



# MONTHLY REVENUE REPORT

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## Revised General Revenue Collections for September 2017 (Sales Tax Data Reported is Unaudited)

General Revenue (GR) collections for September 2017 were \$125.5 M (5.0%) under the estimates adopted by the General Revenue Estimating Conference (GR REC) on August 15, 2017. The reported collections reflect some of the effects of Hurricane Irma, which first made landfall in Florida on September 10, 2017, causing widespread closings of government offices and businesses, as well as power outages throughout the state. Over half of the shortfall is associated with Corporate Income Tax collections, most likely due to a filing extension (discussed in further detail below).

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 \$35.4 M (1.9%) under estimate. It appears that the small number of taxpayers who remit in the same month as the activity occurs (i.e., September), as well as business disruptions delaying payments associated with August activity, drove down collections for the month of September, which largely reflects August activity. The impact to GR was somewhat muted by higher than expected Sales CST collections, which were over estimate by \$6.1 M (12.5%). Had Sales CST matched the estimate for the month, Sales Tax GR would have been \$41.5 M (2.2%) under estimate.

Final Sales Tax Liability, the sum of all Sales Tax components, was under estimate for the month by \$28.3 M (1.4%). Four of the six components were under estimate, including Automobiles (under by \$20.9 M or 5.4%); Business (under by \$7.2 M or 1.8%); Building (under by \$5.0 M or 3.9%); and Consumer Nondurables (under by \$1.4 M or 0.2%). In contrast, the remaining two components were over estimate as follows: Tourism (over by \$3.6 M or 0.9%) and Other Durables (over by \$2.7 M or 2.2%).

Most of the GR sources were under estimate for the month, with the largest shortfall occurring in Corporate Income Tax (under by \$66.5 M or 17.5%). Following a declaration from the Internal Revenue Service, the Florida Department of Revenue extended due dates for Corporate Income Tax filers impacted by Hurricane Irma. Eligible taxpayers with returns having original or extended due dates between September 4, 2017, and January 31, 2018, are now due February 15, 2018. At this point, it is assumed that the shortfall in Corporate Income Tax collections was related to the filing extension. After Corporate Income Tax and Sales Tax GR, the next largest shortfall was in Highway Safety Fees, which were under estimate by \$8.8 M (26.0%), primarily in the Driver License Fees and Auto Title and Lien Fees categories. The shortfall is likely due to office closings that occurred because of the hurricane; some catch-up is expected in October. Other sources that were under estimate for the month include Intangibles Taxes (under by \$6.6 M or 23.2%); Service Charges (under by \$3.6 M or 14.8%); Documentary Stamp Tax GR (under by \$2.9 M or 4.2%); Insurance Taxes-Surplus Lines (under by \$2.3 M or 87.7%); Earnings on Investments (under by \$1.5 M or 10.7%); Counties' Medicaid Share (under by \$0.7 M or 2.9%); and Other Taxes, Licenses, and Fees (under by \$0.3 M or 9.1%).

Of the sources that were over estimate for September, the largest overage was in Other Nonoperating Revenues (over by \$3.6 M or 29.0%). This source was over estimate largely because of higher than expected reimbursements of prior state expenditures. The other sources that were over estimate include Article V Fees (over by \$1.5 M or 15.9%); Beverage Taxes (over by \$2.6 M or 15.6%); Tobacco Tax (over by \$1.8 M or 13.2%); Corporate Filing Fees (over by \$0.7 M or 6.7%); and Pari-Mutuel Tax (over by \$0.1 M or 10.0%). Both Indian Gaming and Severance Taxes matched their estimates for the month of \$19.5 M and \$0.1 M, respectively.

Refunds were \$7.0 M over estimate for the month, primarily because Corporate Income Tax Refunds were over estimate by \$8.3 M. Other Refunds were also slightly over estimate by \$0.1 M. In contrast, both Sales Tax Refunds and Insurance Premium Tax Refunds were under estimate by \$1.0 M and \$0.4 M, respectively. Because refunds reduce revenue, coming in over the estimate decreases the bottom-line Net GR.

In summary, Net GR collections for September were \$125.5 M under estimate for the month. The figures for September in the table below show the variance from monthly estimates that are based on the results of the August 15, 2017, estimating conference. 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.

### Actual General Revenue Collections Compared to the August 22, 2017 Estimates

Month	August	September	October	November
Monthly Overage (millions)	47.6	-125.5		
Year to Date Overage (millions - cumulative)	41.4	-84.0		
Percent of Monthly Estimate Collected	102.0%	95.0%		
Percent of Total Year Estimate Collected	15.3%	22.9%		

### SEPTEMBER 2017 GENERAL REVENUE COLLECTIONS (\$ MILLIONS) BASED ON THE AUGUST 2017 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	1,812.7	1,848.1	(35.4)	5,654.4	5,658.6	(4.2)	5,468.7	3.4%
CORPORATE INCOME TAX	314.2	380.7	(66.5)	415.1	470.5	(55.4)	510.1	-18.6%
DOCUMENTARY STAMP TAX	67.0	69.9	(2.9)	261.2	270.3	(9.1)	186.4	40.2%
INSURANCE TAXES	0.3	2.6	(2.3)	80.9	75.4	5.4	71.6	12.9%
HIGHWAY SAFETY FEES	25.2	34.0	(8.8)	115.8	118.5	(2.7)	116.0	-0.1%
SERVICE CHARGES	21.0	24.6	(3.6)	114.5	120.4	(5.9)	114.2	0.2%
INTANGIBLES TAXES	22.0	28.6	(6.6)	89.3	97.3	(8.0)	97.3	-8.2%
CORPORATE FILING FEES	10.8	10.1	0.7	35.4	32.5	2.9	32.7	8.2%
BEVERAGE TAXES	19.5	16.9	2.6	74.5	77.5	(3.0)	79.9	-6.8%
COUNTIES' MEDICAID SHARE	24.8	25.5	(0.7)	74.1	75.2	(1.1)	74.9	-1.0%
INDIAN GAMING	19.5	19.5	0.0	104.9	100.5	4.4	36.5	187.3%
EARNINGS ON INVESTMENTS	12.4	13.9	(1.5)	38.2	40.4	(2.2)	42.0	-9.1%
TOBACCO TAX	15.4	13.6	1.8	34.8	33.2	1.6	33.6	3.5%
OTHER NONOPERATING REVENUES	16.0	12.4	3.6	44.3	38.8	5.4	40.1	10.5%
ARTICLE V FEES AND TRANSFERS	10.7	9.2	1.5	29.3	28.4	0.9	32.7	-10.5%
OTHER TAXES LICENSES AND FEES	2.5	2.8	(0.3)	8.6	8.8	(0.2)	6.8	26.7%
PARIMUTUEL TAXES	0.7	0.6	0.1	2.0	1.8	0.2	1.9	7.3%
SEVERANCE TAXES	0.1	0.1	(0.0)	2.6	2.6	(0.0)	2.7	-1.4%
TOTAL REVENUE	2,394.6	2,513.1	(118.5)	7,179.9	7,250.9	(71.0)	6,947.9	3.3%
LESS REFUNDS	21.1	14.1	7.0	86.1	73.1	13.0	76.4	12.6%
NET REVENUE	2,373.5	2,499.0	(125.5)	7,093.8	7,177.8	(84.0)	6,871.5	3.2%