

Monthly Economic Report

Office of Economic & Demographic Research

General Revenue Collections for December

General Revenue (GR) collections for December were \$16.3 M under the estimate adopted at the October 15, 2001 Revenue Estimating Conference (REC). (Results of the October conference are available at <http://www.state.fl.us/edr/>.) Notwithstanding the small December shortfall, year-to-date collections (through December) **exceeded** the estimate by \$226.8 million.

Preliminary general revenue Sales Tax

General Revenue Collections

Month: \$16.3 M under the October 2001 estimate

\$116.2 M under the March 2001 estimate adjusted for law changes

Year: \$226.8 M over the October 2001 estimate

\$79.9 M under the March 2001 estimate adjusted for law changes

November Lottery Transfers to DOE

Month: \$68.8 M or \$4.3 M below Aug 2001 estimate

Year: \$351.0 M or \$5.2 M below Aug 2001 estimate

\$9.5 M below Feb 2001 estimate

collections in December were \$13.2 M under estimate, primarily due to larger than expected negative adjustments for bad checks and returned items. Although Sales Tax stands at \$72.3 M over estimate for the year, around \$37 M may be attributable to the issue of excess collections attributable to overpayment of sales taxes by payers of the new Communications Services Tax. We expect these firms to begin to amend their practices and reduce their future payments to compensate for overpayments in previous months. Complicating the issue is the auditing process. Up to this point, transfers to Sales GR from the Communications Services Tax collections have been made on an estimated basis. Once the audit process is completed, these estimated payments will be adjusted to reflect the actual amount due to Sales GR. This adjustment may be balanced by reductions due to overpayments.

Looking at the other large sources of state revenue, Corporate Income Tax continued to fall below estimates, reflecting lower corporate profits; this source now stands at \$9.9 M under estimate for the year to date. On the other hand, Estate Tax continued to outpace estimates, at \$87.8 M over estimate for the year after beating the month's estimate by \$16.9 M. (Recall that Estate Tax received a large payment of \$36.8 M last month.) Intangibles Taxes were \$12.3 M over estimate and Documentary Stamp Tax was \$2.0 M over estimate. Both these sources are benefiting from strength in the mortgage market due to favorable interest rates. Total collections in Documentary Stamp Tax now stand \$49.3 M over estimate for the year, and Intangibles Tax total collections at \$20.1 M over estimate for the year. Both sources make a monthly transfer to GR from total collections for the month. Refunds came in \$5.0 M over estimate. (Overages in Re-

funds reduce Net GR.) We expect Refunds to meet estimates for the year.

By contrast with last month, most of the smaller sources fell below estimates this month, with Interest Earnings \$3.8 M under estimate for its first below-par performance since the October 2001 estimating conference.

To summarize, without any adjustments for the unresolved Sales Tax issue discussed above, Net GR collections for December were \$16.3 M under estimate for the month and \$226.8 M over estimate for the fiscal year. All estimates in the table below are based on the General Revenue Estimating Conference that met on October 15, 2001.

DECEMBER GENERAL REVENUE COLLECTIONS (\$ MILLIONS) (BASED ON OCTOBER 2001 ESTIMATES)								
	MONTH			FISCAL YEAR TO DATE				
	ACTUAL CURRENT MONTH	ESTIMATE CURRENT MONTH	OVER/ UNDER ESTIMATE	CURRENT YEAR ACTUAL	CURRENT YEAR ESTIMATE	OVER/ UNDER ESTIMATE	PRIOR YEAR ACTUAL	PERCENT INCREASE/ DECREASE
SALES TAX COLLECTIONS	1,162.7	1,175.9	(13.2)	6,787.2	6,714.8	72.3	6,713.8	1.09%
BEVERAGE TAXES	46.4	47.1	(0.7)	249.1	249.7	(0.6)	251.2	-0.86%
CORPORATE INCOME TAX	135.7	150.4	(14.7)	479.2	489.1	(9.9)	544.4	-11.97%
DOCUMENTARY STAMP TAX	45.2	43.2	2.0	224.2	206.7	17.5	163.8	36.89%
TOBACCO TAX	24.0	23.7	0.3	117.7	113.9	3.7	115.0	2.27%
INSURANCE PREMIUM TAX	0.2	0.3	(0.1)	91.9	95.7	(3.8)	78.6	16.91%
PARIMUTUEL TAXES	0.0	0.0	0.0	4.4	4.3	0.0	2.7	59.41%
INTANGIBLES TAXES	25.0	12.7	12.3	187.1	165.8	21.3	158.8	17.83%
ESTATE TAX	78.6	61.7	16.9	438.4	350.7	87.8	435.2	0.74%
INTEREST EARNINGS	12.7	16.5	(3.8)	126.7	119.9	6.8	153.9	-17.67%
DRIVERS LICENSE FEES	4.0	4.4	(0.4)	30.0	28.1	1.9	32.2	-6.83%
MEDICAL HOSPITAL FEES	10.6	9.8	0.8	65.9	62.1	3.9	60.1	9.63%
MOTOR VEHICLE CHARGES	1.6	3.7	(2.1)	16.5	17.2	(0.7)	19.3	-14.37%
AUTOMOBILE TITLE FEES	1.1	2.4	(1.3)	10.1	11.1	(1.1)	13.4	-24.59%
SEVERANCE TAXES	0.4	0.5	(0.1)	6.4	7.7	(1.3)	7.6	-16.13%
SERVICE CHARGES	17.3	20.0	(2.7)	161.4	162.1	(0.7)	170.8	-5.45%
CORPORATION TRUST FUND FEES	0.3	0.4	(0.1)	25.9	27.6	(1.7)	24.9	4.03%
OTHER TAXES LICENSES & FEES	10.9	15.1	(4.2)	69.0	72.6	(3.6)	73.1	-5.64%
TOTAL REVENUE	1,576.5	1,587.8	(11.3)	9,091.2	8,899.3	191.8	9,019.0	0.80%
LESS REFUNDS	64.9	59.9	5.0	189.7	224.6	(34.9)	232.9	-18.56%
NET REVENUE	1,511.6	1,527.9	(16.3)	8,901.5	8,674.7	226.8	8,786.0	1.31%