REVENUE ESTIMATING CONFERENCE

Tax: Documentary Stamp
Issue: Documentary Stamp Tax Exemption
Bill Number(s): CS/HB 917 & CS/SB 1334

- [x] **Entire Bill**
- [ ] **Partial Bill**:

Sponsor(s): Representative McClain & Senator Boyd
Month/Year Impact Begins: 7/1/2021
Date of Analysis: 3/19/2021

Section 1: Narrative

a. Current Law:

Section 201.08 (1)(a), F.S., states that promissory notes and other written obligations to pay money, including each renewal of a promissory note and other written obligations to pay money (except those exempt under section 201.09(1), Florida Statutes), that are signed or delivered in Florida are subject to documentary stamp tax. Tax is due on the full amount of the obligation evidenced by the taxable document at the rate of 35 cents per $100 or portion thereof. However, the tax due on a note or other written obligation to pay money is capped at $2,450.

Section 201.08(1)(b), F.S., states that mortgages, liens, security agreements, and other evidences of indebtedness, including each renewal of the same, are subject to tax and payable when filed and recorded in Florida. The tax is based on the full amount of the indebtedness secured by the mortgage or lien regardless of whether the indebtedness is contingent or absolute. The rate of tax is 35 cents per $100 or portion thereof of the amount secured thereby. There is no cap on the amount of tax due.

Section 201.09(1), F.S., provides that when any promissory note is given in renewal of any existing promissory note, which renewal note only extends or continues the identical contractual obligations of the original promissory note and evidences part or all of the original indebtedness evidenced thereby, not including any accumulated interest thereon and without enlargement in any way of the original contract and obligation, such renewal note shall not be subject to documentary stamp taxation.

Section 201.09(2), F.S., provides that when any mortgage, trust deed, security agreement, or other evidence of indebtedness evidences a promissory note which would not be subject to taxation pursuant to Section 201.09(1), F.S., then such mortgage, trust deed, security agreement, or other evidence of indebtedness shall not be subject to taxation under this chapter.

b. Proposed Change:

The House bill adds a sentence to subsection 201.08(5), F.S., to read: "<u>A modification of an original document which changes **only** the interest rate and is made as the result of the discontinuation of an index to which the original interest rate is referenced is not a renewal and is not subject to the tax pursuant to this section.</u>"

The Senate bill is identical in effect but not language. The sentence added to subsection 201.08(5), F.S., in Senate bill CS/SB 1334 reads: "<u>A modification of an original document for the **sole** purpose of changing the interest rate due to the discontinuation of an index to which the original interest rate is referenced is not a renewal and is not subject to tax pursuant to this section</u>."

The bold words in the above proposed changes indicate the substantive changes from the original bill.

Section 2: Description of Data and Sources

General Revenue Conference (Tables 18A&B – 19);
DOR Doc Stamp and Intangible C tax collection data;
MBA Mortgage Finance Forecast;
MBA Mortgage Applications Weekly Survey;
Federal Reserve data - Total Mortgages Outstanding;
Federal Reserve – Net Change in Mortgage;

Section 3: Methodology (Include Assumptions and Attach Details)

The addition of the word only/solely in the committee substitutes removes the potential impact from changes beyond interest rate being included in the renewal exemption.

A potential impact remains for out of state notes subsequently renewed in Florida. An out of state note in which Florida documentary stamp tax was not initially applicable could be renewed in Florida under the parameters of the bill language without incurring tax. The Department currently holds that the renewal of a note in the state that was initially executed and delivered outside of the state is subject to tax. As such, the bill language would result in exemptions for notes that meet the parameter of the bill language that otherwise would not be exempt (i.e., renewals of notes executed or delivered in the state that were originally executed and delivered outside the state). This would imply a clear direction, and there would be a negative but indeterminate

REVENUE ESTIMATING CONFERENCE

Tax: Documentary Stamp
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impact from the bill language. This type of behavior is impossible to identify uniquely in the data, so it would be a fraction of total doc stamp collections.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22			(**)	(**)		
2022-23			(**)	(**)		
2023-24			(**)	(**)		
2024-25			(**)	(**)		
2025-26			(**)	(**)		

List of affected Trust Funds: Doc Stamp

Section 5: Consensus Estimate (Adopted: 03/26/2021): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22	(**)	(**)	(**)	(**)	0.0	0.0	(**)	(**)
2022-23	(**)	(**)	(**)	(**)	0.0	0.0	(**)	(**)
2023-24	(**)	(**)	(**)	(**)	0.0	0.0	(**)	(**)
2024-25	(**)	(**)	(**)	(**)	0.0	0.0	(**)	(**)
2025-26	(**)	(**)	(**)	(**)	0.0	0.0	(**)	(**)

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Change of Ownership; Calamity and Misfortune
Bill Number(s): SB 1254

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Senator Bean
Month/Year Impact Begins: July 1, 2021
Date of Analysis: March 26, 2021

Section 1: Narrative

a. Current Law:

Section 1. Paragraph (a) of subsection (3) and paragraph (b) of subsection (4) of section 193.155, Florida Statutes, currently reads:

(3)(a) Except as provided in this subsection or subsection (8), property assessed under this section shall be assessed at just value as of January 1 of the year following a change of ownership. Thereafter, the annual changes in the assessed value of the property are subject to the limitations in subsections (1) and (2). For the purpose of this section, a change of ownership means any sale, foreclosure, or transfer of legal title or beneficial title in equity to any person, except if:

1. Subsequent to the change or transfer, the same person is entitled to the homestead exemption as was previously entitled and:

a. The transfer of title is to correct an error;

b. The transfer is between legal and equitable title or equitable and equitable title and no additional person applies for a homestead exemption on the property;

c. The change or transfer is by means of an instrument in which the owner is listed as both grantor and grantee of the real property and one or more other individuals are additionally named as grantee. However, if any individual who is additionally named as a grantee applies for a homestead exemption on the property, the application is considered a change of ownership; or

d. The person is a lessee entitled to the homestead exemption under s. 196.041(1).

2. Legal or equitable title is changed or transferred between husband and wife, including a change or transfer to a surviving spouse or a transfer due to a dissolution of marriage;

3. The transfer occurs by operation of law to the surviving spouse or minor child or children under s. 732.401; or

4. Upon the death of the owner, the transfer is between the owner and another who is a permanent resident and who is legally or naturally dependent upon the owner.

(4)(b) 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.

Proposed Change:

Section 1*.* Paragraph (a) of subsection (3) and paragraph (b) of subsection (4) of section 193.155, Florida Statutes, are amended to read:

(3)(a) Except as provided in this subsection or subsection (8), property assessed under this section shall be assessed at just value as of January 1 of the year following a change of ownership. Thereafter, the annual changes in the assessed value of the property are subject to the limitations in subsections (1) and (2). For the purpose of this section, a change of ownership means any sale, foreclosure, or transfer of legal title or beneficial title in equity to any person, except if:

1. Subsequent to the change or transfer, the same person is entitled to the homestead exemption as was previously entitled and:
   a. The transfer of title is to correct an error;
   b. The transfer is between legal and equitable title or equitable and equitable title and no additional person applies for a homestead exemption on the property;
   c. The change or transfer is by means of an instrument in which the owner is listed as both grantor and grantee of the real property and one or more other individuals are additionally named as grantee. However, if any individual who is additionally named as a grantee applies for a homestead exemption on the property, the application is considered a change of ownership; or
   d. The change or transfer is by means of an instrument in which the owner entitled to the homestead exemption is listed as both grantor and grantee of the real property and one or more other individuals, all of whom held title as joint tenants with rights of survivorship with the owner, are named only as grantors and are removed from the title; or
   e. The person is a lessee entitled to the homestead exemption under s. 196.041(1).
2. Legal or equitable title is changed or transferred between husband and wife, including a change or transfer to a surviving spouse or a transfer due to a dissolution of marriage;
3. The transfer occurs by operation of law to the surviving spouse or minor child or children under s. 732.401; or
4. Upon the death of the owner, the transfer is between the owner and another who is a permanent resident and who is legally or naturally dependent upon the owner; or
5. The transfer occurs with respect to a property where all of the following apply:
   a. Multiple owners hold title as joint tenants with rights of survivorship;
   b. One or more owners were entitled to and received the homestead exemption on the propertys;
   c. The death of one or more owners occurs; and
   d. Subsequent to the transfer, the surviving owner or owners previously entitled to and receiving the homestead exemption continue to be entitled to and receive the homestead exemption.

(4)(b) 1. Changes, additions, or improvements that replace all or a portion of homestead property, including ancillary improvements, damaged or destroyed by misfortune or calamity shall be assessed upon substantial completion as provided in this paragraph. Such assessment must be calculated using ~~shall not increase~~ the homestead property's assessed value as of the January 1 immediately before the date on which the damage or destruction was sustained, subject to the assessment limitations in subsections (1) and (2), when:

a. 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; or~~.~~

b. ~~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).~~

2. 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.

Changes, additions, or improvements assessed pursuant to this paragraph must be reassessed pursuant to subsection (1) in subsequent years.

3. 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).

4. This paragraph applies to changes, additions, or improvements commenced within 3 years after the January 1 following the damage or destruction of the homestead.

Section 2. Paragraph (b) of subsection (6) of section 193.1554, Florida Statutes, is amended to read:

(6) (b) 1. Changes, additions, or improvements that replace all or a portion of nonhomestead residential property, including ancillary improvements, damaged or destroyed by misfortune or calamity must be assessed upon substantial completion as provided in this paragraph. Such assessment must be calculated using ~~shall not increase~~ the nonhomestead property's assessed

value as of the January 1 immediately before the date on which the damage or destruction was sustained, subject to the assessment limitations in subsections (1) and (2), when:

a. 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; or~~.~~

b. ~~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).~~

2. The property's assessed value must ~~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. Changes, additions, or improvements assessed pursuant to this paragraph shall be reassessed pursuant to subsection (3) in subsequent years.

3. 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).

4. This paragraph applies to changes, additions, or improvements commenced within 3 years after the January 1 following the damage or destruction of the property.

Section 3. Paragraph (b) of subsection (6) of section 193.1555, Florida Statutes, is amended to read:

(6)(b) 1. Changes, additions, or improvements that replace all or a portion of nonresidential real property, including ancillary improvements, damaged or destroyed by misfortune or calamity must be assessed upon substantial completion as provided in this paragraph. Such assessment must be calculated using ~~shall not increase~~ the nonresidential real property's assessed value as of January 1 immediately before the date on which the damage or destruction was sustained, subject to the assessment limitations in (1) and (2), when:

a. 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

b. The changes, additions, or improvements 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).~~

2. The property's assessed value must ~~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.

Changes, additions, or improvements assessed pursuant to this paragraph must be reassessed pursuant to subsection (3) in subsequent years.

3. 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).

4. This paragraph applies to changes, additions, or improvements commenced within 3 years after the January 1 following the damage or destruction of the property.

Section 4*.* For the purpose of incorporating the amendments made by this act to sections 193.1555, 194.1554, and 193.1555, Florida Statutes, in references thereto, section 193.1557, Florida Statutes, is reenacted to read:

193.1557 Assessment of certain property damaged or destroyed by Hurricane Michael. –For property damaged or destroyed by Hurricane Michael in 2018, s. 193.155 (4)(b), s. 193.1554(6)(b), or s. 193.1555(6)(b) applies to changes, additions, or improvements commenced within 5 years after January 1, 2019. This section applies to the 2019-2023 tax rolls and shall stand repealed on December 31, 2023.

Section 5. The amendments made by this act to sections 193.155, 193.1554, and 193.1555, Florida Statutes, are remedial and clarifying in nature, but the amendments may not affect any assessment for tax rolls before 2021 unless the assessment is under review by a value adjustment board or a Florida court as of the effective date of this act. If changes, additions, or improvements that replaced all or a portion of property damaged or destroyed by misfortune or calamity were not assessed in accordance with this act as of January 1 immediately after they were substantially completed, the property appraiser must determine the assessment for the year they were substantially completed and recalculate the just and assessed value for each subsequent year so that the 2021 tax roll and subsequent tax rolls will be corrected.

Section 6. This act applies to assessments made as of January 1, 2021.

Section 7. This act shall take effect July 1, 2021.

Section 2: Description of Data and Sources
Conversations with Property Appraisers and Department of Revenue Staff

Section 3: Methodology (Include Assumptions and Attach Details)

Regarding the Section 1 changes made to paragraph 193.155(3)(a), F.S.,: It was conveyed both during direct and relayed conversations that certain counties today either currently administer as the proposed language provides or allow the remaining owner that was entitled to the homestead exemption to maintain the save our homes cap through portability. For those counties that remove the cap and disallow the homestead but allow the remaining owner to reapply for homestead and port the cap back to the parcel, it is possible that a taxpayer ignores the notices and does not take action to reapply for homestead and to port the cap. For the low it is assumed that the proposed language is current administration for all counties and that any impacted homeowner would take steps necessary to reestablish their homestead exemption and Save our Homes cap. For the middle it is assumed that the proposed language is current administration for all counties, but some affected party does not take the necessary action to reestablish their homestead and cap. For the high it is assumed that not all counties administer as the proposed law provides.

Section 1 changes made to paragraph 193.155(4)(b), F.S., and mirrored in Sections 2 and 3, provide remedial clarification of current statute. The clarification addresses two separate issues. The first issue improves the potential lack of clarity regarding which date should be used for the base assessment value after a destructive calamity. The second issue makes it clear that ancillary improvements, which would include special features, are to be included as part of the pre-calamity assessment base value. Based on our conversations with property appraiser's office it appears that this treatment is consistent with current administration.

Section 4 re-enacts the extended calamity recovery period.

Section 5 limits the remedial scope of the changes and sets the first roll year that could be modified by the clarifying language. Section 5 further provides the method by which a property appraiser would remedy the 2021 assessed value for any property previously assessed in a manner inconsistent with statute.

The effective date of the bill is July 1, 2021, and the 2021 tax roll is the first assessment year that will be affected.

The bill clearly considers that there will be some properties that would have a change in the assessment value under the proposed language changes. The direction of these changes appears to be clearly negative. However, the value added in error for special features reconstructed after a calamity is not readily identifiable in the data. The estimate is presented as a negative indeterminate for both cash and recurring for all years.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22	0	0	(**)	(**)	0	0
2022-23	0	0	(**)	(**)	0	0
2023-24	0	0	(**)	(**)	0	0
2024-25	0	0	(**)	(**)	0	0
2025-26	0	0	(**)	(**)	0	0

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Change of Ownership; Calamity and Misfortune
Bill Number(s): SB 1254

List of affected Trust Funds: Ad Valorem

Section 5: Consensus Estimate (Adopted: 03/26/2021): The Conference adopted the middle estimate. The proposed change in 193.155(3)(a) has a negative insignificant impact; however the remaining changes are negative indeterminate impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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	(**)	(**)	(**)	(**)
2025-26	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Homestead Exemption for Seniors 65 and Older
Bill Number(s): CS for SB1256

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Woodson / Senator Polsky
Month/Year Impact Begins: July 1, 2021
Date of Analysis: March 26, 2021

Section 1: Narrative

a. Current Law:

Paragraph (d) of subsection (4) and subsection (5) of section 196.075, Florida Statutes, current reads,

"(4) An ordinance granting an additional homestead exemption as authorized by this section must meet the following requirements:

"(d) It must require that a taxpayer claiming the exemption annually submit to the property appraiser, not later than March 1, a sworn statement of household income on a form prescribed by the Department of Revenue.

"(5) The department must require by rule that the filing of the statement be supported by copies of any federal income tax returns for the prior year, any wage and earnings statements (W-2 forms), any request for an extension of time to file returns, and any other documents it finds necessary, for each member of the household, to be submitted for inspection by the property appraiser. The taxpayer's sworn statement shall attest to the accuracy of the documents and grant permission to allow review of the documents if requested by the property appraiser. Submission of supporting documentation is not required for the renewal of an exemption under this section unless the property appraiser requests such documentation. Once the documents have been inspected by the property appraiser, they shall be returned to the taxpayer or otherwise destroyed. The property appraiser is authorized to generate random audits of the taxpayers' sworn statements to ensure the accuracy of the household income reported. If so selected for audit, a taxpayer shall execute Internal Revenue Service Form 8821 or 4506, which authorizes the Internal Revenue Service to release tax information to the property appraiser's office. All reviews conducted in accordance with this section shall be completed on or before June 1. The property appraiser may not grant or renew the exemption if the required documentation requested is not provided."

b. Proposed Change:

This would amend these sections to read,

"(4) An ordinance granting an additional homestead exemption as authorized by this section must meet the following requirements:

"(d) It must require that a taxpayer claiming the exemption <u>for the first time</u> ~~annually~~ submit to the property appraiser, not later than March 1, a sworn statement of household income on a form prescribed by the Department of Revenue.

"(5) The department must require by rule that the filing of the statement be supported by copies of any federal income tax returns for the prior year, any wage and earnings statements (W 2 forms), any request for an extension of time to file returns, and any other documents it finds necessary, for each member of the household, to be submitted for inspection by the property appraiser. The taxpayer's sworn statement shall attest to the accuracy of the documents and grant permission to allow review of the documents if requested by the property appraiser. ~~Submission of supporting documentation is not required for the renewal of an exemption under this section unless the property appraiser requests such documentation.~~ Once the documents have been inspected by the property appraiser, they shall be returned to the taxpayer or otherwise destroyed. <u>Annually, the property appraiser shall notify each taxpayer of the adjusted income limitation set forth in subsection (3). The taxpayer must notify the property appraiser by March 1 if his or her household income exceeds the most recent adjusted income limitation.</u> The property appraiser <u>may conduct</u> ~~is authorized to generate~~ random audits of the taxpayers' sworn statements to ensure the accuracy of the household income reported. If ~~so~~ selected for audit, a taxpayer shall execute Internal Revenue Service Form 8821 or 4506, which authorizes the Internal Revenue Service to release tax information to the property appraiser's office. All reviews conducted in accordance with this section shall be completed on or before June 1. The property appraiser may not grant ~~or renew~~ the exemption if the required documentation requested is not provided.

"Section 2. This act shall take effect July 1, 2021."

Section 2: Description of Data and Sources

2018-2020 Real Property Rolls

Section 3: Methodology (Include Assumptions and Attach Details)

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem
Issue: Homestead Exemption for Seniors 65 and Older
Bill Number(s): CS for SB1256

Parcels with one of the county or city adopted low income senior exemptions were identified on the 2018 NAL (real property) tax roll. These parcels were compared with parcels from the 2019 NAL to determine if the exemption had been removed during the period. In 2019, just over 25,000 parcels from the previous roll had their county low income senior exemption removed. A review of sales information on the 2019 NAL indicated that 8,164 exemptions had been removed due to the sale of the parcel. The remaining 17,608 parcels had exemptions removed for either loss of homestead status, failure to provide income verification or failure to meet the income threshold. A comparison of these parcels with the 2020 NAL shows that 1,260 parcels had the county low income senior exemption reinstated with the same owner as the 2018 roll. The assumption being that these owners may have failed to provide income documentation and temporarily lost exemption status in 2019.

The estimate only provides the impact of the restored county exemptions and ignores any parcels with city adopted low income senior exemptions.

Parcels with the exemption restored in 2020 were identified. The statewide non-school millage rate was applied and the results were calculated. There is no school tax impact since the exemption only reduces county taxable value. It is assumed that these parcels best estimate the number of parcels that would create a tax impact under the proposed change. No growth rate was applied.

The effective date of the change is July 1, 2021 and would be expected to make the first impact to the 2022 tax roll.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22				$(.44M)		
2022-23			$(.44M)	$(.44M)		
2023-24			$(.44M)	$(.44M)		
2024-25			$(.44M)	$(.44M)		
2025-26			$(.44M)	$(.44M)		

List of affected Trust Funds: Ad Valorem

Section 5: Consensus Estimate (Adopted: 03/26/2021): The Conference adopted a +/- indeterminate impact, assuming existing penalty provisions will have an impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22	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	+/-	+/-	+/-	+/-
2025-26	0.0	0.0	0.0	0.0	+/-	+/-	+/-	+/-

	A	B	C	D	E
1	Low Income Senior Exemptions - County Impact				
2					
3	2018 Parcels with County low income senior exemptions	230,950			
4	2018 Parcels with county low income senior exemptions removed in 2019	25,772			
5	Exemptions removed due to sale of parcel	8,164			
6	Exemptions removed with no sales identified	17,608			
7	County Senior Exemptions reinstated in 2020 (same owner as 2018)	1,260			
8					
9	Category	Number of Parcels - 2018 Exemption reinstated 2020	Exemption Value 2020	2020 Millage (Non-School)	Tax Impact
10	Sr Exemptions up to 50,000	1088	$ 35,979,229	10.7629	$ 387,241
11	Sr Exemptions - Fully exempt 25 year Residents	172	$ 4,994,308	10.7629	$ 53,753
12	Total	1260	$ 40,973,537	10.7629	$ 440,994
13					
14	* Low income senior exemptions adopted by individual cities will also have a tax impact if SB 1256 is implemented				
15	** Exemptions removed between 2019 & 2020 with no sale - 21,032 parcels				
16					
17					

REVENUE ESTIMATING CONFERENCE

Tax: Article V
Issue: Court Records of Eviction Proceedings
Bill Number(s): HB 1193 and SB 1746

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Aloupis and Senator Jones
Month/Year Impact Begins: 07/01/2021
Date of Analysis: 03/26/2021

Section 1: Narrative

a. Current Law: There is currently no public records exemption for eviction related court records.

b. Proposed Change: Section 83.626, F.S. is created to allow a tenant or mobile home owner who is a defendant is an eviction proceeding to file a motion with the court to have the records of the eviction proceedings sealed and to have his or her name substituted with "tenant" on the progress docket if a joint stipulation is filed, the case was dismissed, the case was resolved by settlement and the defendant has satisfied all terms of the agreement, a default judgment was entered and the defendant has satisfied the subsequent monetary award, or if a judgment was entered against the defendant at least five years prior and the defendant has satisfied the subsequent monetary award. If a written objection is filed within 30 days, the court must schedule a hearing. The court may not charge a fee as a result of a defendant filing a motion under this new section.

Section 2: Description of Data and Sources
Phone and email contact with Clerks of Courts Operations Corporation and Office of State Courts Administrator staff
Florida Court Clerks and Comptroller Distribution Schedule 2020
Article V REC 03/03/2021

Section 3: Methodology (Include Assumptions and Attach Details)
The bill would allow some defendants of an eviction proceeding to file a motion with the court to have the records of the eviction sealed and his or her name replaced with "tenant." The court may not charge a fee resulting from this filing. As written, the bill does not have any impact on the current revenue forecast because this motion does not currently exist, therefore there are currently no fees to collect.

If the motion created by the bill did not include the language preventing the court from charging fees resulting from the motion, then individuals would pay the $42 seal fee which is distributed $37.50 to the clerks and $4.50 to GR. If the motion is filed at least 90 days after the final judgment, the individual would also pay the $50 reopen fee, which is kept entirely by the clerks. To see the potential scope, derived evictions filings was calculated using the $180 eviction filing fee from the most recent Article V REC. It is assumed that 10% will file the motion for the low scenario, 20% for the middle, and 40% for the high. For all three scenarios, it is assumed that 90% will also pay the $50 reopen fee. The resulting calculations show a potential annual revenue loss ranging from $1.2 million in the low scenario to $4.7 million in the high scenario (attached).

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22			0.0	0.0		
2022-23			0.0	0.0		
2023-24			0.0	0.0		
2024-25			0.0	0.0		
2025-26			0.0	0.0		

List of affected Trust Funds:
General Revenue Fund
Clerk's Fine and Forfeiture Funds

REVENUE ESTIMATING CONFERENCE

Tax: Article V
Issue: Court Records of Eviction Proceedings
Bill Number(s): HB 1193 and SB 1746

Section 5: Consensus Estimate (Adopted: 03/26/2021): The Conference adopted the proposed estimate. While the bill's provisions add the potential for increased fee collections, the bill also prohibits charging for those new fees. The net impact is zero.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2023-24	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2024-25	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	A	B	C	D	E	F
1	**HB 1193/SB1746**					
2						
3	**Potential Fees Lost**					
4		**Total Fee**	**Clerks**	**GR**		
5	Reopen Fee	$ 50.00	$ 50.00	$ -		
6	Seal Fee	$ 42.00	$ 37.50	$ 4.50		
7	Total		$ 87.50	$ 4.50		
8						
9	**Evictions Filings**					
10		**$180 Fee***	**Filings**			
11	2018-19	$ 23.7	131,869			
12	2019-20	$ 20.3	112,789			
13	2020-21	$ 21.0	116,667			
14	2021-22	$ 31.4	174,444			
15	2022-23	$ 24.1	133,889			
16	2023-24	$ 24.1	133,889			
17	2024-25	$ 24.1	133,889			
18	2025-26	$ 24.1	133,889			
19	*Fee is in millions					
20						
21	**Low (millions)**					
22		**Seal (10%)**	**Reopen (90%)**	**Clerks**	**GR**	**Total**
23	2021-22	17,444	15,700	$ (1.44)	$ (0.08)	$ (1.52)
24	2022-23	13,389	12,050	$ (1.10)	$ (0.06)	$ (1.16)
25	2023-24	13,389	12,050	$ (1.10)	$ (0.06)	$ (1.16)
26	2024-25	13,389	12,050	$ (1.10)	$ (0.06)	$ (1.16)
27	2025-26	13,389	12,050	$ (1.10)	$ (0.06)	$ (1.16)
28						
29	**Middle (millions)**					
30		**Seal (20%)**	**Reopen (90%)**	**Clerks**	**GR**	
31	2021-22	34,889	31,400	$ (2.88)	$ (0.16)	$ (3.04)
32	2022-23	26,778	24,100	$ (2.21)	$ (0.12)	$ (2.33)
33	2023-24	26,778	24,100	$ (2.21)	$ (0.12)	$ (2.33)
34	2024-25	26,778	24,100	$ (2.21)	$ (0.12)	$ (2.33)
35	2025-26	26,778	24,100	$ (2.21)	$ (0.12)	$ (2.33)
36						
37	**High (millions)**					
38		**Seal (40%)**	**Reopen (90%)**	**Clerks**	**GR**	
39	2021-22	69,778	62,800	$ (5.76)	$ (0.31)	$ (6.07)
40	2022-23	53,556	48,200	$ (4.42)	$ (0.24)	$ (4.66)
41	2023-24	53,556	48,200	$ (4.42)	$ (0.24)	$ (4.66)
42	2024-25	53,556	48,200	$ (4.42)	$ (0.24)	$ (4.66)
43	2025-26	53,556	48,200	$ (4.42)	$ (0.24)	$ (4.66)

REVENUE ESTIMATING CONFERENCE

Tax: Article V
Issue: Human Trafficking Victim Expunction
Bill Number(s): CS HB 523

☐ **Entire Bill**
☒ **Partial Bill**: Section 4
Sponsor(s): Byrd
Month/Year Impact Begins: 07/01/2021
Date of Analysis: 03/26/2021

Section 1: Narrative

a. **Current Law**: Section 943.0583, F.S. allows a victim of human trafficking to petition the court for the expunction of a criminal history record for an offense committed or reported to have been committed while the person was a victim of human trafficking.

b. **Proposed Change**: Section 943.0583, F.S. is revised so that the clerk of court may not charge a filing fee, service charge, copy fee, or any other charge for a petition filed for the expunction of a criminal history record of an offense committed or reported to have been committed by a person who is a victim of human trafficking.

Section 2: Description of Data and Sources

Phone and email contact with Clerks of Courts Operations Corporation (CCOC) and Office of State Courts Administrator (OSCA) staff
CS HB 523 Staff Analysis completed by the Criminal Justice and Public Safety Subcommittee on 03/17/2021
humantraffickinghotline.org/state/florida
April 1, 2020 Population Estimates by County: edr.state.fl.us/Content/population-demographics/data/index-floridaproducts.cfm

Section 3: Methodology (Include Assumptions and Attach Details)

Section 787.06, F.S. defines human trafficking as transporting, soliciting, recruiting, harboring, providing, enticing, maintaining, or obtaining another person for the purpose of exploitation of that person. According to the National Human Trafficking Hotline, there were 896 human trafficking cases reported in Florida during calendar year 2019. The Florida Hotline received 617 calls from victims of human trafficking during calendar year 2019.

CS HB 523 prevents the clerk of court from charging a filing fee, service charge, copy fee, or any other charge for a petition filed for the expunction of a criminal history record of an offense committed or reported to have been committed by a person who is a victim of human trafficking. According to CCOC staff, there were 20 to 30 cases consistent with the motions being exempted from fees in this bill filed in Miami-Dade, Orange, and Hillsborough counties each. Assuming that all three major counties had 30 cases, the combined share of population represented by those three counties was used to extrapolate a statewide total for cases equaling 339. This case total was then used to calculate the loss of the $42 expungement fee, which is distributed $37.50 to the clerks and $4.50 to GR. As an alternative method, the total Florida calls from human trafficking victims to the National Human Trafficking hotline was used to calculate the potential loss of the $42 fee. The result in both scenarios is an insignificant negative impact to GR and clerks.

Section 4: Proposed Fiscal Impact

GR, Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22			(*)	(*)		
2022-23			(*)	(*)		
2023-24			(*)	(*)		
2024-25			(*)	(*)		
2025-26			(*)	(*)		

List of affected Trust Funds:
General Revenue Fund
Clerk's Fine and Forfeiture Funds

REVENUE ESTIMATING CONFERENCE

Tax: Article V
Issue: Human Trafficking Victim Expunction
Bill Number(s): CS HB 523

Section 5: Consensus Estimate (Adopted: 03/26/2021): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22	(*)	(*)	0.0	0.0	(*)	(*)	(*)	(*)
2022-23	(*)	(*)	0.0	0.0	(*)	(*)	(*)	(*)
2023-24	(*)	(*)	0.0	0.0	(*)	(*)	(*)	(*)
2024-25	(*)	(*)	0.0	0.0	(*)	(*)	(*)	(*)
2025-26	(*)	(*)	0.0	0.0	(*)	(*)	(*)	(*)

	A	B	C
1	**Scenario 1**		
2		**Cases**	**Population**
3	**Miami-Dade**	30	2,832,794
4	**Orange**	30	1,415,260
5	**Hillsborough**	30	1,478,759
6	**Total**	90	5,726,813
7			
8		**Population**	
9	**Statewide Total**	21,596,068	
10	**Mia/Oran/Hills**	5,726,813	
11	**Percentage**	26.52%	
12			**Cases**
13	**Calculated Statewide Total**		339
14			
15	**Revenue Loss ($42 Fee)**		
16	**Total**		
17	**Clerks**	**$ (12,727)**	
18	**GR**	**$ (1,527)**	
19			
20	**Scenario 2**		
21			
22	**Florida Hotline Calls**		617
23			
24	**Revenue Loss ($42 Fee)**		
25	**Total**		
26	**Clerks**	**$ (23,138)**	
27	**GR**	**$ (2,777)**	

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax/Rental Car Surcharge
Issue: Rental Car Surcharge Peer-to-Peer Services
Bill Number(s): HB 365

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Caruso
Month/Year Impact Begins: 10/01/2021
Date of Analysis: 03/26/2021

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
12/09/2020 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 multiplied 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

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax/Rental Car Surcharge
Issue: Rental Car Surcharge Peer-to-Peer Services
Bill Number(s): HB 365

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, TF, Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22	17.9	26.9	11.1	16.6	5.3	7.9
2022-23	32.7	32.7	20.2	20.2	9.6	9.6
2023-24	35.0	35.0	21.6	21.6	10.2	10.2
2024-25	35.7	35.7	22.0	22.0	10.4	10.4
2025-26	36.1	36.1	22.3	22.3	10.5	10.5

Rental Car Surcharge

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22	0.5	0.9	0.4	0.6	0.1	0.1
2022-23	1.1	1.1	0.7	0.7	0.2	0.2
2023-24	1.2	1.2	0.7	0.7	0.2	0.2
2024-25	1.2	1.2	0.7	0.7	0.2	0.2
2025-26	1.2	1.2	0.7	0.7	0.2	0.2

TF	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22	6.0	10.3	3.7	6.4	1.8	3.0
2022-23	12.5	12.5	7.7	7.7	3.7	3.7
2023-24	13.4	13.4	8.3	8.3	3.9	3.9
2024-25	13.7	13.7	8.4	8.4	4.0	4.0
2025-26	13.8	13.8	8.5	8.5	4.0	4.0

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: 03/26/2021): 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
2021-22	**	**	**	**	**	**	**	**
2022-23	**	**	**	**	**	**	**	**
2023-24	**	**	**	**	**	**	**	**
2024-25	**	**	**	**	**	**	**	**
2025-26	**	**	**	**	**	**	**	**

	A	B	C	D	E	F	G	H
1	**HB 365 - 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				
6	Total Hosts	25,556	32,857	38,333		2019-20	-9.74%	
7	Avg Host $ per month	$ 500	$ 821	$ 1,141		2020-21	-38.52%	
8	Plus 20% kept by P2P	$ 625	$ 1,026	$ 1,426		2021-22	29.57%	
9	FL Total $ per month	$ 15,972,222	$ 33,699,107	$ 54,672,917		2022-23	21.75%	
10	FL Total $ per year	$ 191,666,667	$ 404,389,286	$ 656,075,000		2023-24	6.85%	
11	Assumed daily rate	$ 50	$ 50	$ 50		2024-25	2.14%	
12	Taxable other fees	$ 30	$ 30	$ 30		2025-26	1.07%	
13	Total daily rate	$ 80	$ 80	$ 80				
14	FL Days per year	2,395,833	5,054,866	8,200,938				
15						**Variable Assumptions**		
16	**Sales Tax Calculations**					**Turo Market Share**		
17		**Low**	**Middle**	**High**		Low	90%	
18	Total $ Per Year	$ 191,666,667	$ 404,389,286	$ 656,075,000		Middle	70%	
19	Sales Tax @ 6%					High	60%	
20	2018-19	$ 10,925,000	$ 23,050,189	$ 37,396,275				
21	2019-20	$ 9,860,513	$ 20,804,273	$ 33,752,535				
22	2020-21	$ 6,061,974	$ 12,789,900	$ 20,750,138		**Avg Monthly Earnings***		
23	2021-22	$ 7,854,795	$ 16,572,495	$ 26,886,963		US	$ 500	
24	2022-23	$ 9,563,577	$ 20,177,781	$ 32,736,124		Miami	$ 1,141	
25	2023-24	$ 10,219,077	$ 21,560,792	$ 34,979,900		*per Turo's website		
26	2024-25	$ 10,437,577	$ 22,021,796	$ 35,727,826				
27	2025-26	$ 10,549,628	$ 22,258,208	$ 36,111,377				
28	*Note: Growth by RCS growth rates. Reduced by 5% for current payers.							
29								
30	**Rental Car Surcharge Calculations (Low)**							
31		**Days**	**RCS Total $**	**GR**	**TPTF**	**FIT&P TF**	**STTF**	
32	2018-19	2,276,042	$ 4,552,083	$ 364,167	$ 659,597	$ 177,986	$ 3,350,333	
33	2019-20	2,054,274	$ 4,108,547	$ 328,684	$ 595,328	$ 160,644	$ 3,023,891	
34	2020-21	1,262,911	$ 2,525,823	$ 202,066	$ 365,992	$ 98,760	$ 1,859,005	
35	2021-22	1,636,416	$ 3,272,831	$ 261,826	$ 474,233	$ 127,968	$ 2,408,804	
36	2022-23	1,992,412	$ 3,984,824	$ 318,786	$ 577,401	$ 155,807	$ 2,932,830	
37	2023-24	2,128,974	$ 4,257,949	$ 340,636	$ 616,977	$ 166,486	$ 3,133,850	
38	2024-25	2,174,495	$ 4,348,990	$ 347,919	$ 630,169	$ 170,046	$ 3,200,857	
39	2025-26	2,197,839	$ 4,395,678	$ 351,654	$ 636,934	$ 171,871	$ 3,235,219	
40	Assumes 5% are currently paying the surcharge							
41								
42	**Rental Car Surcharge Calculations (Middle)**							
43		**Days**	**RCS Total $**	**GR**	**TPTF**	**FIT&P TF**	**STTF**	
44	2018-19	4,802,123	$ 9,604,246	$ 768,340	$ 1,391,655	$ 375,526	$ 7,068,725	
45	2019-20	4,334,224	$ 8,668,447	$ 693,476	$ 1,256,058	$ 338,936	$ 6,379,977	
46	2020-21	2,664,562	$ 5,329,125	$ 426,330	$ 772,190	$ 208,369	$ 3,922,236	
47	2021-22	3,452,603	$ 6,905,206	$ 552,417	$ 1,000,564	$ 269,994	$ 5,082,232	
48	2022-23	4,203,704	$ 8,407,409	$ 672,593	$ 1,218,234	$ 328,730	$ 6,187,853	
49	2023-24	4,491,832	$ 8,983,664	$ 718,693	$ 1,301,733	$ 351,261	$ 6,611,976	
50	2024-25	4,587,874	$ 9,175,748	$ 734,060	$ 1,329,566	$ 358,772	$ 6,753,351	
51	2025-26	4,637,127	$ 9,274,254	$ 741,940	$ 1,343,839	$ 362,623	$ 6,825,851	
52	Assumes 5% are currently paying the surcharge							
53								
54	**Rental Car Surcharge Calculations (High)**							
55		**Days**	**RCS Total $**	**GR**	**TPTF**	**FIT&P TF**	**STTF**	
56	2018-19	7,790,891	$ 15,581,781	$ 1,246,543	$ 2,257,800	$ 609,248	$ 11,468,191	
57	2019-20	7,031,778	$ 14,063,556	$ 1,125,085	$ 2,037,809	$ 549,885	$ 10,350,778	
58	2020-21	4,322,945	$ 8,645,891	$ 691,671	$ 1,252,790	$ 338,054	$ 6,363,376	
59	2021-22	5,601,451	$ 11,202,901	$ 896,232	$ 1,623,300	$ 438,033	$ 8,245,335	
60	2022-23	6,820,026	$ 13,640,052	$ 1,091,204	$ 1,976,443	$ 533,326	$ 10,039,078	
61	2023-24	7,287,479	$ 14,574,958	$ 1,165,997	$ 2,111,911	$ 569,881	$ 10,727,169	
62	2024-25	7,443,297	$ 14,886,594	$ 1,190,928	$ 2,157,067	$ 582,066	$ 10,956,533	
63	2025-26	7,523,204	$ 15,046,407	$ 1,203,713	$ 2,180,224	$ 588,315	$ 11,074,156	
64	Assumes 5% are currently paying the surcharge							

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Aircraft Sales and Leases Exemption
Bill Number(s): HB 6047 & SB 842

☑ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Altman & Senator Baxley
Month/Year Impact Begins: July 1, 2021
Date of Analysis: March 26, 2021

Section 1: Narrative

a. **Current Law**: Aircraft sales or leases.—The sale or lease of a qualified aircraft or an aircraft of more than 15,000 pounds maximum certified takeoff weight for use by a common carrier is exempt from the tax imposed by this chapter. As used in this paragraph, "common carrier" means an airline operating under Federal Aviation Administration regulations contained in Title 14, chapter I, part 121 or part 129 of the Code of Federal Regulations.

~~b.~~ **Proposed Change**: Section 1. Paragraph (ss) of subsection (7) of section 212.08, Florida Statutes, is amended to read: Aircraft sales or leases.—The sale or lease of ~~a qualified aircraft or~~ an aircraft ~~of more than 15,000 pounds maximum certified takeoff weight for use by a common carrier~~ is exempt from the tax imposed by this chapter. ~~As used in this paragraph, "common carrier" means an airline operating under Federal Aviation Administration regulations contained in Title 14, chapter I, part 121 or part 129 of the Code of Federal Regulations.~~

Section 2: Description of Data and Sources
Department of Revenue Discovery and Voluntary Disclosure Data
December 2020 Revenue Estimating Conference
Department of Revenue monthly sales data
SB 580 impact analysis

Section 3: Methodology (Include Assumptions and Attach Details)
The estimate consists of Department of Revenue Discovery and Voluntary Disclosure (D&VD) Data as well as Department of Revenue Monthly Sales Data for kind code 27. It was determined in a previous conference from March 22, 2019 that kind code 27 also included a percentage of non-sales and leases equal to 45% which is used as a reduction factor. The D&VD amounts for 2019-20 were used in the middle estimate and the three-year average for 2017-18 to 2019-20 were used in the low estimate. The same kind code 27 data is used in both the middle and the low estimates. The starting year is grown by the percentage growth in Other Durables from the General Revenue Estimating Conference (12/20).

The kind code data is primarily composed of payments from leasing arrangements. For prior estimates on this issue, it has been assumed that plane purchases may be delayed to take advantage of a tax rate differential. In the case of lease arrangements there should be less ability and/or motivation to shift travel plans to effectively make use of a tax rate discount. For this reason, the cash value for the kind code data is equal to 11 months of activity.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22			$(25.8 M)	$(28.1 M)	$(24.4 M)	$(26.6 M)
2022-23			$(28.7M)	$(28.7M)	$(27.2M)	$(27.2M)
2023-24			$(28.9M)	$(28.9M)	$(27.3M)	$(27.3M)
2025-26			$(29.1M)	$(29.1M)	$(27.5M)	$(27.5M)
2026-27			$(29.1M)	$(29.1M)	$(27.5M)	$(27.5M)

List of affected Trust Funds:
Sales and Use Tax Fund

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Aircraft Sales and Leases Exemption
Bill Number(s): HB 6047 & SB 842

Section 5: Consensus Estimate (Adopted: 03/26/2021): The Conference adopted the middle estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22	(22.8)	(24.9)	(Insignificant)	(Insignificant)	(0.8)	(0.8)	(2.2)	(2.4)
2022-23	(25.4)	(25.4)	(Insignificant)	(Insignificant)	(0.9)	(0.9)	(2.4)	(2.4)
2023-24	(25.6)	(25.6)	(Insignificant)	(Insignificant)	(0.9)	(0.9)	(2.5)	(2.5)
2025-26	(25.8)	(25.8)	(Insignificant)	(Insignificant)	(0.9)	(0.9)	(2.5)	(2.5)
2026-27	(25.8)	(25.8)	(Insignificant)	(Insignificant)	(0.9)	(0.9)	(2.5)	(2.5)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22	(3.9)	(4.3)	(6.9)	(7.5)	(29.7)	(32.4)
2022-23	(4.3)	(4.3)	(7.6)	(7.6)	(33.0)	(33.0)
2023-24	(4.4)	(4.4)	(7.7)	(7.7)	(33.3)	(33.3)
2024-25	(4.4)	(4.4)	(7.7)	(7.7)	(33.5)	(33.5)
2025-26	(4.4)	(4.4)	(7.7)	(7.7)	(33.5)	(33.5)

	A	B	C	D	E	F	G	H
1	**Monthly sales tax data Kind Code 27**							
2	Fiscal Year		Sales Tax Collected	Taxable Sales				
3	2018-19		$ 14,849,178	$ 298,175,865				
4	2019-20		$ 15,188,027	$ 317,180,609				
5	Reduction Factor (Non-Sales or Lease %)			45%				
6	2019-20 Taxable Sales (D4*1-D5)			$ 174,449,335				
7								
8	**Historic Discovery Data**							
9	Year	Liability Amount (Voluntary Disclosure)	Liability Amount (Discovery)	Liability (Total)				
10	2012-13	$ 2,171,325	$ 2,247,413	$ 4,418,738				
11	2013-14	$ 7,401,668	$ 4,833,623	$ 12,235,291				
12	2014-15	$ 4,803,384	$ 6,623,884	$ 11,427,268				
13	2015-16	$ 2,311,163	$ 8,462,067	$ 10,773,230				
14	2016-17	$ 6,589,063	$ 6,285,061	$ 12,874,123				
15	2017-18	$ 6,095,203	$ 4,959,697	$ 11,054,900				
16	2018-19	$ 8,156,652	$ 9,935,705	$ 18,092,357				
17	2019-20	$ 8,822,102	$ 7,949,600	$ 16,771,702				
18	average of 3 complete years	$ 7,691,319	$ 7,615,001	$ 15,306,320				
19								
20								
21	**Historic Discovery Data (Converted to Tax Base)**							
22	Year	Liability Amount (Voluntary Disclosure)	Liability Amount (Discovery)	Liability (Total)				
23	2012-13	$ 36,188,757	$ 37,456,878	$ 73,645,635				
24	2013-14	$ 123,361,136	$ 80,560,379	$ 203,921,515				
25	2014-15	$ 80,056,402	$ 110,398,071	$ 190,454,473				
26	2015-16	$ 38,519,378	$ 141,034,454	$ 179,553,832				
27	2016-17	$ 109,817,709	$ 104,751,015	$ 214,568,724				
28	2017-18	$ 101,586,725	$ 82,661,609	$ 184,248,333				
29	2018-19	$ 135,944,198	$ 165,595,089	$ 301,539,287				
30	2019-20	$ 147,035,035	$ 132,493,333	$ 279,528,369				
31	average of 3 complete years	$ 128,188,653	$ 126,916,677	$ 255,105,329				
32								

	A	B	C	D	E	F	G	H
38								
39	**Tax Base numbers used below**			**Middle**		**Low**		
40		Growth rate for Other Durables	Monthly data	2019-20 Voluntary Disclosure data	2019-20 Discovery data	3 Year average of Voluntary Disclosure data	3 Year average of Discovery data	
41	2019-20		$ 174,449,335	$ 147,035,035	$ 132,493,333	$ 128,188,653	$ 126,916,677	
42	2020-21	3.2%	$ 180,097,797	$ 151,795,855	$ 136,783,310	$ 132,339,249	$ 131,026,088	
43	2021-22	0.0%	$ 180,097,797	$ 151,795,855	$ 136,783,310	$ 132,339,249	$ 131,026,088	
44	2022-23	2.1%	$ 183,841,672	$ 154,951,389	$ 139,626,763	$ 135,090,319	$ 133,749,860	
45	2023-24	0.6%	$ 185,027,958	$ 155,951,253	$ 140,527,741	$ 135,962,024	$ 134,612,916	
46	2024-25	0.6%	$ 186,105,410	$ 156,859,386	$ 141,346,060	$ 136,753,756	$ 135,396,792	
47	2025-26	0.2%	$ 186,388,378	$ 157,097,886	$ 141,560,972	$ 136,961,686	$ 135,602,658	
48								
49		**Tax Base Totals**		**Tax Collection 6%**				
50		Middle	Low	Middle	Low			
51	2021-22	$ 468,676,963	$ 443,463,134	$ 28,120,618	$ 26,607,788			
52	2022-23	$ 478,419,824	$ 452,681,851	$ 28,705,189	$ 27,160,911			
53	2023-24	$ 481,506,952	$ 455,602,898	$ 28,890,417	$ 27,336,174			
54	2024-25	$ 484,310,857	$ 458,255,958	$ 29,058,651	$ 27,495,358			
55	2025-26	$ 485,047,236	$ 458,952,722	$ 29,102,834	$ 27,537,163			
56	2019-20 Cash (uses effective rates from Row 33)							
57								
58	**Proposed Revenue Impact**							
59		**Middle**		**Low**				
60	**Year**	**Cash**	**Recurring**	**Cash**	**Recurring**			
61	2021-22	$ 25.8 M	$ 28.1 M	$ 24.4 M	$ 26.6 M			
62	2022-23	$ 28.7 M	$ 28.7 M	$ 27.2 M	$ 27.2 M			
63	2023-24	$ 28.9 M	$ 28.9 M	$ 27.3 M	$ 27.3 M			
64	2024-25	$ 29.1 M	$ 29.1 M	$ 27.5 M	$ 27.5 M			
65	2025-26	$ 29.1 M	$ 29.1 M	$ 27.5 M	$ 27.5 M			

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Tax Absorption
Bill Number(s): Proposed Language

☑ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): N/A
Month/Year Impact Begins: July 1, 2021 (one and a half month lag to refund)
Date of Analysis: March 26, 2021

Section 1: Narrative

a. Current Law: Businesses are required to add the amount of sales tax imposed to the sales price. Additionally, businesses are broadly prohibited from advertising that they will absorb the sales tax on behalf of purchasers.

b. Proposed Change: Subsection 212.07 (4) F.S. is modified: (a) Except as provided in paragraph (b), a dealer engaged in any business taxable under this chapter may not advertise or hold out to the public, in any manner, directly or indirectly, that he or she will pay ~~absorb~~ all or any part of the tax, or that he or she will relieve the purchaser of the payment of all or any part of the tax, or that the tax will not be added to the selling price of the property or services sold or released or, when added, that it or any part thereof will be refunded either directly or indirectly by any method whatsoever.
(b) Notwithstanding any provision of this chapter to the contrary, a dealer may advertise or hold out to the public that he or she will pay all or any part of the tax on behalf of the purchaser, subject to both of the following conditions:
1. The dealer must expressly state on any charge ticket, sales slip, invoice, or other tangible evidence of sale given to the purchaser that the dealer will pay the tax imposed by this chapter to the state. The dealer may not indicate or imply that the transaction is exempt or excluded from the tax imposed by this chapter.
2. A charge ticket, sales slip, invoice, or other tangible evidence of the sale given to the purchaser must separately state the sale price and the amount of the tax in accordance with subsection (2).
The effective date of the proposed amendment is July 1, 2021.

Section 2: Description of Data and Sources

Revenue Estimating Conference - General Revenue Fund 12/2020
Department of Revenue – Sales and Use Tax Refund detail reports

Section 3: Methodology (Include Assumptions and Attach Details)

The Department of Revenue (DOR) detailed revenue report showing the total approved and denied refunds is used to calculate approved refunds as a percent of total refunds. The average percent of approved from FY 2015 to FY 2021 YTD is used to calculate the implied total refund volume from the forecasted General Revenue (GR) Sales Tax Refunds. The implied total refund minus the GR forecasted refunds results in an implied value for denied refunds.

Currently, businesses who apply for a refund of taxes must show that they have refunded the taxes paid by the purchaser before receiving a refund from DOR. However, businesses who sell tax exempt items to members of the public, and erroneously collects the tax on those items, may have no way to show that they have refunded the taxes paid to the purchaser. For example: how would a business that sells bottled water, and is incorrectly collecting the tax, show that they have refunded the sales tax paid in error to each purchaser? Under the proposed changes, if this business were an absorbing entity, this barrier could be lessened or eliminated.

The proposed language could generate increased refund amounts in two ways. First, through a reduction in the amount of refunds denied. Second, through and increase in the overall volume of refund applications. For refund denials, the high estimate assumes a 1.75% reduction, the middle estimate assumes a 1.25% reduction, and the low estimate assumes a 0.75% reduction. For refund volume increases, the high estimate assumes a 1.5% increase, the middle estimate assumes a 1.0% increase, and the low estimate assumes a 0.5% increase.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22	$(2.0 M)	$(2.3 M)	$(1.4 M)	$(1.6 M)	$(0.7 M)	$(0.9 M)
2022-23	$(2.4 M)	$(2.4 M)	$(1.6 M)	$(1.6 M)	$(0.9 M)	$(0.9 M)
2023-24	$(2.5 M)	$(2.5 M)	$(1.7 M)	$(1.7 M)	$(0.9 M)	$(0.9 M)
2024-25	$(2.6 M)	$(2.6 M)	$(1.8 M)	$(1.8 M)	$(1.0 M)	$(1.0 M)
2025-26	$(2.6 M)	$(2.6 M)	$(1.8 M)	$(1.8 M)	$(1.0 M)	$(1.0 M)

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Tax Absorption
Bill Number(s): Proposed Language

List of affected Trust Funds:
Sales and Use Tax Fund

Section 5: Consensus Estimate (Adopted: 03/26/2021): The Conference adopted a negative indeterminate impact because the number of businesses that would participate in tax absorption is unknown.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2021-22	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2022-23	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2023-24	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2024-25	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2025-26	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)

	A	B	C	D	E	F	G
1	**Sales Tax Refunds**						
2		Approved		Denied		Total	
3	FY	Count	Value	Count	Value	Count	Value
4	15/16	4,816	$ 60,513,060	2,218	$ 42,876,292	7,034	$ 103,389,352
5	16/17	4,256	$ 82,441,264	1,934	$ 62,480,907	6,190	$ 144,922,171
6	17/18	5,184	$ 84,631,186	2,003	$ 47,490,848	7,187	$ 132,122,033
7	18/19	4,820	$ 76,589,264	2,377	$ 45,670,511	7,197	$ 122,259,775
8	19/20	4,866	$ 67,125,433	2,399	$ 40,438,155	7,265	$ 107,563,588
9	20/21	3,198	$ 45,834,137	1,600	$ 25,352,595	4,798	$ 71,186,731
10	Grand Total	27,140	$ 417,134,343	12,531	$ 264,309,307	39,671	$ 681,443,650
11							
12	**Approved Percent of Total**						
13		Approved					
14	FY	Count	Value				
15	15/16	68.5%	58.5%				
16	16/17	68.8%	56.9%				
17	17/18	72.1%	64.1%				
18	18/19	67.0%	62.6%				
19	19/20	67.0%	62.4%				
20	20/21	66.7%	64.4%				
21	Avg. Percent 2015-2021	68.4%	61.2%				
22							
23	**12/20 GR Refunds Forecast**						
24			(b25/c21)	(c26-b26)			
25		Refunds (approved)	Implied Refund Total	Refunds (denied)			
26	2021-22	$ 87.6	$ 143.1	$ 55.5			
27	2022-23	$ 91.3	$ 149.2	$ 57.9			
28	2023-24	$ 94.9	$ 155.0	$ 60.1			
29	2024-25	$ 98.2	$ 160.4	$ 62.2			
30	2025-26	$ 101.3	$ 165.5	$ 64.2			
31							

	A	B	C	D	E	F	G
32	**Reduction of Denied Refunds**						
33	Low	0.75%					
34	Middle	1.25%					
35	High	1.75%					
36							
37	**Increased Refund Volume Overall**						
38	Low	0.50%					
39	Middle	1.00%					
40	High	1.50%					
41							

	A	B	C	D	E	F	G
42	**Impact - Decreased Denial rate**						
43		High		Middle		Low	
44	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
45	2021-22	$ (0.8 M)	$ (1.0 M)	$ (0.6 M)	$ (0.7 M)	$ (0.4 M)	$ (0.42 M)
46	2022-23	$ (1.0 M)	$ (1.0 M)	$ (0.7 M)	$ (0.7 M)	$ (0.43 M)	$ (0.43 M)
47	2023-24	$ (1.1 M)	$ (1.1 M)	$ (0.8 M)	$ (0.8 M)	$ (0.45 M)	$ (0.45 M)
48	2024-25	$ (1.1 M)	$ (1.1 M)	$ (0.8 M)	$ (0.8 M)	$ (0.47 M)	$ (0.47 M)
49	2025-26	$ (1.1 M)	$ (1.1 M)	$ (0.8 M)	$ (0.8 M)	$ (0.48 M)	$ (0.48 M)
50							
51	**Impact - Increased Volume of Refunds**						
52		High		Middle		Low	
53	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
54	2021-22	$ (1.1 M)	$ (1.3 M)	$ (0.8 M)	$ (0.9 M)	$ (0.4 M)	$ (0.44 M)
55	2022-23	$ (1.4 M)	$ (1.4 M)	$ (0.9 M)	$ (0.9 M)	$ (0.46 M)	$ (0.46 M)
56	2023-24	$ (1.4 M)	$ (1.4 M)	$ (0.9 M)	$ (0.9 M)	$ (0.47 M)	$ (0.47 M)
57	2024-25	$ (1.5 M)	$ (1.5 M)	$ (1.0 M)	$ (1.0 M)	$ (0.49 M)	$ (0.49 M)
58	2025-26	$ (1.5 M)	$ (1.5 M)	$ (1.0 M)	$ (1.0 M)	$ (0.51 M)	$ (0.51 M)
59							
60	**Impact - Total**						
61		High		Middle		Low	
62	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
63	2021-22	$ (2.0 M)	$ (2.3 M)	$ (1.4 M)	$ (1.6 M)	$ (0.7 M)	$ (0.9 M)
64	2022-23	$ (2.4 M)	$ (2.4 M)	$ (1.6 M)	$ (1.6 M)	$ (0.9 M)	$ (0.9 M)
65	2023-24	$ (2.5 M)	$ (2.5 M)	$ (1.7 M)	$ (1.7 M)	$ (0.9 M)	$ (0.9 M)
66	2024-25	$ (2.6 M)	$ (2.6 M)	$ (1.8 M)	$ (1.8 M)	$ (1.0 M)	$ (1.0 M)
67	2025-26	$ (2.6 M)	$ (2.6 M)	$ (1.8 M)	$ (1.8 M)	$ (1.0 M)	$ (1.0 M)