5. Section 5 states that the collection of the fee cannot occur prior to building permit for the property. The issue is that concurrency generally occurs at Final Site Plan and construction plan approval which could be years before a building permit is issue for the property (which has probably been platted so fee collection is very slow) – therefore the assets to meet the future development is constructed, being financed by the existing customers until issuance of the building permit, and results in the financial risk being placed on the local government. Since there are concerns that impact fees cannot reimburse costs that have been incurred in prior periods funded by the existing customer (i.e., an impact fee carryforward), this results in a mismatch of long-term funding and significantly could affect the recovery of impact fees.
6. Section 11 allows for the transfer of impact fees credits to other developments which is not reasonable; further clarification on the intent of this section is necessary. Each development should stand on its own since the development was permitted in accordance with the final site plan for the development. Second this could cause a significant under-recovery in fees since the credit for one development could then be applied to another development which had higher fees due to the new infrastructure being in service. Note there is also not time frame on the transferability of the credits – this is clearly unfair to the local government. This comment also extends to Section 12.

7. Section 13 requires that an impact fee review committee be established. This is clearly unnecessary and results in an increased cost to the local government and also delays the imposition of any impact fee – both of these issues can result in increased costs and lost revenues to the local government. This provision should be a policy of the local government and not a requirement via Florida Statute. Also the committee is heavily weighted to the building community whose only purpose is to eliminate the fee or delay collectability. The requirements of the Impact Fee act coupled with case law sets the rational nexus provisions (cost) for fee development; it does not need a review committee to validate the fees.

The bill does not address timing of cost recovery and expenditures and there should be an ability to pay the existing customers back for costs allocable to growth they were funded by existing customers due to the need to build the facilities in advance of growth.

David Dowda
Chief of Police / Temporary City Manager

Milton

This bill would create a potential administrative nightmare. It creates an impact fee shell game and gives those in the development community and construction trade groups the ability to manipulate processes. Not to mention the payors determine the price. It establishes an impact fee bank while not allowing the bank to change with a ever evolving landscape. Tracking alone would be a huge task. The methodology utilized to currently establish credits and determine fees utilized by this unit of government is sound. How this is in the best interest of the public at large is lost on me.

Randy Jorgenson
City Manager

Minneola

This bill creates unnecessary bureaucracy and bigger government resulting in more hurdles for construction related businesses, higher taxpayer and impact fee payer costs, and slower decisions.

Mark Johnson
City Manager

Naples

The City has impact fees for Police, Fire, and Parks. The City has collected, on average, $100,000-$150,000 annually combined in recent years. The City does not take an administrative cost allocation on collected City Impact Fees. All Funds are collected and retained in their respective fund until utilized for the purpose collected. The overwhelming preponderance of impact fees collected through our Building Department are those imposed and collected for distribution to Collier County. Thus, financially, the City would not expect a significant impact resulting from collections resulting from the legislation. The administrative changes related to the impact committee and approving of future developments may bring its own unique challenges. Unfortunately, quantifying those challenges would be very difficult at this stage in interpreting the law as written.

Gary Young
Finance Director

Orange City

Lines 56 through 59: First, I think that it will not be possible to redo the city's existing impact fee framework and establish the required impact review committee before the new bill goes into effect on July 1, 2020, meaning there may be a period of time where no impact fees may be charged. I have no idea how much that will cost. Further, I think it will cost over $100,000 in consultant and legal fees to enact new fees and processes. This would either need to be included in impact fees or it will make our collections not worth the cost for some impact fees. This is an enormous cost for a small city who has linked its impact fees to the consumer index to avoid wasting money on complete "redo's" of costly analysis when little changes. As to the “infrastructure” requirement, we spend our impact fees on capital equipment, infrastructure and engineering and design of infrastructure (intersection improvements.) Capital equipment is important, as it increases capacity in many respects.

Lines 76 through 79: Cannot predict the future, but I believe the bill goes into effect before anyone can meet the new requirement (hire consultant, redo framework and analysis for impact fee, develop new law and processes for committee, enact law with 90 day comment period, appoint and convene new committee, take new impact fee to committee for recommendation, take committee recommendation to governing board, etc.) I would think we would all lose a great deal of revenue during that period of time. In FY 2017/18 Orange City (population 12,000) collected a total of $213,751 in impact fees in three categories: public safety, transportation, and parks and recreation. Because our population grew, we added a new police officer and funded the car through impact fees. It may seem like chump change to some, but is very important in meeting the capital needs new residents place on city government operations.

Lines 139 to 158: At this time I do not see how it would affect us. In the past, Council has not paid impact fees on behalf of private developers wanting to build affordable housing. We already keep track of impact fees, prop share agreement values, or construction improvement costs so that no one is overcharged, or charged twice.

Hopefully, you will get more meaningful answers from larger cities. Our residents are already upset that we have too much growth and that the impacts from that growth are ruining their quality of living and that the few fees they are charged do not cover the cost of mitigating the impacts caused. When these types of rules are contemplated, it becomes very tempting to lower densities but then you have to deal with Bert Harris. Land development corporations are not citizens, and I would urge the legislators to pay attention to the citizens.

Dale Arrington
City Manager

Ormond Beach
Other than the requirement to create a review committee, the proposed legislation would likely have little impact for the City of Ormond Beach.

Kelly A. McGuire
Finance Director

Perry
It of course would incur costs of the committees, constantly recalculating which monies were collected under which 36 month time frame. All of these govt. entities are audited every year under GAAP so the over sight is there. Perry’s case, we have roughly $500,000 in Sewer impact fees that we have collected for 40 years and just recently replaced our Wastewater plant for $17,000,000, basically that $500k in the bank is the reserve for our USDA loan. Also, the HB implies the money needs to be spent only on the new user that paid it, impossible to book keep that! Looks like more laws to increase the quagmire and not allow local rule. If a few cities are using the collected fees inappropriately, that is the issue to address. To summarize, yes it would affect the City & increase the financial burden.

Penny Staffney
Director of Finance

Pinecrest
The Village of Pinecrest does feel that the impact fee collection process would be impacted. First, the process described seems cumbersome and secondly, this process is moving towards infringing our our home rule.

Marie Arteaga-Narino
Finance Director

Pompano Beach
Yes - The City collects park impact fees at the time of building permit for residential projects. The legislation will have a greater impact on Broward County, since the majority of impact fees (Transportation, Schools, etc.) are collected and administered by the County. Any burdens experienced by the County could then have secondary effects on the City; however this would require County comment.

The City is largely already in compliance with much of what is included in the legislation (i.e. keeping a separate account, only collecting once, collecting at time of building permit issuance, complying with the definition of infrastructure). The City would lose the ability to have any newly created impact fees apply to pending projects. Since Pompano so rarely adopts new impact fees, the impacts of this would be limited. The legislation does mandate the City complete a new assessment of the fees every 36 months (three years). The City has not substantially changed the methodology for calculating park impact fees since they were originally adopted. The City would incur the recurring cost of compiling the new local financial data (i.e. fee study) for the calculation every three years, and would potentially experience either an increase or decrease in parks impact fee revenue based on the recommendations from the study. This financial impact is unknown until the study is completed. Additionally, the city would incur the administrative costs of forming and administering an additional advisory board to oversee the funding source. I don't believe the issue of "transfers" would impact the City of Pompano Beach (lines 139-143) since the City only collects impact fees once, which is at the time of building permit (when they are actually building the project). Same is true for lines 151-158.

Jennifer Gomez, AICP
Assistant Director

Punta Gorda
The City of Punta Gorda does and has been for quite some time collecting impact fees. I need more definition of what "pending building permits" means in the revised language. And the creation of an impact fee committee just seems to be more bureaucracy and not necessary. We already hire legal and financial consulting firms to develop our impact fee studies and ordinance so that they meet all applicable regulations.

Howard Kunik
City Manager

Safety Harbor
If updates were required every 36 months, based on current data, impact fee revenues would increase. It is unknown how the change in impact fee credit transfers would affect revenue or to what degree. Also, other city expenditures would be required to form and staff a committee and conduct impact fee studies every 36 months.

Matthew Spoor
City Manager

Wildwood
The fiscal impact would be felt as a result of the requirement of an impact fee committee. After reading the responsibilities of the committee, it would seem that a full-time employee would be needed to manage the committee and its duties. Additionally, two employees of the government agency would be required as committee members yet language also prohibits compensation for the employee. Fiscal impact may also be felt in the delay of approvals due to committee review and recommendation to commission. I would also take this opportunity to add that the procedural impacts, though not quantifiable as fiscal impact at this time, seem overly cumbersome and will create hardship for small, local government agencies. My office issues 300 +/- residential building permits each month. We have a turn-around time for review of about 24 hours. Delaying permitting for up to a month so that projects can be reviewed by an impact fee review committee and then considered by the City commission would delay developers and possibly minimize development interest in the City.

Melanie Peavy, AICP
Development Services Director

EVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax/Rental Car Surcharge
Issue: Rental Car Surcharge Peer-to-Peer Services
Bill Number(s): CS/HB 377

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Latvala
Month/Year Impact Begins: 03/01/2021
Date of Analysis: 02/07/2020

Section 1: Narrative

a. Current Law: Per section 212.0606, F.S., car rentals are subject to the $2 per day rental car surcharge for the first 30 days except for people whose vehicles are being repaired, adjusted, or serviced by the entities providing the replacement vehicle. A member or a car sharing service pays $2 if the rental is for at least 24 consecutive hours and $1 if the rental is less than 24 consecutive hours. Under current law, a car rental is subject to sales tax and local discretionary surtax per section 212.05, F.S.

Peer-to-peer car sharing services sites allow vehicle owners interested in renting their vehicles to register as hosts. The host specifies the vehicle's location and availability. The peer-to-peer car sharing services site connects the host to potential renters and assists with determining a rental fee based on location and rental period. The rental fee is typically paid via direct deposit. According to the Department of Revenue, vehicle owners who earn rental revenue generated through peer-to-peer car sharing services are currently required to remit rental car surcharge and sales tax. According to the Department of Highway Safety and Motor Vehicles, vehicle owners acting as hosts on peer-to-peer car sharing sites do not register their vehicles as for-hire vehicles.

b. Proposed Change: Section 212.05, F.S. is revised to clarify that the 6% sales tax is due when a motor vehicle is leased or rented by a motor vehicle rental company or a peer-to-peer car sharing program. If the vehicle is rented by a peer-to-peer car sharing program, the peer-to-peer car sharing program must collect and remit the applicable tax due in connection to the rental. Section 212.0606, F.S. is revised so that the lease or rental of a motor vehicle requiring payment of the $2 per day rental car surcharge specifically includes the lease or renting of a motor vehicle through a peer-to-peer car sharing program. Section 627.7483, F.S. is created to define a peer-to-peer car sharing program as a business platform that connects vehicle owners with drivers to enable the sharing of vehicles for financial consideration. The peer to peer vehicle sharing program shall ensure that both the shared vehicle owner and shared vehicle driver are insured. The peer to peer vehicle sharing program shall also collect and verify records pertaining to use of vehicles, fees paid, and proceeds kept by vehicle owners, and verify that the vehicles being rented do not have any safety recalls, and keep a record of the name, address, and active driver license number of the individual who is renting a vehicle on the platform.

Section 2: Description of Data and Sources

Contact with Department of Revenue staff and Department of Highway Safety and Motor Vehicles staff
CS HB 1111 Staff Analysis prepared by the Transportation and Infrastructure Subcommittee on 03/28/2019
Turo, Getaraound, and Drift websites
01/10/2020 Transportation REC

Section 3: Methodology (Include Assumptions and Attach Details)

There will be a positive impact to the General Revenue Fund, local funds, and state trust funds from increased collections of sales tax and rental car surcharge related to peer-to-peer rentals. Although these taxes are currently required to be remitted during peer-to-peer transactions, there currently is no mechanism in place to facilitate tax payments. It is assumed that current collections are only five percent of activity. The bill specifically lists the peer-to-peer car sharing programs as taxable for rental car surcharge and sales tax.

There are three major companies that provide peer-to-peer car sharing services in Florida. One of these services reported that they have 23,000 hosts who earn $500 per month in the U.S. and $1,141 per month in Miami. It is assumed that this company is pointedly larger than the other two. The 23,000 hosts from this company are extrapolated out assuming the company represents 60% of market share in the high scenario, 70% of market share in the middle scenario, and 90% of market share in the low scenario. Total revenue per month is calculated using total hosts times monthly earnings plus 20% kept by the peer to peer service. The low scenario assumes Florida earnings equal to US monthly earnings ($500), the high assumes Miami monthly earnings ($1,141), and the middle assumes the average of US and Miami ($821). Total annual collections is multiplies by 6% to calculate sales tax collections. For all three scenarios, 5% is deducted for current collections and future years are grown by rental car surcharge growth rates from the Transportation REC. To calculate additional rental car surcharge revenue, the total revenue is divided by the total average daily rate of $80 ($50 base fee, $30 taxable other fees). In all three scenarios 5% is deducted for current collections and future years are grown by rental car surcharge growth rates from the Transportation REC. The GR and state trust fund calculations are based upon the statutory distribution percentages. According to Department of Highway Safety and Motor Vehicle, changes made in this bill will not result in vehicle owners participating as hosts on peer-to-peer car sharing services to register their vehicles as for-hire vehicles.

Section 4: Proposed Fiscal Impact

Sales Tax

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	9.4	37.4	5.8	23.1	2.7	10.9
2021-22	37.8	37.8	23.3	23.3	11.0	11.0
2022-23	38.2	38.2	23.5	23.5	11.2	11.2
2023-24	38.6	38.6	23.8	23.8	11.3	11.3
2024-25	39.0	39.0	24.1	24.1	11.4	11.4

Rental Car Surcharge

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	0.2	1.2	0.1	0.8	*	0.2
2021-22	1.3	1.3	0.8	0.8	0.2	0.2
2022-23	1.3	1.3	0.8	0.8	0.2	0.2
2023-24	1.3	1.3	0.8	0.8	0.2	0.2
2024-25	1.3	1.3	0.8	0.8	0.2	0.2

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	2.4	14.3	1.5	8.8	0.7	4.2
2021-22	14.5	14.5	8.9	8.9	4.2	4.2
2022-23	14.6	14.6	9.0	9.0	4.3	4.3
2023-24	14.8	14.8	9.1	9.1	4.3	4.3
2024-25	15.0	15.0	9.2	9.2	4.4	4.4

List of affected Trust Funds:
General Revenue Fund
State Transportation Trust Fund
Local Trust Funds
Tourism Promotional Trust Fund
Florida International Trade and Promotion Trust Fund

Section 5: Consensus Estimate (Adopted: 02/07/2020): The Conference adopted a positive indeterminate impact for cash and recurring. It is unclear the extent to which the provisions of this bill are enforceable given the out-of-state nature of the current marketplace providers.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	**	**	**	**	**	**	**	**
2021-22	**	**	**	**	**	**	**	**
2022-23	**	**	**	**	**	**	**	**
2023-24	**	**	**	**	**	**	**	**
2024-25	**	**	**	**	**	**	**	**

	A	B	C	D	E	F	G	H
1	**CS/HB 377 - Peer to Peer Car Sharing Services**							
2								
3	**Industry Data Calculations**					**Rental Car Surcharge**		
4		**Low**	**Middle**	**High**		**Growth Rates**		
5	Turo Hosts	23,000	23,000	23,000		2020-21	0.93%	
6	Total Hosts	25,556	32,857	38,333		2021-22	1.02%	
7	Avg Host $ per month	$ 500	$ 821	$ 1,141		2022-23	1.06%	
8	Plus 20% kept by P2P	$ 625	$ 1,026	$ 1,426		2023-24	1.10%	
9	FL Total $ per month	$ 15,972,222	$ 33,699,107	$ 54,672,917		2024-25	1.09%	
10	FL Total $ per year	$ 191,666,667	$ 404,389,286	$ 656,075,000				
11	Assumed daily rate	$ 50	$ 50	$ 50				
12	Taxable other fees	$ 30	$ 30	$ 30				
13	Total daily rate	$ 80	$ 80	$ 80		**Variable Assumptions**		
14	FL Days per year	2,395,833	5,054,866	8,200,938		**Turo Market Share**		
15						Low	90%	
16	**Sales Tax Calculations**					Middle	70%	
17		**Low**	**Middle**	**High**		High	60%	
18	Total $ Per Year	$ 191,666,667	$ 404,389,286	$ 656,075,000		**Avg Monthly Earnings***		
19	Sales Tax @ 6%					US	$ 500	
20	2020-21	$ 10,925,000	$ 23,050,189	$ 37,396,275		Miami	$ 1,141	
21	2021-22	$ 11,036,879	$ 23,286,238	$ 37,779,237		*per Turo's website		
22	2022-23	$ 11,154,352	$ 23,534,090	$ 38,181,348				
23	2023-24	$ 11,277,419	$ 23,793,744	$ 38,602,606				
24	2024-25	$ 11,400,486	$ 24,053,398	$ 39,023,865				
25	*Note: Growth by RCS growth rates. Reduced by 5% for current payers.							
26								
27	**Rental Car Surcharge Calculations (Low)**							
28		**Days**	**RCS Total $**	**GR**	**TPTF**	**FIT&P TF**	**STTF**	
29	2020-21	2,276,042	$ 4,552,083	$ 364,167	$ 659,597	$ 177,986	$ 3,350,333	
30	2021-22	2,299,350	$ 4,598,700	$ 367,896	$ 666,352	$ 179,809	$ 3,384,643	
31	2022-23	2,323,823	$ 4,647,647	$ 371,812	$ 673,444	$ 181,723	$ 3,420,668	
32	2023-24	2,349,462	$ 4,698,925	$ 375,914	$ 680,874	$ 183,728	$ 3,458,409	
33	2024-25	2,375,101	$ 4,750,203	$ 380,016	$ 688,304	$ 185,733	$ 3,496,149	
34	Assumes 5% are currently paying the surcharge							
35								
36	**Rental Car Surcharge Calculations (Middle)**							
37		**Days**	**RCS Total $**	**GR**	**TPTF**	**FIT&P TF**	**STTF**	
38	2020-21	4,802,123	$ 9,604,246	$ 768,340	$ 1,391,655	$ 375,526	$ 7,068,725	
39	2021-22	4,851,300	$ 9,702,599	$ 776,208	$ 1,405,907	$ 379,372	$ 7,141,113	
40	2022-23	4,902,935	$ 9,805,871	$ 784,470	$ 1,420,871	$ 383,410	$ 7,217,121	
41	2023-24	4,957,030	$ 9,914,060	$ 793,125	$ 1,436,547	$ 387,640	$ 7,296,748	
42	2024-25	5,011,125	$ 10,022,249	$ 801,780	$ 1,452,224	$ 391,870	$ 7,376,375	
43	Assumes 5% are currently paying the surcharge							
44								
45	**Rental Car Surcharge Calculations (High)**							
46		**Days**	**RCS Total $**	**GR**	**TPTF**	**FIT&P TF**	**STTF**	
47	2020-21	7,790,891	$ 15,581,781	$ 1,246,543	$ 2,257,800	$ 609,248	$ 11,468,191	
48	2021-22	7,870,674	$ 15,741,349	$ 1,259,308	$ 2,280,921	$ 615,487	$ 11,585,633	
49	2022-23	7,954,447	$ 15,908,895	$ 1,272,712	$ 2,305,199	$ 622,038	$ 11,708,947	
50	2023-24	8,042,210	$ 16,084,419	$ 1,286,754	$ 2,330,632	$ 628,901	$ 11,838,133	
51	2024-25	8,129,972	$ 16,259,944	$ 1,300,796	$ 2,356,066	$ 635,764	$ 11,967,319	
52	Assumes 5% are currently paying the surcharge							

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Student Intern Housing
Bill Number(s): Proposed Language

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s):
Month/Year Impact Begins: July 1, 2020
Date of Analysis: February 6, 2020

Section 1: Narrative

a. **Current Law**:

Section 212.03, F.S. addresses transient rental tax; rate, procedure, enforcement, and exemption. Currently, as per s. 212.03 (7)(a), full-time students enrolled in an institution offering postsecondary education are exempt from tax on short-term (less than or equal to 6 months) rent on living quarters.

b. **Proposed Change**:

The proposed language adds s. 212.03 (7)(b) defining the term "student intern" as an "individual who is employed by a business pursuant to a temporary internship program that offers educational coursework opportunities in addition to employment and on the job training; whose temporary employment is intended to continue for a minimum of three months or more; and, who is currently a full-time student enrolled in an institution offering postsecondary education or who was a full-time student enrolled in an institute offering postsecondary education within the two-year period prior to the commencement of the internship." The language excludes a student intern from rental tax imposed on the living quarters.

Section 2: Description of Data and Sources

a. The American Community Survey (ACS), 2018 1-year Public Use Microdata Sample (PUMS) Files.
b. Number of State University System (SUS) Bachelor's recipients who earned credit hours from internships, Board of Governors, Office of Data Analysis.
c. Headcount enrollment for Undergraduate degree-seeking undergraduates by attendance status, Board of Governors, Office of Data Analysis.
d. National Center for Education Statistics, Table 304.10, "Total fall enrollment in degree-granting postsecondary institutions, by state or jurisdiction: Select years, 1970 through 2017."
e. American Community Survey, 2018 1-Year published data, Table DP04, Selected Housing Characteristics.
f. National Center for Education Statistics, Table 319.10, "Degrees conferred by postsecondary institutions, by control of institution, level of degree, and state or jurisdiction: 2016-17".
g. Internship: Previewing a Profession, Occupational Outlook Quarterly • Summer 2006, US Department of Labor, Bureau of Labor Statistics.
h. American Community Survey, 2017 1-Year published data, Table DP04, Selected Housing Characteristics.

Section 3: Methodology (Include Assumptions and Attach Details)

This analysis assumes that the target population most affected by this proposed change is the student intern who was a full-time student enrolled in an institution offering postsecondary education within the two-year period prior to the commencement of the internship, as for the most part the other qualification for a student intern is exempt from rental tax as per s. 212.03(7)(a). The period analyzed is for a maximum of six months, as longer rentals are currently not subject to sales tax. The analysis further assumes that all student interns that were previously full-time students in the two years prior to starting an internship, are in short-term rentals.

<u>Methodology 1</u>

This methodology used a two-step process to identify the potential number of households and rent that could be impacted. First, using data from the American Community Survey, the objective was to identify: The number of people that may be eligible based on the population that was:

- Age 20 to 24
- Completed at least 1 year of college
- Worked less than or equal to 26 weeks in the prior year

Then, once this population was identified, the associated occupied housing units were matched in order to limit them such that:

- Housing unit indicated a rental payment
- Housing unit was moved into within the past year (12 months or less)

An estimate of average monthly rent was calculated and the number of households that may qualify. The result is an estimate of the amount of rental tax over a six month period.

Methodology 2
Estimated the potential number of students that may qualify using SUS headcount data of the number of Bachelor's recipient students who earned credit hours from internships and the ratio of full-time students to total students. Extrapolation of the number of student interns at postsecondary institutions was done by using the ratio of total undergraduate enrollment at SUS to other postsecondary institutions. It was assumed that the student interns share housing and apply a median gross rent to these number of housing units to estimate the amount of rental tax over a six month period.

Methodology 3
Another approach is to estimate student interns based on the percentage of college grads based on data cited in a 2006 Occupational Outlook Quarterly. This article read: *According to a 2005 survey by the National Association of Colleges and Employers, employers reported that, on average, more than 3 out of 5 college hires had internship experience*. It was assumed that the student interns share housing and apply a median gross rent to these number of housing units to estimate the amount of rental tax over a six month period.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(6.5)	(7.1)	(5.2)	(5.7)	(3.5)	(3.8)
2021-22	(7.2)	(7.2)	(5.8)	(5.8)	(3.8)	(3.8)
2022-23	(7.3)	(7.3)	(5.9)	(5.9)	(3.9)	(3.9)
2023-24	(7.4)	(7.4)	(6.0)	(6.0)	(3.9)	(3.9)
2024-25	(7.5)	(7.5)	(6.1)	(6.1)	(4.0)	(4.0)

List of affected Trust Funds:

Section 5: Consensus Estimate (Adopted: 02/07/2020): The Conference adopted the low estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(3.1)	(3.4)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.3)	(0.3)
2021-22	(3.4)	(3.4)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.3)	(0.3)
2022-23	(3.5)	(3.5)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.3)	(0.3)
2023-24	(3.5)	(3.5)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.3)	(0.3)
2024-25	(3.5)	(3.5)	(Insignificant)	(Insignificant)	(0.1)	(0.1)	(0.3)	(0.3)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(0.7)	(0.8)	(1.1)	(1.2)	(4.2)	(4.6)
2021-22	(0.8)	(0.8)	(1.2)	(1.2)	(4.6)	(4.6)
2022-23	(0.8)	(0.8)	(1.2)	(1.2)	(4.7)	(4.7)
2023-24	(0.8)	(0.8)	(1.2)	(1.2)	(4.7)	(4.7)
2024-25	(0.8)	(0.8)	(1.3)	(1.3)	(4.8)	(4.8)

	A	B	C	D	E	F	G	H
1	**REVENUE ESTIMATING CONFERENCE**							
2	**Tax**: Sales and Use Tax							
3	**Issue**: Student Intern Housing							
4	**Bill Number(s)**: Proposed Language							
5								
6	**Methodology 1**[a]	Calendar Year 2018						
7	Florida population[1]	87,389						
8	Number of households[2]	12,524						
9	Total monthly rent	15,746,060						
10	Average monthly rent per household	1,257.27						
11				Grown based on Florida's population aged 20-24				
12	6 months of rent	94,476,360		2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
13	6% tax on 6 months of rent	5,668,582		5,747,256	5,833,169	5,916,237	5,995,795	6,072,391
14			in millions	5.7	5.8	5.9	6.0	6.1
15	Notes:							
16	[1] Aged 20-24, worked less than or equal to 26 weeks in the past 12 months, and has at least 1 year of college.							
17	[2] With rent and moved in within the past 12 months.							
18	Source:							
19	[a] The American Community Survey (ACS), 2018 1-year Public Use Microdata Sample (PUMS) Files.							
20								
21								
22								
23								
24	**Methodology 2**	2017-18	2018-19					
25	Number of SUS Bachelor recipients who earned credit hours from internships[b]	18,415						
26								
27	Headcount enrollment for degree-seeking undergraduates[c]	274,925	277,351					
28	Full-Time	208,169	212,185					
29	% Full-Time	75.7%	76.5%					
30								
31	Estimates of full time students that received credit hours from internships[3]	13,944	14,088					
32	Remove full-time students from total above	4,471						
33								
34	Enrollment at Florida postsecondary institutions[d]	1,071,484						
35								
36	Estimate of number of students that receive internships from all postsecondary institutions that are not full-time students	17,425						
37								
38	Assume that student interns share housing	2	per unit					
39	Estimate of housing units	8,713						
40								
41	Florida median gross rent, 2018[e]	1,182		Grown based on Florida's population aged 20-24				
42	6 months of rent	61,792,596		2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
43	6% tax on 6 months of rent	3,707,556		3,759,013	3,815,205	3,869,536	3,921,571	3,971,669
44			in millions	3.8	3.8	3.9	3.9	4.0
45	Note:							
46	[3] Assume internships are distributed between full and part-time based on attendance							
47	Sources:							
48	[b] Number of State University System (SUS) Bachelor's recipients who earned credit hours from internships, Board of Governors, Office of Data Analysis.							
49	[c] Headcount enrollment for Undergraduate degree-seeking undergraduates by attendance status, Board of Governors, Office of Data Analysis.							
50	[d] National Center for Education Statistics, Table 304.10, "Total fall enrollment in degree-granting postsecondary institutions, by state or jurisdiction: Select years, 1970 through 2017."							
51	[e] American Community Survey, 2018 1-Year published data, Table DP04, Selected Housing Characteristics.							
52								
53								

	A	B	C	D	E	F	G	H
1	**REVENUE ESTIMATING CONFERENCE**							
2	**Tax**: Sales and Use Tax							
3	**Issue**: Student Intern Housing							
4	**Bill Number(s)**: Proposed Language							
5								
54								
55								
56	**Methodology 3**	2016-17						
57	Degrees conferred by postsecondary institutions, by control of institution, level of degree, and state or jurisdiction[f]							
58	Public	**171,190**						
59	Associate's degree	75,360						
60	Bachelor's degree	72,385						
61	Master's degree	18,375						
62	Doctor's degree	5,070						
63	Private nonprofit	**52,268**						
64	Associate's degree	11,512						
65	Bachelor's degree	23,014						
66	Master's degree	13,892						
67	Doctor's degree	3,850						
68	Private for-profit	**17,225**						
69	Associate's degree	5,883						
70	Bachelor's degree	8,327						
71	Master's degree	2,661						
72	Doctor's degree	354						
73								
74	Total	240,683						
75								
76	Assumed percent of graduates that have internship experience[g]	60%						
77								
78	Estimated number of graduates with an internship	144,410						
79								
80	Percent of full-time student interns (average of full-time attendance rates in methodology 2)	76.1%						
81	Estimated number of full-time student interns	109,912						
82								
83	Estimate of number of students that receive internships from all postsecondary institutions that are not full-time students	34,498						
84								
85	Assume that student interns share housing	2	per unit					
86	Estimate of housing units	17,249						
87								
88	Florida median gross rent, 2017[h]	1,128		Grown based on Florida's population aged 20-24				
89	6 months of rent	116,741,232		2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
90	6% tax on 6 months of rent	7,004,474		7,126,829	7,233,365	7,336,372	7,435,027	7,530,009
91			in millions	7.1	7.2	7.3	7.4	7.5
92	Sources:							
93	[f] National Center for Education Statistics, Table 319.10, “Degrees conferred by postsecondary institutions, by control of institution, level of degree, and state or jurisdiction: 2016-17”.							
94	[g] Internship: Previewing a Profession, Occupational Outlook Quarterly • Summer 2006, US Department of Labor, Bureau of Labor Statistics							
95	[h] American Community Survey, 2017 1-Year published data, Table DP04, Selected Housing Characteristics.							

REVENUE ESTIMATING CONFERENCE

Tax: Sales Tax
Issue: Information Returns – credit cards
Bill Number(s): Proposed Language

☐ **Entire Bill**
☒ **Partial Bill**: Section 7
Sponsor(s): N/A
Month/Year Impact Begins: July 1, 2020
Date of Analysis: 2/5/2020

Section 1: Narrative

a. **Current Law**: no current law requirement for information returns relating to payment card and third-party network transactions

b. **Proposed Change**: Creates section 212.134 to read: 212.134 Information returns relating to payment card and third-party network transactions.—
(1) For any year in which a payment settlement entity, or an electronic payment facilitator or other third party contracted with the payment settlement entity to make payments in settlement of reportable payment transactions on behalf of the payment settlement entity, is required to file a return pursuant to section 6050W of the Internal Revenue Code, the entity, facilitator, or third party shall submit the information in the return to the department by the 15th day after filing the federal return. The format of the information returns required pursuant to this section shall be either a duplicate of such information return or a duplicate of such information returns related to participating payees with a Florida state address or Florida state taxpayers. For purposes of this subsection, the term "payment settlement entity" has the same meaning as provided in section 6050W of the Internal Revenue Code.
(2) All reports submitted to the department under this section shall be in an electronic format.
(3) Any payment settlement entity, facilitator, or third party failing to file the information return required, filing an incomplete return, or not filing within the time prescribed shall be subject to a penalty of $1,000 for each failure, if the failure is for not more than one month, with an additional $1,000 for each month or fraction of a month during which each failure continues. The total amount of penalty imposed on a reporting entity may not exceed $10,000 annually.
(4) The executive director or designee may waive the penalty imposed if the executive director or designee determines that the failure to timely file a return was due to reasonable cause and not due to willful negligence, willful neglect, or fraud.

Section 2: Description of Data and Sources

Assessments and payments associated with third party informational payment card and third-party network transactions.

Section 3: Methodology (Include Assumptions and Attach Details)

Under current law, the Internal Revenue Service receives the information and then provides it to us. The lag for receipt of the information under current law approximates two years. The impact occurs from accelerating the audits, as there under the proposed language we would receive the data 1 year earlier. For the high impact, it was assumed that audit recoveries related to the information sharing would increase by 100% in all periods with a 75% sustain rate on assessments with a one-year speedup impacting cash in 2021-22. For the middle impact, it was assumed that audit recoveries related to the information sharing would increase by 75% in all periods with a 60% sustain rate on assessments with a one -half year speedup impacting cash in 2021-22. For the low, it was assumed there would be a 50% increase in assessments at a 50% sustain rate and no speedup.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	$0	$8.5 M	$0	$5.0 M	$0	$2.8 M
2021-22	$16.5 M	$8.5 M	$7.4 M	$5.0 M	$2.8 M	$2.8 M
2022-23	$8.5 M	$8.5 M	$5.0 M	$5.0 M	$2.8 M	$2.8 M
2023-24	$8.5 M	$8.5 M	$5.0 M	$5.0 M	$2.8 M	$2.8 M
2024-25	$8.5 M	$8.5 M	$5.0 M	$5.0 M	$2.8 M	$2.8 M

List of affected Trust Funds:

REVENUE ESTIMATING CONFERENCE

Tax: Sales Tax
Issue: Information Returns – credit cards
Bill Number(s): Proposed Language

Section 5: Consensus Estimate (Adopted: 02/07/2020): The Conference adopted a positive indeterminate impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	**	**	**	**	**	**	**	**
2021-22	**	**	**	**	**	**	**	**
2022-23	**	**	**	**	**	**	**	**
2023-24	**	**	**	**	**	**	**	**
2024-25	**	**	**	**	**	**	**	**

	A	B	C	D	E	F
1	General Tax Administration Legislative Package					
2		Issue	Statute	Current Law	Proposed Change	Fiscal Impact?
3	Section 1	Notice of rate change to providers	Section 202.21	The department shall provide notice of such adoption, repeal or change to all affected dealers of communication service at least 90 days before the effective date of the tax	The department shall provide notice of such adoption, repeal or change to all affected dealers of communication service at least 30 days before the effective date of the tax	No Revenue Impact
4	Section 2	Bond required of licensed fuel suppliers	Section 206.05	(1) Each terminal supplier, importer, exporter, or wholesaler, except a municipality, county, school board, state agency, federal agency, or special district which is licensed under this part, shall file with the department a bond in a penal sum of not more than$100,000, such sum to be approximately 3 times the combined average monthly tax levied under this part and local option tax on motor fuel paid or due during the preceding 12 calendar months under the laws of this state	(1) Each terminal supplier, importer, exporter, or wholesaler, except a municipality, county, school board, state agency, federal agency, or special district which is licensed under this part, shall file with the department a bond in a penal sum of not more than $300,000 ~~$100,000~~, such sum to be approximately 3 times the combined average monthly tax levied under this part and local option tax on motor fuel paid or due during the preceding 12 calendar months under the laws of this state	No Revenue Impact
5	Section 3	Penalty for failure to provide or post notice	Section 206.8741	(6) Any person who fails to provide or post the required notice with respect to any dyed diesel fuel is subject the penalty imposed by s. 206.872(11).	6) Any person who fails to provide or post the required notice with respect to any dyed diesel fuel is subject to a penalty of $2500 for each month such failure occurs ~~the penalty imposed by s. 206.872(11).~~	Penalty
6	Section 4	Bond required of licensed fuel suppliers	Section 206.90	(1) Each terminal supplier, importer, exporter, or wholesaler, except a municipality, county, school board, state agency, federal agency, or special district which is licensed under this part, shall file with the department a bond in a penal sum of not more than$100,000, such sum to be approximately 3 times the combined average monthly tax levied under this part and local option tax on motor fuel paid or due during the preceding 12 calendar months under the laws of this state	(1) Each terminal supplier, importer, exporter, or wholesaler, except a municipality, county, school board, state agency, federal agency, or special district which is licensed under this part, shall file with the department a bond in a penal sum of not more than $300,000 ~~$100,000~~, such sum to be approximately 3 times the combined average monthly tax levied under this part and local option tax on motor fuel paid or due during the preceding 12 calendar months under the laws of this state	No Revenue Impact
7	Section 5	Determination of Business Address Situs	Section 212.181	No such section	Provides requirements for updating databases and methods by which misallocations between jurisdictions are corrected.	No Revenue Impact
8	Section 6	Removal of boat or aircraft from the state	Section 212.05(1)(a)2.b.	b. The purchaser, within 30 days from the date of departure, provides the department with written proof that the purchaser licensed, registered, titled, or documented the boat or aircraft outside the state. If such written proof is unavailable, within 30 days the purchaser shall provide proof that the purchaser applied for such license, title, registration, or documentation. The purchaser shall forward to the department proof of title, license, or documentation upon receipt; c. The purchaser, within 30 days of removing the boat or aircraft from Florida, furnishes the department with proof of removal in the form of receipts for fuel, dockage, slippage, tie-down, or hangaring from outside of Florida. The information so provided must clearly and specifically identify the boat or aircraft; d. The selling dealer, within 5 days of the date of sale, provides to the department a copy of the sales invoice, closing statement, bills of sale, and the original affidavit signed by the purchaser attesting that he or she has read the provisions of this section;	b. The purchaser, within 90 ~~30~~ days from the date of departure, provides the department with written proof that the purchaser licensed, registered, titled, or documented the boat or aircraft outside the state. If such written proof is unavailable, within 90 ~~30~~ days the purchaser shall provide proof that the purchaser applied for such license, title, registration, or documentation. The purchaser shall forward to the department proof of title, license, registration, or documentation upon receipt; c. The purchaser, within 30 ~~10~~ days of removing the boat or aircraft from Florida, furnishes the department with proof of removal in the form of receipts for fuel, dockage, slippage, tie-down, or hangaring from outside of Florida. The information so provided must clearly and specifically identify the boat or aircraft; d. The selling dealer, within 30 ~~5~~ days of the date of sale, provides to the department a copy of the sales invoice, closing statement, bills of sale, and the original affidavit signed by the purchaser attesting that he or she has read the provisions of this section;	No impact -Current Administration

	A	B	C	D	E	F
2		Issue	Statute	Current Law	Proposed Change	Fiscal Impact?
9	Section 7	Information returns - credit cards	Section 212.134	No such section	Creates section 212.34 to read: 212.134 Information returns relating to payment card and third-party network transactions.— (1) For any year in which a payment settlement entity, or an electronic payment facilitator or other third party contracted with the payment settlement entity to make payments in settlement of reportable payment transactions on behalf of the payment settlement entity, is required to file a return pursuant to section 6050W of the Internal Revenue Code, the entity, facilitator, or third party shall submit the information in the return to the department by the 15th day after filing the federal return. The format of the information returns required pursuant to this section shall be either a duplicate of such information return or a duplicate of such information returns related to participating payees with a Florida state address or Florida state taxpayers. For purposes of this subsection, the term "payment settlement entity" has the same meaning as provided in section 6050W of the Internal Revenue Code. (2) All reports submitted to the department under this section shall be in an electronic format. (3) Any payment settlement entity, facilitator, or third party failing to file the information return required, filing an incomplete return, or not filing within the time prescribed shall be subject to a penalty of $1,000 for each failure, if the failure is for not more than one month, with an additional $1,000 for each month or fraction of a month during which each failure continues. The total amount of penalty imposed on a reporting entity may not exceed $10,000 annually. (4) The executive director or designee may waive the penalty imposed if the executive director or designee determines that the failure to timely file a return was due to reasonable cause and not due to willful negligence, willful neglect, or fraud.	Possible Revenue impact
10	Section 8	Electronic Notification with affirmative consent	Section 213.0537	No such section	Creates section 213.0537 to read: 213.0537 Electronic notification with affirmative consent.— (1) Notwithstanding any other provision of law, the Department may send notices electronically, by postal mail, or both. Electronic transmission may be used only with the affirmative consent of the taxpayer or its representative. Documents sent pursuant to this section comply with the same timing and form requirements as documents sent by postal mail. If a document sent electronically is returned as undeliverable, the Department must re-send the document by postal mail. However, the original electronic transmission used with the affirmative consent of the taxpayer or its representative is the official mailing for purposes of this Chapter. (2) A notice sent electronically will be considered to have been received by the recipient if the transmission is addressed to the address provided by the taxpayer or its representative. A notice sent electronically will be considered received even if no individual is aware of its receipt. In addition, a notice sent electronically shall be considered received if the Department does not receive notification that the document was undeliverable. (3) For the purposes of this section the following terms are defined: (a) "Affirmative consent" means that the taxpayer or its representative expressly consented to receive notices electronically either in response to a clear and conspicuous request for the taxpayer's or its representative's consent; or, at the taxpayer's or its representative's own initiative. (b) "Notice" means all communications from the Department to the taxpayer or its representative, including but not limited to billings, notices issued during the course of an audit, proposed assessments, and final assessments authorized by this chapter and any other actions constituting final agency action within the meaning of Chapter 120.	No Revenue Impact

	A	B	C	D	E	F
2		Issue	Statute	Current Law	Proposed Change	Fiscal Impact?
11	Section 9	Statute of limitations for certain refunds	Section 213.21(1)(b)	(1)(b)The statute of limitations upon the issuance of final assessments shall be tolled during the period in which the taxpayer is engaged in a procedure under this section.	(1)(b)The statute of limitations upon the issuance of final assessments or the period for filing a claim for refund as required by s. 215.26 (2) for any transactions occurring during the audit period shall be tolled during the period in which the taxpayer is engaged in a procedure under this section.	Possible Revenue impact
12	Section 10	Electronic reporting - penalties	Section 443.163 (1)	(1) An employer may file any report and remit any contributions or reimbursements required under this chapter by electronic means. The Department of Economic Opportunity or the state agency providing reemployment assistance tax collection services shall adopt rules prescribing the format and instructions necessary for electronically filing reports and remitting contributions and reimbursements to ensure a full collection of contributions and reimbursements due. The acceptable method of transfer, the method, form, and content of the electronic means, and the method, if any, by which the employer will be provided with an acknowledgment shall be prescribed by the department or its tax collection service provider. However, any employer who employed 10 or more employees in any quarter during the preceding state fiscal year must file the Employers Quarterly Reports for the current calendar year and remit the contributions and reimbursements due by electronic means approved by the tax collection service provider. A person who prepared and reported for 100 or more employers in any quarter during the preceding state fiscal year must file the Employers Quarterly Reports for each calendar quarter in the current calendar year, beginning with reports due for the second calendar quarter of 2003, by electronic means approved by the tax collection service provider.	(1) An employer may file any report and remit any contributions or reimbursements required under this chapter by electronic means. The Department of Economic Opportunity or the state agency providing reemployment assistance tax collection services shall adopt rules prescribing the format and instructions necessary for electronically filing reports and remitting contributions and reimbursements to ensure a full collection of contributions and reimbursements due. The acceptable method of transfer, the method, form, and content of the electronic means, and the method, if any, by which the employer will be provided with an acknowledgment shall be prescribed by the department or its tax collection service provider. However, any employer who employed 10 or more employees in any quarter during the preceding state fiscal year must file the Employers Quarterly Reports, including any corrections, for the current calendar year and remit the contributions and reimbursements due by electronic means approved by the tax collection service provider. ~~A person who prepared and reported for 100 or more employers in any quarter during the preceding state fiscal year must file the Employers Quarterly Reports for each calendar quarter in the current calendar year, beginning with reports due for the second calendar quarter of 2003, by electronic means approved by the tax collection service provider.~~	No impact -Current Administration
13	Section 10 (continued)		Section 443.163 (2)	(2)(a) An employer who is required by law to file an Employers Quarterly Report by approved electronic means, but who files the report by a means other than approved electronic means, is liable for a penalty of $50 for that report and $1 for each employee. This penalty is in addition to any other penalty provided by this chapter. However, the penalty does not apply if the tax collection service provider waives the electronic filing requirement in advance. An employer who fails to remit contributions or reimbursements by approved electronic means as required by law is liable for a penalty of $50 for each remittance submitted by a means other than approved electronic means. This penalty is in addition to any other penalty provided by this chapter. (b) A person who prepared and reported for 100 or more employers in any quarter during the preceding state fiscal year, but who fails to file an Employers Quarterly Report for each calendar quarter in the current calendar year by approved electronic means, is liable for a penalty of $50 for that report and $1 for each employee. This penalty is in addition to any other penalty provided by this chapter. However, the penalty does not apply if the tax collection service provider waives the electronic filing requirement in advance.	(2)(a) An employer who is required by law to file an Employers Quarterly Report including any corrections, by approved electronic means, but who files the report either directly or through an agent by a means other than approved electronic means, is liable for a penalty of $25 ~~$50~~ for that report and $1 for each employee, not to exceed $300. This penalty is in addition to any other penalty provided by this chapter. However, the penalty does not apply if the tax collection service provider waives the electronic filing requirement in advance. An employer who fails to remit contributions or reimbursements either directly or through an agent by approved electronic means as required by law is liable for a penalty of $25 ~~$50~~ for each remittance submitted by a means other than approved electronic means. This penalty is in addition to any other penalty provided by this chapter. ~~(b) A person who prepared and reported for 100 or more employers in any quarter during the preceding state fiscal year, but who fails to file an Employers Quarterly Report for each calendar quarter in the current calendar year by approved electronic means, is liable for a penalty of $50 for that report and $1 for each employee. This penalty is in addition to any other penalty provided by this chapter. However, the penalty does not apply if the tax collection service provider waives the electronic filing requirement in advance.~~	Penalty

	A	B	C	D	E	F
2		Issue	Statute	Current Law	Proposed Change	Fiscal Impact?
14	Section 10 (continued)		Section 443.163 (5)	5) The tax collection service provider may waive the penalty imposed by this section if a written request for a waiver is filed which establishes that imposition would be inequitable. Examples of inequity include, but are not limited to, situations where the failure to electronically file was caused by one of the following factors: (a) Death or serious illness of the person responsible for the preparation and filing of the report. (b) Destruction of the business records by fire or other casualty. (c) Unscheduled and unavoidable computer downtime.	5) The tax collection service provider may waive the penalty imposed by this section if a ~~written~~ request for a waiver ~~is filed which~~ establishes that imposition would be inequitable. Examples of inequity include, but are not limited to, situations where the failure to electronically file was caused by one of the following factors: (a) Death or serious illness of the person responsible for the preparation and filing of the report. (b) Destruction of the business records by fire or other casualty. (c) Unscheduled and unavoidable computer downtime.	No impact -Current Administration
15	Section 11	Effective Date			July 1, 2020	

	A	B	C	D
4	Total audit caseload associated with payment transaction data			
5				
6	Since January 1, 2018	$19,000,000		
7	Amounts subject to a notice of Proposed Assessment	$11,000,000		
8	Amounts paid	$2,000,000		
9				
10		High	Middle	Low
11	Assumed increase in assessments	100%	75%	50%
12	Assumed audit sustain rate	75%	60%	50%
13				
14	Impact - increased assessments	$8,250,000	$4,950,000	$2,750,000
15				
16	Audit speedup	one year speedup	0.5 year speedup	no speedup
17	Additional cash impact in 2021-22	$8,250,000	$2,475,000	0

REVENUE ESTIMATING CONFERENCE

Tax: Various (Sales)
Issue: Statute of limitations for certain refunds
Bill Number(s): Proposed Language

☐ **Entire Bill**
☒ **Partial Bill**: Section 9
Sponsor(s): N/A
Month/Year Impact Begins: July 1, 2020
Date of Analysis: 2/5/20

Section 1: Narrative

a. Current Law: section 213.21, Florida statutes, reads: Informal conferences; compromises.—
(1)(a) The Department of Revenue may adopt rules for establishing informal conference procedures within the department for resolution of disputes relating to assessment of taxes, interest, and penalties and the denial of refunds, and for informal hearings under ss. 120.569 and 120.57(2).
(b) The statute of limitations upon the issuance of final assessments shall be tolled during the period in which the taxpayer is engaged in a procedure under this section.

b. Proposed Change: Amends section 213.21(1_(b) to read: (1)(b)The statute of limitations upon the issuance of final assessments <u>or the period for filing a claim for refund as required by s. 215.26 (2) for any transactions occurring during the audit period</u> shall be tolled during the period in which the taxpayer is engaged in a procedure under this section.

Section 2: Description of Data and Sources
Department data on sales tax refunds denied

Section 3: Methodology (Include Assumptions and Attach Details)
The proposed language affects only certain refund requests that arise out of a period under audit. In those instances where there is an audit assessment and an issue that but for statute of limitation would have resulted in a refund, the audit assessment is offset by the refund amount. The proposed language addresses those instances where the statutory period has closed under current law for a refund request and wither the audit did not result in any assessment or the refund amounts were greater than the audit assessment. Conversations with both refund staff and General Tax Administration Program staff, the refunds that would occur under the proposed language would be a small share of the total refund activity. Staff also indicated that while the change in law applies to various taxes, where it is most likely to occur would be in sales tax.
For the high impact, it is assumed that 5% of the denied sales tax refund amount represented the impact, for the middle, the assumed percent is 3% and for the low, 1%.

	Total Denied Refunds	Sales Tax Denied Refunds
2016-17	$168,022,030	$66,642,354
2017-18	$1,597,445,171	$53,485,037
2018-19	$100,431,243	$51,352,250
Average	$621,966,148	$57,159,880

		Impact
High	5%	2,857,994.02
Middle	3%	1,714,796.41
Low	1%	571,598.80

Section 4: Proposed Fiscal Impact

REVENUE ESTIMATING CONFERENCE

Tax: Various (Sales)
Issue: Statute of limitations for certain refunds
Bill Number(s): Proposed Language

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	($3.0 M)	($3.0 M)	($1.7 M)	($1.7 M)	($0.6 M)	($0.6 M)
2021-22	($3.0 M)	($3.0 M)	($1.7 M)	($1.7 M)	($0.6 M)	($0.6 M)
2022-23	($3.0 M)	($3.0 M)	($1.7 M)	($1.7 M)	($0.6 M)	($0.6 M)
2023-24	($3.0 M)	($3.0 M)	($1.7 M)	($1.7 M)	($0.6 M)	($0.6 M)
2024-25	($3.0 M)	($3.0 M)	($1.7 M)	($1.7 M)	($0.6 M)	($0.6 M)

List of affected Trust Funds:

Section 5: Consensus Estimate (Adopted: 02/07/2020): The Conference adopted a negative indeterminate impact.

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

	A	B	C	D	E	F
1	General Tax Administration Legislative Package					
2		Issue	Statute	Current Law	Proposed Change	Fiscal Impact?
3	Section 1	Notice of rate change to providers	Section 202.21	The department shall provide notice of such adoption, repeal or change to all affected dealers of communication service at least 90 days before the effective date of the tax	The department shall provide notice of such adoption, repeal or change to all affected dealers of communication service at least 30 days before the effective date of the tax	No Revenue Impact
4	Section 2	Bond required of licensed fuel suppliers	Section 206.05	(1) Each terminal supplier, importer, exporter, or wholesaler, except a municipality, county, school board, state agency, federal agency, or special district which is licensed under this part, shall file with the department a bond in a penal sum of not more than$100,000, such sum to be approximately 3 times the combined average monthly tax levied under this part and local option tax on motor fuel paid or due during the preceding 12 calendar months under the laws of this state	(1) Each terminal supplier, importer, exporter, or wholesaler, except a municipality, county, school board, state agency, federal agency, or special district which is licensed under this part, shall file with the department a bond in a penal sum of not more than <u>$300,000</u> ~~$100,000~~, such sum to be approximately 3 times the combined average monthly tax levied under this part and local option tax on motor fuel paid or due during the preceding 12 calendar months under the laws of this state	No Revenue Impact
5	Section 3	Penalty for failure to provide or post notice	Section 206.8741	(6) Any person who fails to provide or post the required notice with respect to any dyed diesel fuel is subject the penalty imposed by s. 206.872(11).	6) Any person who fails to provide or post the required notice with respect to any dyed diesel fuel is subject to <u>a penalty of $2500 for each month such failure occurs</u> ~~the penalty imposed by s. 206.872(11).~~	Penalty
6	Section 4	Bond required of licensed fuel suppliers	Section 206.90	(1) Each terminal supplier, importer, exporter, or wholesaler, except a municipality, county, school board, state agency, federal agency, or special district which is licensed under this part, shall file with the department a bond in a penal sum of not more than$100,000, such sum to be approximately 3 times the combined average monthly tax levied under this part and local option tax on motor fuel paid or due during the preceding 12 calendar months under the laws of this state	(1) Each terminal supplier, importer, exporter, or wholesaler, except a municipality, county, school board, state agency, federal agency, or special district which is licensed under this part, shall file with the department a bond in a penal sum of not more than <u>$300,000</u> ~~$100,000~~, such sum to be approximately 3 times the combined average monthly tax levied under this part and local option tax on motor fuel paid or due during the preceding 12 calendar months under the laws of this state	No Revenue Impact
7	Section 5	Determination of Business Address Situs	Section 212.181	No such section	Provides requirements for updating databases and methods by which misallocations between jurisdictions are corrected.	No Revenue Impact
8	Section 6	Removal of boat or aircraft from the state	Section 212.05(1)(a)2.b.	b. The purchaser, within 30 days from the date of departure, provides the department with written proof that the purchaser licensed, registered, titled, or documented the boat or aircraft outside the state. If such written proof is unavailable, within 30 days the purchaser shall provide proof that the purchaser applied for such license, title, registration, or documentation. The purchaser shall forward to the department proof of title, license, or documentation upon receipt; c. The purchaser, within 30 days of removing the boat or aircraft from Florida, furnishes the department with proof of removal in the form of receipts for fuel, dockage, slippage, tie-down, or hangaring from outside of Florida. The information so provided must clearly and specifically identify the boat or aircraft; d. The selling dealer, within 5 days of the date of sale, provides to the department a copy of the sales invoice, closing statement, bills of sale, and the original affidavit signed by the purchaser attesting that he or she has read the provisions of this section;	b. The purchaser, within <u>90</u> ~~30~~ days from the date of departure, provides the department with written proof that the purchaser licensed, registered, titled, or documented the boat or aircraft outside the state. If such written proof is unavailable, within <u>90</u> ~~30~~ days the purchaser shall provide proof that the purchaser applied for such license, title, registration, or documentation. The purchaser shall forward to the department proof of title, license, registration, or documentation upon receipt; c. The purchaser, within <u>30</u> ~~10~~ days of removing the boat or aircraft from Florida, furnishes the department with proof of removal in the form of receipts for fuel, dockage, slippage, tie-down, or hangaring from outside of Florida. The information so provided must clearly and specifically identify the boat or aircraft; d. The selling dealer, within <u>30</u> ~~5~~ days of the date of sale, provides to the department a copy of the sales invoice, closing statement, bills of sale, and the original affidavit signed by the purchaser attesting that he or she has read the provisions of this section;	No impact -Current Administration

	A	B	C	D	E	F
2		Issue	Statute	Current Law	Proposed Change	Fiscal Impact?
9	Section 7	Information returns - credit cards	Section 212.134	No such section	Creates section 212.34 to read: 212.134 Information returns relating to payment card and third-party network transactions.— (1) For any year in which a payment settlement entity, or an electronic payment facilitator or other third party contracted with the payment settlement entity to make payments in settlement of reportable payment transactions on behalf of the payment settlement entity, is required to file a return pursuant to section 6050W of the Internal Revenue Code, the entity, facilitator, or third party shall submit the information in the return to the department by the 15th day after filing the federal return. The format of the information returns required pursuant to this section shall be either a duplicate of such information return or a duplicate of such information returns related to participating payees with a Florida state address or Florida state taxpayers. For purposes of this subsection, the term "payment settlement entity" has the same meaning as provided in section 6050W of the Internal Revenue Code. (2) All reports submitted to the department under this section shall be in an electronic format. (3) Any payment settlement entity, facilitator, or third party failing to file the information return required, filing an incomplete return, or not filing within the time prescribed shall be subject to a penalty of $1,000 for each failure, if the failure is for not more than one month, with an additional $1,000 for each month or fraction of a month during which each failure continues. The total amount of penalty imposed on a reporting entity may not exceed $10,000 annually. (4) The executive director or designee may waive the penalty imposed if the executive director or designee determines that the failure to timely file a return was due to reasonable cause and not due to willful negligence, willful neglect, or fraud.	Possible Revenue impact
10	Section 8	Electronic Notification with affirmative consent	Section 213.0537	No such section	Creates section 213.0537 to read: 213.0537 Electronic notification with affirmative consent.— (1) Notwithstanding any other provision of law, the Department may send notices electronically, by postal mail, or both. Electronic transmission may be used only with the affirmative consent of the taxpayer or its representative. Documents sent pursuant to this section comply with the same timing and form requirements as documents sent by postal mail. If a document sent electronically is returned as undeliverable, the Department must re-send the document by postal mail. However, the original electronic transmission used with the affirmative consent of the taxpayer or its representative is the official mailing for purposes of this Chapter. (2) A notice sent electronically will be considered to have been received by the recipient if the transmission is addressed to the address provided by the taxpayer or its representative. A notice sent electronically will be considered received even if no individual is aware of its receipt. In addition, a notice sent electronically shall be considered received if the Department does not receive notification that the document was undeliverable. (3) For the purposes of this section the following terms are defined: (a) "Affirmative consent" means that the taxpayer or its representative expressly consented to receive notices electronically either in response to a clear and conspicuous request for the taxpayer's or its representative's consent; or, at the taxpayer's or its representative's own initiative. (b) "Notice" means all communications from the Department to the taxpayer or its representative, including but not limited to billings, notices issued during the course of an audit, proposed assessments, and final assessments authorized by this chapter and any other actions constituting final agency action within the meaning of Chapter 120.	No Revenue Impact

	A	B	C	D	E	F
2		Issue	Statute	Current Law	Proposed Change	Fiscal Impact?
11	Section 9	Statute of limitations for certain refunds	Section 213.21(1)(b)	(1)(b)The statute of limitations upon the issuance of final assessments shall be tolled during the period in which the taxpayer is engaged in a procedure under this section.	(1)(b)The statute of limitations upon the issuance of final assessments or the period for filing a claim for refund as required by s. 215.26 (2) for any transactions occurring during the audit period shall be tolled during the period in which the taxpayer is engaged in a procedure under this section.	Possible Revenue impact
12	Section 10	Electronic reporting - penalties	Section 443.163 (1)	(1) An employer may file any report and remit any contributions or reimbursements required under this chapter by electronic means. The Department of Economic Opportunity or the state agency providing reemployment assistance tax collection services shall adopt rules prescribing the format and instructions necessary for electronically filing reports and remitting contributions and reimbursements to ensure a full collection of contributions and reimbursements due. The acceptable method of transfer, the method, form, and content of the electronic means, and the method, if any, by which the employer will be provided with an acknowledgment shall be prescribed by the department or its tax collection service provider. However, any employer who employed 10 or more employees in any quarter during the preceding state fiscal year must file the Employers Quarterly Reports for the current calendar year and remit the contributions and reimbursements due by electronic means approved by the tax collection service provider. A person who prepared and reported for 100 or more employers in any quarter during the preceding state fiscal year must file the Employers Quarterly Reports for each calendar quarter in the current calendar year, beginning with reports due for the second calendar quarter of 2003, by electronic means approved by the tax collection service provider.	(1) An employer may file any report and remit any contributions or reimbursements required under this chapter by electronic means. The Department of Economic Opportunity or the state agency providing reemployment assistance tax collection services shall adopt rules prescribing the format and instructions necessary for electronically filing reports and remitting contributions and reimbursements to ensure a full collection of contributions and reimbursements due. The acceptable method of transfer, the method, form, and content of the electronic means, and the method, if any, by which the employer will be provided with an acknowledgment shall be prescribed by the department or its tax collection service provider. However, any employer who employed 10 or more employees in any quarter during the preceding state fiscal year must file the Employers Quarterly Reports, including any corrections, for the current calendar year and remit the contributions and reimbursements due by electronic means approved by the tax collection service provider. ~~A person who prepared and reported for 100 or more employers in any quarter during the preceding state fiscal year must file the Employers Quarterly Reports for each calendar quarter in the current calendar year, beginning with reports due for the second calendar quarter of 2003, by electronic means approved by the tax collection service provider.~~	No impact -Current Administration
13	Section 10 (continued)		Section 443.163 (2)	(2)(a) An employer who is required by law to file an Employers Quarterly Report by approved electronic means, but who files the report by a means other than approved electronic means, is liable for a penalty of $50 for that report and $1 for each employee. This penalty is in addition to any other penalty provided by this chapter. However, the penalty does not apply if the tax collection service provider waives the electronic filing requirement in advance. An employer who fails to remit contributions or reimbursements by approved electronic means as required by law is liable for a penalty of $50 for each remittance submitted by a means other than approved electronic means. This penalty is in addition to any other penalty provided by this chapter. (b) A person who prepared and reported for 100 or more employers in any quarter during the preceding state fiscal year, but who fails to file an Employers Quarterly Report for each calendar quarter in the current calendar year by approved electronic means, is liable for a penalty of $50 for that report and $1 for each employee. This penalty is in addition to any other penalty provided by this chapter. However, the penalty does not apply if the tax collection service provider waives the electronic filing requirement in advance.	(2)(a) An employer who is required by law to file an Employers Quarterly Report including any corrections, by approved electronic means, but who files the report either directly or through an agent by a means other than approved electronic means, is liable for a penalty of $25 ~~$50~~ for that report and $1 for each employee, not to exceed $300. This penalty is in addition to any other penalty provided by this chapter. However, the penalty does not apply if the tax collection service provider waives the electronic filing requirement in advance. An employer who fails to remit contributions or reimbursements either directly or through an agent by approved electronic means as required by law is liable for a penalty of $25 ~~$50~~ for each remittance submitted by a means other than approved electronic means. This penalty is in addition to any other penalty provided by this chapter. ~~(b) A person who prepared and reported for 100 or more employers in any quarter during the preceding state fiscal year, but who fails to file an Employers Quarterly Report for each calendar quarter in the current calendar year by approved electronic means, is liable for a penalty of $50 for that report and $1 for each employee. This penalty is in addition to any other penalty provided by this chapter. However, the penalty does not apply if the tax collection service provider waives the electronic filing requirement in advance.~~	Penalty

	A	B	C	D	E	F
2		Issue	Statute	Current Law	Proposed Change	Fiscal Impact?
14	Section 10 (continued)		Section 443.163 (5)	5) The tax collection service provider may waive the penalty imposed by this section if a written request for a waiver is filed which establishes that imposition would be inequitable. Examples of inequity include, but are not limited to, situations where the failure to electronically file was caused by one of the following factors: (a) Death or serious illness of the person responsible for the preparation and filing of the report. (b) Destruction of the business records by fire or other casualty. (c) Unscheduled and unavoidable computer downtime.	5) The tax collection service provider may waive the penalty imposed by this section if a ~~written~~ request for a waiver ~~is filed which~~ establishes that imposition would be inequitable. Examples of inequity include, but are not limited to, situations where the failure to electronically file was caused by one of the following factors: (a) Death or serious illness of the person responsible for the preparation and filing of the report. (b) Destruction of the business records by fire or other casualty. (c) Unscheduled and unavoidable computer downtime.	No impact -Current Administration
15	Section 11	Effective Date			July 1, 2020	

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Department of Revenue Legislative Concepts – Property Tax
Bill Number(s): Proposed Language

☐ **Entire Bill**
☒ **Partial Bill**: Section 1 – Homestead Differential after Disaster
Sponsor(s): N/A
Month/Year Impact Begins: July 1, 2020
Date of Analysis: February 7, 2020

Section 1: Narrative

a. Current Law:

Paragraph 193.155 (4) (b) F.S., "Changes, additions, or improvements that replace all or a portion of homestead property damaged or destroyed by misfortune or calamity shall not increase the homestead property's assessed value when the square footage of the homestead property as changed or improved does not exceed 110 percent of the square footage of the homestead property before the damage or destruction. Additionally, the homestead property's assessed value shall not increase if the total square footage of the homestead property as changed or improved does not exceed 1,500 square feet. Changes, additions, or improvements that do not cause the total to exceed 110 percent of the total square footage of the homestead property before the damage or destruction or that do not cause the total to exceed 1,500 total square feet shall be reassessed as provided under subsection (1). The homestead property's assessed value shall be increased by the just value of that portion of the changed or improved homestead property which is in excess of 110 percent of the square footage of the homestead property before the damage or destruction or of that portion exceeding 1,500 square feet. Homestead property damaged or destroyed by misfortune or calamity which, after being changed or improved, has a square footage of less than 100 percent of the homestead property's total square footage before the damage or destruction shall be assessed pursuant to subsection (5). This paragraph applies to changes, additions, or improvements commenced within 3 years after the January 1 following the damage or destruction of the homestead."

Paragraph 193.1554 (6) (b) F.S., "Changes, additions, or improvements that replace all or a portion of nonhomestead residential property damaged or destroyed by misfortune or calamity shall not increase the property's assessed value when the square footage of the property as changed or improved does not exceed 110 percent of the square footage of the property before the damage or destruction. Additionally, the property's assessed value shall not increase if the total square footage of the property as changed or improved does not exceed 1,500 square feet. Changes, additions, or improvements that do not cause the total to exceed 110 percent of the total square footage of the property before the damage or destruction or that do not cause the total to exceed 1,500 total square feet shall be reassessed as provided under subsection (3). The property's assessed value shall be increased by the just value of that portion of the changed or improved property which is in excess of 110 percent of the square footage of the property before the damage or destruction or of that portion exceeding 1,500 square feet. Property damaged or destroyed by misfortune or calamity which, after being changed or improved, has a square footage of less than 100 percent of the property's total square footage before the damage or destruction shall be assessed pursuant to subsection (8). This paragraph applies to changes, additions, or improvements commenced within 3 years after the January 1 following the damage or destruction of the property."

Paragraph 193.1555 (6) (b) F.S., "Changes, additions, or improvements that replace all or a portion of nonresidential real property damaged or destroyed by misfortune or calamity shall not increase the property's assessed value when the square footage of the property as changed or improved does not exceed 110 percent of the square footage of the property before the damage or destruction and do not change the property's character or use. Changes, additions, or improvements that do not cause the total to exceed 110 percent of the total square footage of the property before the damage or destruction and do not change the property's character or use shall be reassessed as provided under subsection (3). The property's assessed value shall be increased by the just value of that portion of the changed or improved property which is in excess of 110 percent of the square footage of the property before the damage or destruction. Property damaged or destroyed by misfortune or calamity which, after being changed or improved, has a square footage of less than 100 percent of the property's total square footage before the damage or destruction shall be assessed pursuant to subsection (8). This paragraph applies to changes, additions, or improvements commenced within 3 years after the January 1 following the damage or destruction of the property."

b. Proposed Change:

"Section 1. Section 193.1557, Florida Statutes, is created to read:

"<u>193.1557 Assessment of certain property damaged by Hurricane Michael.—For property damaged or destroyed by Hurricane Michael in 2018, the provisions of paragraphs 193.155 (4) (b), 193.1554 (6) (b), or 193.1555 (6) (b),</u>

<u>shall apply to changes, additions, or improvements commenced within 5 years after January 1 following the damage or destruction of the property. This section applies for tax years 2019-2023 and shall stand repealed December 31, 2023.</u>

"Section 7. This act shall take effect July 1, 2020."

Section 2: Description of Data and Sources

2018 and 2019 Property Tax Roll Data
Ad Valorem Estimating Conference (1/2020)

Section 3: Methodology (Include Assumptions and Attach Details)

Section 1. Properties with disaster codes on the 2019 tax roll data with the disaster year of 2018 were identified. The 2018 assessment differentials were calculated for the three types of property covered by the proposed language for each of the 2019 disaster flagged properties. The estimate uses a menu of commencement options to show how much of the assessment differential would be lost under current law and how much would be lost under the proposed language. The difference between the two values is the impact. The cash values do not start until the 2023-24 Fiscal year. The recurring values are equal to the cash value.

Section 4: Proposed Fiscal Impact

Section 1. Impact – 3 Year to 5 Year Assessment Differential

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	$-	$(9.5 M)	$-	$(4.6 M)	$-	$(0.8 M)
2021-22	$-	$(9.5 M)	$-	$(4.6 M)	$-	$(0.8 M)
2022-23	$(9.5 M)	$(9.5 M)	$(4.6 M)	$(4.6 M)	$(0.8 M)	$(0.8 M)
2023-24	$(9.5 M)	$(9.5 M)	$(4.6 M)	$(4.6 M)	$(0.8 M)	$(0.8 M)
2024-25	$(9.5 M)	$(9.5 M)	$(4.6 M)	$(4.6 M)	$(0.8 M)	$(0.8 M)

List of affected Trust Funds: Ad Valorem

Section 5: Consensus Estimate (Adopted: 02/07/2020): The Conference adopted a negative indeterminate impact. The conference discussed the estimates as presented but did not specifically adopt any of the estimates.

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

	A	B	C	D	E	F	G
1							
2	**Assessment Differentials by Property type**						
3	**County**	**193.155(4)(b) Homestead**	**193.1554 (6)(b) Non-Homestead Residential**	**193.1555(6)(b) Certain Residential and Non-Residential Real Property**	**Totals**		
4	Bay	$ 374,794,489	$ 46,705,487	$ 24,931,774	$ 446,431,750		
5	Calhoun	$ 7,237,094	$ 63,456	$ 51,288	$ 7,351,838		
6	Franklin	$ 24,742,015	$ 11,255,822	$ 257,128	$ 36,254,965		
7	Gadsden	$ 133,089	$ -	$ 30,482	$ 163,571		
8	Gulf	$ 104,309,781	$ 66,057,289	$ 9,841,110	$ 180,208,180		
9	Holmes	$ 74,409	$ -	$ 1,966	$ 76,375		
10	Jackson	$ 10,959,281	$ 237,445	$ 755,779	$ 11,952,505		
11	Leon	$ 5,861,037	$ 62,294	$ 2,963	$ 5,926,294		
12	Liberty	$ 3,555,960	$ 176,419	$ 16,004	$ 3,748,383		
13	Wakulla	$ 2,167,202	$ 208,044	$ 81,767	$ 2,457,013		
14	Washington	$ 974,224	$ 59,460	$ 79,789	$ 1,113,473		
15	**Grand Total**	**$ 534,808,581**	**$ 124,825,716**	**$ 36,050,050**	**$ 695,684,347**		
16							
17	School Millage	6.5223					
18	Non-School Millage	10.8014					
19	Statewide Millage	17.3237					
20							
21	**Rate of Commencement**						
22		Slowest Recovery	Even recovery	Front loaded Recovery			
23	Roll year	High Estimate	Middle Estimate	Low Estimate	Tax year		
24	2019	1%	19%	50%	2019-20		
25	2020	1%	19%	20%	2020-21		
26	2021	10%	19%	20%	2021-22		
27	2022	39%	19%	3.5%	2022-23		
28	2023	40%	19%	3.5%	2023-24		
29	Outside of extension	9.0%	5.0%	3.0%			

	A	B	C	D	E	F	G
30							
31	**Lost Differential**						
32	% Under current law	88%	43%	10%			
33	% Under Proposed Change	9.0%	5.0%	3.0%			
34							
35	**Current Law lost differential Under Replacement Schedules**						
36	Year	High Estimate	Middle Estimate	Low Estimate			
37	2020-21						
38	2021-22						
39	2022-23	$ 612.2 M	$ 299.1 M	$ 69.6 M			
40	2023-24	$ 612.2 M	$ 299.1 M	$ 69.6 M			
41	2024-25	$ 612.2 M	$ 299.1 M	$ 69.6 M			
42							
43	**Proposed Language lost differential Under Replacement Schedules**						
44	Year	High Estimate	Middle Estimate	Low Estimate			
45	2020-21						
46	2021-22						
47	2022-23	$ 62.6 M	$ 34.8 M	$ 20.9 M			
48	2023-24	$ 62.6 M	$ 34.8 M	$ 20.9 M			
49	2024-25	$ 62.6 M	$ 34.8 M	$ 20.9 M			
50							
51							

	A	B	C	D	E	F	G
52	**Total Impact (proposed language-current law) * Millage**						
53		High		Middle		Low	
54	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
55	2020-21	$ -	$ (9.5 M)	$ -	$ (4.6 M)	$ -	$ (0.8 M)
56	2021-22	$ -	$ (9.5 M)	$ -	$ (4.6 M)	$ -	$ (0.8 M)
57	2022-23	$ (9.5 M)	$ (9.5 M)	$ (4.6 M)	$ (4.6 M)	$ (0.8 M)	$ (0.8 M)
58	2023-24	$ (9.5 M)	$ (9.5 M)	$ (4.6 M)	$ (4.6 M)	$ (0.8 M)	$ (0.8 M)
59	2024-25	$ (9.5 M)	$ (9.5 M)	$ (4.6 M)	$ (4.6 M)	$ (0.8 M)	$ (0.8 M)
60							
61	**School Impact**						
62		High		Middle		Low	
63	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
64	2020-21	$ -	$ (3.6 M)	$ -	$ (1.7 M)	$ -	$ (0.3 M)
65	2021-22	$ -	$ (3.6 M)	$ -	$ (1.7 M)	$ -	$ (0.3 M)
66	2022-23	$ (3.6 M)	$ (3.6 M)	$ (1.7 M)	$ (1.7 M)	$ (0.3 M)	$ (0.3 M)
67	2023-24	$ (3.6 M)	$ (3.6 M)	$ (1.7 M)	$ (1.7 M)	$ (0.3 M)	$ (0.3 M)
68	2024-25	$ (3.6 M)	$ (3.6 M)	$ (1.7 M)	$ (1.7 M)	$ (0.3 M)	$ (0.3 M)
69							
70	**Non- School Impact**						
71		High		Middle		Low	
72	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
73	2020-21	$ -	$ (5.9 M)	$ -	$ (2.9 M)	$ -	$ (0.5 M)
74	2021-22	$ -	$ (5.9 M)	$ -	$ (2.9 M)	$ -	$ (0.5 M)
75	2022-23	$ (5.9 M)	$ (5.9 M)	$ (2.9 M)	$ (2.9 M)	$ (0.5 M)	$ (0.5 M)
76	2023-24	$ (5.9 M)	$ (5.9 M)	$ (2.9 M)	$ (2.9 M)	$ (0.5 M)	$ (0.5 M)
77	2024-25	$ (5.9 M)	$ (5.9 M)	$ (2.9 M)	$ (2.9 M)	$ (0.5 M)	$ (0.5 M)