



MONTHLY REVENUE REPORT

Office of Economic & Demographic Research

Volume 39, Number 7
January 2019

Revised General Revenue Collections for January 2019 (Sales Tax Data Reported is Unaudited)

General Revenue (GR) collections for January 2019 were \$69.0 M (2.4%) over the estimates adopted by the General Revenue Estimating Conference (GR REC) on December 18, 2018.

After making adjustments to total Sales Tax collections for local taxes and distributions, audits, bad checks, and transfers to Sales Tax from the Communications Services Tax (CST), Sales Tax GR was \$34.2 M (1.4%) over estimate for the month. This overage was due to the transfer of approximately \$38.6 M into Sales Tax that was deposited in error as Corporate Income Tax in December (discussed in further detail below). Without this correction, Sales Tax GR would have been slightly negative for the month. Final Sales Tax Liability, the sum of all sales tax components (detailed below), was under estimate for the month by \$78.6 M (2.9%).

Five of the six Sales Tax components were significantly under estimate for the month of January: Consumer Nondurables (under by \$46.6 M or 5.0%); Other Durables (under by \$15.3 M or 8.5%); Business (under by \$6.6 M or 1.3%); Building (under by \$6.4 M or 4.3%); and Tourism (under by \$5.8 M or 1.0%). The Automobiles component was over estimate by \$2.1 M or 0.5%. Note that this Sales Tax report largely reflects activity that occurred in December.

In addition to Sales Tax, eight other sources that support GR were over estimate for the month of January. Of these, Corporate Income Tax had the largest overage of \$33.4 M (42.4%). This source now shows that it is \$96.1 M over estimate year-to-date; however, in December, approximately \$38.6 M was identified as Corporate Income Tax receipts that should have been recorded as Sales Tax. While the correcting adjustment was made to Sales Tax in January, the corresponding reduction to Corporate Income Tax will not be reflected in State Accounts until February. This means that the year-to-date overage is overstated for this month by \$38.6 million.

Other Nonoperating Revenues were over estimate for the month due to the receipt of a \$27.0 M payment that is the state's share of the nationwide settlement agreement with Wells Fargo. Because the forecast assumes a certain level of Fines, Forfeitures, and Judgments each month, the net overage for January is \$22.8 M. Highway Safety Fees were over estimate by \$10.7 M (20.5%) because of two factors: (1) heavy truck registrations were higher than expected, and (2) holiday office closures resulted in a large distribution in January that would have normally occurred in December. The other sources that were over estimate for the month include: Documentary Stamp Tax GR (over by \$11.0 M or 15.6%); Earnings on Investments (over by \$6.5 M or 46.8%); Beverage Taxes (over by \$4.1 M or 19.4%); Intangibles Taxes (over by \$0.5 M or 1.6%); and Other Taxes, Licenses, and Fees (over by \$0.3 M or 5.8%). Indian Gaming and Severance Taxes matched their estimates for the month of \$19.5 M and \$2.7 M, respectively.

Seven sources were under estimate for the month, with the largest shortfall in Article V Fees and Transfers. This source was under estimate by \$24.7 M (74.7%) primarily because of a delay in the expected transfer from the Clerks of the Court Trust Fund. The transfer is now expected to occur in February. Corporate Filing Fees were under estimate by \$18.6 M (40.7%) because of two issues (1) some of the annual report reminder notices were not sent, and (2) there was a delay in posting vendor payments for January. The shortfall is expected to be recovered in subsequent months. Two other sources were under estimate due to timing: Parimutuel Taxes (under estimate by \$6.4 M) and Counties' Medicaid Share (under by \$3.9 M). The other sources that were under estimate for the month include Insurance Taxes-Surplus Lines (under by \$0.3 M or 2.5%); General Revenue Service Charges (under by \$0.3 M or 0.4%); and Tobacco Tax (under by \$0.3 M or 2.3%).

Refunds were slightly under estimate by \$0.2 M (0.2%) for January. While the total was close to the estimate, there were offsetting errors to the estimate. Corporate Income Tax and Insurance Premium Tax refunds were over estimate for the month by \$7.2 M and \$1.1 M, respectively. In contrast, Sales Tax and Other refunds were under estimate by \$8.4 M and \$0.1 M, respectively. Because refunds reduce revenue, coming in under the estimate in Refunds increases the bottom-line Net GR.

In summary, Net GR collections for January were \$69.0 M over estimate for the month. The figures in the table below show the variance from monthly estimates that are based on the results of the estimating conference held December 18, 2018. Details of the estimates can be found at <http://edr.state.fl.us/Content>. Note that the listing of sources below has been rearranged to reflect each source's overall importance to GR.

Month	December	January	February
Monthly Overage (millions)	78.7	69.0	
Year to Date Overage (millions - cumulative)	81.5	150.5*	
Percent of Monthly Estimate Collected	102.8%	102.4%	
Percent of Total Year Estimate Collected	47.6%	56.5%*	

*Overstated by \$38.6 million due to a mistaken deposit into Corporate Income Tax.

JANUARY 2019 GENERAL REVENUE COLLECTIONS (\$ MILLIONS) BASED ON THE DECEMBER 2018 REVENUE ESTIMATING CONFERENCE								
	MONTH			FISCAL YEAR TO DATE				
	ACTUAL CURRENT MONTH	ESTIMATE CURRENT MONTH	OVER/ UNDER ESTIMATE	ACTUAL CURRENT YEAR	ESTIMATE CURRENT YEAR	OVER/ UNDER ESTIMATE	PRIOR YEAR ACTUAL	PERCENT INCREASE/ DECREASE
SALES TAX COLLECTIONS	2,448.0	2,413.8	34.2	14,587.4	14,524.1	63.3	13,737.1	6.2%
CORPORATE INCOME TAX	112.1	78.7	33.4	1,403.9	1,307.9	96.1	1,045.6	34.3%
DOCUMENTARY STAMP TAX	81.2	70.2	11.0	555.2	552.2	3.0	512.1	8.4%
INSURANCE TAXES	13.2	13.5	(0.3)	303.0	306.0	(3.0)	270.3	12.1%
HIGHWAY SAFETY FEES	63.0	52.3	10.7	316.2	308.6	7.6	302.5	4.5%
SERVICE CHARGES	63.8	64.1	(0.3)	300.9	303.0	(2.1)	289.2	4.0%
INTANGIBLES TAXES	32.4	31.9	0.5	226.9	225.8	1.2	217.0	4.6%
CORPORATE FILING FEES	27.2	45.8	(18.6)	97.9	117.0	(19.1)	119.8	-18.3%
INDIAN GAMING	19.5	19.5	0.0	184.5	184.5	0.0	182.9	0.9%
COUNTIES' MEDICAID SHARE	21.0	24.9	(3.9)	169.5	173.8	(4.4)	170.6	-0.7%
BEVERAGE TAXES	25.4	21.3	4.1	152.4	147.2	5.2	153.0	-0.4%
TOBACCO TAX	15.0	15.3	(0.3)	93.3	95.1	(1.9)	96.1	-3.0%
EARNINGS ON INVESTMENTS	20.4	13.9	6.5	109.4	102.5	7.0	82.5	32.6%
OTHER NONOPERATING REVENUES	38.7	15.9	22.8	129.1	105.5	23.6	94.0	37.4%
ARTICLE V FEES AND TRANSFERS	8.3	33.0	(24.7)	61.6	86.1	(24.5)	58.2	5.9%
OTHER TAXES LICENSES AND FEES	5.6	5.3	0.3	23.1	23.2	(0.1)	22.6	2.1%
PARIMUTUEL TAXES	0.7	7.1	(6.4)	9.8	11.1	(1.2)	10.6	-7.1%
SEVERANCE TAXES	2.7	2.7	(0.0)	8.8	8.8	0.1	7.7	14.8%
TOTAL REVENUE	2,998.0	2,929.2	68.8	18,733.0	18,582.3	150.7	17,371.7	7.8%
LESS REFUNDS	87.9	88.1	(0.2)	250.2	250.0	0.2	232.3	7.7%
NET REVENUE	2,910.1	2,841.1	69.0	18,482.8	18,332.3	150.5	17,139.4	7.8%