REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Land used for Affordable Housing Property Tax Exemption
Bill Number(s): SB 102

☐ **Entire Bill**
☑ **Partial Bill**: Section 8 - Land used for Affordable Housing Property Tax Exemption
Sponsor(s): Senator Calatayud
Month/Year Impact Begins: January 2024
Date(s) Conference Reviewed: February 3, 2023

Section 1: Narrative

a. Current Law: Subsection 196.1978(1), F.S., currently provides an ad valorem exemption for property owned by a corporation not for profit that provides affordable housing to persons earning less than one hundred and twenty percent of the median annual adjusted gross income in the state or metropolitan statistical area (or county if no such area exists).

b. Proposed Change: The current subsection 196.1978(1), F.S., becomes 196.1978(1)(a) and a 196.1978(1)(b) is created. In the new paragraph, a property tax exemption is created for the land value of a property owned by a corporation not for profit that leases the property for at least ninety-nine years to provide housing on more than fifty percent of the improved square footage to persons earning less than one hundred and twenty percent of the median annual adjusted gross income in the state or metropolitan statistical area (or county if no such area exists).

Section 2: Description of Data and Sources

2022 Millage and Taxes Levied Report, 2022 Final Data Book published by Property Tax Oversight
2022 Final Real Property Assessment Rolls, NAL data
Results of the Ad Valorem Estimating Conference, August 3, 2022
Florida Housing Data Clearinghouse, Assisted Housing Inventory, Accessed 01/31/2023
2022 Income Limits, U.S. Department of Housing and Urban Development's Office of Policy Development and Research
2021 American Community Survey, United States Census Bureau

Section 3: Methodology (Include Assumptions and Attach Details)

For a parcel to receive a full exemption for its land value, it must be owned by a corporation not for profit and be leased for at least ninety-nine years to provide housing on more than fifty percent of its improved square footage to persons earning less than one hundred and twenty percent of the median annual adjusted gross income in the state or metropolitan statistical area (or county if no such area exists). In 2022 the state level income limit is $93,975 for a family of four and $65,775 for an individual based on data from The U.S. Department of Housing and Urban Development's Office of Policy Development and Research. Based on American Community Survey data, greater than fifty one percent of individuals and greater than sixty percent of families would be meet the one hundred and twenty percent of the median annual adjusted gross income requirement. Due to data availability, those percentages are based on 2021 income and 2022 income limits. Comparing 2022 income to 2022 income limits would likely result in higher percentages eligible. There is no requirement on number of units nor share of land area that is improved. There is no requirement for an agreement with the Florida Housing Finance Corporation or any other governmental entity. There is no limitation on rental rate of the housing provided.

The Florida Housing Data Clearinghouse maintains a database of developments in the state with an agreement with the Florida Finance Housing Corporation. Most of these agreements require a lower income threshold than this bill, but the data identifies not for profit owners and is a good starting point as a minimum for the impact of the bill. Of the 727 not for profit owned properties, 284 were able to be matched to the 2022 property tax roll. Of those, 194 were already fully exempt from school taxes and 197 were fully exempt from all ad valorem taxation. For each parcel, a concept of taxable value under the proposed language is created as the maximum of either zero or the current taxable value minus the land value. Because land value on the roll is in just value terms, the land value on the roll is multiplied by the ratio of assessed value to just value to account for any differential. This is done for school and non-school taxable value and aggregated. These values are shared up to the full not for profit set by the ratio of total not for profits to those that matched the roll. Subtracting the taxable value under the current law from the taxable value under the bill provides an impact on taxable value. Applying the aggregate 2022 school millage rate to the impact on school taxable value and the aggregate 2022 non-school millage rate to the impact on non-school taxable value provides school and non-school ad valorem collection impacts if the bill were in effect in 2022. This is used for the low impact and grown using school and non-school taxable value growth rates from the latest ad valorem conference.

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Some amount of properties will exist that are currently owned by a corporation not for profit that leases the property for the purpose of providing housing to moderate income individuals on at least fifty percent of the square footage of their improvement. The parcel level methodology used to calculate the impact for the low was applied to all non-homestead properties in the state with any of the eight relevant residential use codes. The value from the low is removed from the "Multi-Family 10 units or more" category as the majority of those have at least 10 units. A percentage of parcels that will convert to or be eligible for the exemption is evaluated for each property type and is visible in part three of the attached documentation. Within the Florida Housing Finance Corporation data, there are 727 not for profit properties out of a total of 3,013 properties. One percent of the ratio of not for profit to total affordable housing properties in that data set is applied to the use codes most likely to utilize this exemption and a tenth of a percent of that ratio is applied to the remaining residential use codes. The sum of the impacts for these properties provides school and non-school ad valorem collection impacts if the bill were in effect in 2022. This is added to the low and used as the middle impact, grown using school and non-school taxable value growth rates from the latest ad valorem conference.

Finally, some amount of the vacant land in the state will be owned by corporations not for profit and this bill will potentially provide an incentive to lease the land for the purpose of establishing housing on the property to house moderate income persons. The parcel level methodology used to calculate the impact for the low was applied to all vacant properties in the state in the four relevant use codes. For parcels in the use code "acreage not zoned agricultural", parcels with conservation land value are removed from the analysis. These parcels will not be able to construct the housing necessary to receive the additional exemption from the proposed language due to a conservation land use agreement. A percentage of parcels that will convert to or be eligible for the exemption is evaluated for each vacant property type and is visible in part four of the attached documentation. The methodology for arriving at these percentages is the same as in part three. The sum of the impacts for these properties provides school and non-school ad valorem collection impacts if the bill were in effect in 2022. Because the property is currently vacant and will require time to establish housing, this is added one quarter at a time to the 2024, 2025, 2026, and 2027 forecast middle impact years and grown using school and non-school taxable value growth rates from the latest ad valorem conference.

The bill first applies to the 2024 roll so there is no impact prior to 2024-25 in the proposed fiscal impact. This bill is repealed December 31, 2059, and a minimum duration agreement entered into in 2024 will lose the exemption thirty six years in to the ninety-nine year agreement.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	$0	$(20.0 M)	$0	$(16.5 M)	$0	$(2.8 M)
2024-25	$(14.6 M)	$(20.0 M)	$(13.8 M)	$(16.5 M)	$(2.4 M)	$(2.8 M)
2025-26	$(16.3 M)	$(20.0 M)	$(14.7 M)	$(16.5 M)	$(2.5 M)	$(2.8 M)
2026-27	$(18.2 M)	$(20.0 M)	$(15.6 M)	$(16.5 M)	$(2.7 M)	$(2.8 M)
2027-28	$(20.0 M)	$(20.0 M)	$(16.5 M)	$(16.5 M)	$(2.8 M)	$(2.8 M)

Revenue Distribution: Ad Valorem

Section 5: Consensus Estimate (Adopted: 02/03/2023): The Conference adopted three times the low to represent various elements provided in the analysis.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	(3.0)	0.0	(5.4)	0.0	(8.4)
2024-25	(2.5)	(3.0)	(4.5)	(5.4)	(7.0)	(8.4)
2025-26	(2.7)	(3.0)	(4.8)	(5.4)	(7.5)	(8.4)
2026-27	(2.9)	(3.0)	(5.1)	(5.4)	(8.0)	(8.4)
2027-28	(3.0)	(3.0)	(5.4)	(5.4)	(8.4)	(8.4)

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	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	0.0	0.0	0.0	0.0	(8.5)	0.0	(8.5)
2024-25	0.0	0.0	0.0	0.0	(7.1)	(8.5)	(7.1)	(8.5)
2025-26	0.0	0.0	0.0	0.0	(7.5)	(8.5)	(7.5)	(8.5)
2026-27	0.0	0.0	0.0	0.0	(8.0)	(8.5)	(8.0)	(8.5)
2027-28	0.0	0.0	0.0	0.0	(8.5)	(8.5)	(8.5)	(8.5)

	A	B	C	D	E	F	G
1	**Part 1: Millage and Growth Rates Plus Additional Information**						
2		**Family of**					
3	**120% Median AGI**	**1 Person**	**2 People**	**3 People**	**4 People**		
4	Statewide	$ 65,775	$ 75,225	$ 84,600	$ 93,975		
5	Miami-Dade	$ 81,900	$ 93,600	$ 105,300	$ 117,000		
6	Monroe	$ 86,100	$ 98,400	$ 110,700	$ 123,000		
7		**Family of**					
8	**120% Median AGI**	**5 People**	**6 People**	**7 People**	**8 People**		
9	Statewide	$ 101,475	$ 109,050	$ 116,550	$ 124,050		
10	Miami-Dade	$ 126,375	$ 135,750	$ 145,125	$ 154,500		
11	Monroe	$ 132,900	$ 142,725	$ 152,550	$ 162,375		
12							
13	**Household Type**	**Moderate Income**	**%Pop ≤ 120% Median AGI**				
14	Individual	$ 65,775	51.13%				
15	Family of 4	$ 93,975	60.28%				
16							
17	**2022 Aggregate Millage Rates**						
18	School	5.96					
19	Non-School	10.58					
20							
21	**Ad Valorem Conference Results**						
22	**Roll Year**	**School Growth**	**Non-School Growth**				
23	2023	8.10%	9.63%				
24	2024	6.78%	8.75%				
25	2025	5.76%	7.10%				
26	2026	5.65%	6.60%				
27	2027	5.34%	6.03%				
28	2028	5.24%	5.75%				
29							
30	**Part 2: Removing Taxable Value of Land of Known Non-Profit Affordable Housing**						
31	Count of All FHFC Affordable Housing			3,013			
32	Count of Total Not-for-Profit Affordable Housing			727			
33	Matched to 2022 Roll			284			
34	Share Up			256%			
35							
36	**Taxable Value**		**Matched Not-for-Profit**	**Share Up**	**Apply Millage**		
37	School - Current Law		$ 186,528,943	$ 477,487,822.40	$ 2,844,933		
38	School - Proposed Language		$ 137,209,852	$ 351,237,896	$ 2,092,720		
39	School - Impact		$ (49,319,091)	$ (126,249,927)	**$ (752,213)**		
40	Non-School - Current Law		$ 172,397,252	$ 441,312,684	$ 4,670,269		
41	Non-School - Proposed Language		$ 126,413,154	$ 323,599,870	$ 3,424,552		
42	Non-School - Impact		$ (45,984,098)	$ (117,712,814)	**$ (1,245,717)**		
43							
44	**Part 3: Conversion of Existing Residential to Qualifying Property**						
45	**Share of Residential That Would Qualify Today or Will Convert (Part 2 removed from multi-fam 10+)**						
46	**Use Code**		**Percent Utilize Proposed Language**	**Implied Parcels**	**Impact on School Collections**	**Impact on Non-School Collections**	
47	Single Family		0.24%	3,926	$ (2,893,075)	$ (5,004,035)	
48	Mobile Homes		0.02%	52	$ (12,190)	$ (20,547)	
49	Multi-Family 10 units or more		0.24%	35	$ (370,388)	$ (652,395)	
50	Condominiums		0.02%	246	$ (2,830)	$ (4,941)	
51	Cooperatives		0.02%	8	$ (767)	$ (1,331)	
52	Retirement Homes		0.02%	1	$ (879)	$ (1,559)	
53	Miscellaneous Residential		0.02%	4	$ (2,763)	$ (4,126)	
54	Multi-Family less than 10 units		0.24%	296	$ (258,324)	$ (438,516)	
55	Total			4,568	**$ (3,541,217)**	**$ (6,127,449)**	
56							

	A	B	C	D	E	F	G
57	**Part 4: Conversion of Vacant Land to Qualifying Property**						
58	**Share of Vacant Land that will Qualify in the Future**						
59	**Use Code**		**Percent Utilize Proposed Language**	**Implied Parcels**	**Impact on School Collections**	**Impact on Non-School Collections**	
60	Vacant Residential		0.24%	3,364	$ (951,722)	$ (1,320,691)	
61	Vacant Commercial		0.24%	208	$ (376,487)	$ (568,097)	
62	Vacant Institutional		0.02%	2	$ (264)	$ (327)	
63	Acreage not zoned agricultural		0.02%	24	$ (12,785)	$ (19,278)	
64	Total			3,598	**$ (1,341,258)**	**$ (1,908,392)**	
65							
66	**Part 5: Impact**						
67	**School Impact**	**Low**	**Mid**	**High**	**1/4 Part 4 School Impact**		
68	2022	$ (752,213)	$ (4,293,430)	$ (4,293,430)	$ (335,314)		
69	2023	$ (813,126)	$ (4,641,106)	$ (4,641,106)	$ (362,468)		
70	2024	$ (868,291)	$ (4,955,973)	$ (5,343,031)	$ (387,059)		
71	2025	$ (918,278)	$ (5,241,283)	$ (6,059,965)	$ (409,341)		
72	2026	$ (970,158)	$ (5,537,404)	$ (6,834,808)	$ (432,468)		
73	2027	$ (1,022,005)	$ (5,833,330)	$ (7,655,649)	$ (455,580)		
74	2028	$ (1,075,591)	$ (6,139,183)	$ (8,057,050)	$ (479,467)		
75							
76	**Non-School Impact**	**Low**	**Mid**	**High**	**1/4 Part 4 School Impact**		
77	2022	$ (1,245,717)	$ (7,373,166)	$ (7,373,166)	$ (477,098)		
78	2023	$ (1,365,634)	$ (8,082,935)	$ (8,082,935)	$ (523,025)		
79	2024	$ (1,485,097)	$ (8,790,017)	$ (9,358,796)	$ (568,779)		
80	2025	$ (1,590,592)	$ (9,414,423)	$ (10,632,788)	$ (609,182)		
81	2026	$ (1,695,528)	$ (10,035,520)	$ (11,983,636)	$ (649,372)		
82	2027	$ (1,797,754)	$ (10,640,574)	$ (13,394,668)	$ (688,523)		
83	2028	$ (1,901,048)	$ (11,251,954)	$ (14,164,291)	$ (728,084)		
84							
85	**Impact on School**						
86		High		Middle		Low	
87		Cash	Recurring	Cash	Recurring	Cash	Recurring
88	2023-24	$0	$(7.7 M)	$0	$(5.8 M)	$0	$(1.0 M)
89	2024-25	$(5.3 M)	$(7.7 M)	$(5.0 M)	$(5.8 M)	$(0.9 M)	$(1.0 M)
90	2025-26	$(6.1 M)	$(7.7 M)	$(5.2 M)	$(5.8 M)	$(0.9 M)	$(1.0 M)
91	2026-27	$(6.8 M)	$(7.7 M)	$(5.5 M)	$(5.8 M)	$(1.0 M)	$(1.0 M)
92	2027-28	$(7.7 M)	$(7.7 M)	$(5.8 M)	$(5.8 M)	$(1.0 M)	$(1.0 M)
93							
94	**Impact on Non-School**						
95		High		Middle		Low	
96		Cash	Recurring	Cash	Recurring	Cash	Recurring
97	2023-24	$0	$(13.4 M)	$0	$(10.6 M)	$0	$(1.8 M)
98	2024-25	$(9.4 M)	$(13.4 M)	$(8.8 M)	$(10.6 M)	$(1.5 M)	$(1.8 M)
99	2025-26	$(10.6 M)	$(13.4 M)	$(9.4 M)	$(10.6 M)	$(1.6 M)	$(1.8 M)
100	2026-27	$(12.0 M)	$(13.4 M)	$(10.0 M)	$(10.6 M)	$(1.7 M)	$(1.8 M)
101	2027-28	$(13.4 M)	$(13.4 M)	$(10.6 M)	$(10.6 M)	$(1.8 M)	$(1.8 M)
102							
103	**Total Impact**						
104		High		Middle		Low	
105		Cash	Recurring	Cash	Recurring	Cash	Recurring
106	2023-24	$0	$(21.1 M)	$0	$(16.5 M)	$0	$(2.8 M)
107	2024-25	$(14.7 M)	$(21.1 M)	$(13.7 M)	$(16.5 M)	$(2.4 M)	$(2.8 M)
108	2025-26	$(16.7 M)	$(21.1 M)	$(14.7 M)	$(16.5 M)	$(2.5 M)	$(2.8 M)
109	2026-27	$(18.8 M)	$(21.1 M)	$(15.6 M)	$(16.5 M)	$(2.7 M)	$(2.8 M)
110	2027-28	$(21.1 M)	$(21.1 M)	$(16.5 M)	$(16.5 M)	$(2.8 M)	$(2.8 M)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Local Option Affordable Housing Property Tax Exemption
Bill Number(s): SB 102 – Section 9

☐ **Entire Bill**
☒ **Partial Bill**:
Sponsor(s): Senator Calatayud
Month/Year Impact Begins: July 1, 2023
Date(s) Conference Reviewed: February 3, 2023

Section 1: Narrative

a. Current Law:

No current law

b. Proposed Change:

Section 9. Section 196.1979, Florida Statutes, is created to read:

196.1979 County and municipal affordable housing property exemption.—

(1)(a) Notwithstanding ss. 196.195 and 196.196, the board of county commissioners of a county or the governing body of a municipality may adopt an ordinance to exempt those portions of property used to provide affordable housing meeting the requirements of this section. Such property is considered property used for a charitable purpose. To be eligible for the exemption, the portions of property must be:

1. Used to house natural persons or families meeting the extremely-low-income and very-low-income limits specified in s. 420.0004;

2. Within a multifamily project containing 50 or more residential units, at least 20 percent of which are used to provide affordable housing that meets the requirements of this section;

3. Rented for an amount no greater than the amount as specified by the Fair Market Rents published by the U.S. Department of Housing and Urban Development most recently adopted by the corporation or 90 percent of the fair market value rent as determined by a rental market study meeting the requirements of subsection (4), whichever is less; and

4. Rented at a monthly amount, including taxes, insurance, and utilities, which does not exceed 30 percent of:

a. Fifty percent of the median annual adjusted gross income for households within this state, within the metropolitan statistical area, or, if not within a metropolitan statistical area, within the county in which the person or family resides, whichever is greater, if such housing houses natural persons or families whose total annual adjusted gross household income is greater than 30 percent but not more than 50 percent of such median annual adjusted gross income; or

b. Thirty percent of the median annual adjusted gross income for households within this state, within the metropolitan statistical area, or, if not within a metropolitan statistical area, within the county in which the person or family resides, whichever is greater, if such housing houses natural persons or families whose total annual adjusted gross household income does not exceed 30 percent of such median annual adjusted gross income.

(b) Qualified property may receive an ad valorem property tax exemption of:

1. Up to 75 percent of the assessed value of each residential unit used to provide affordable housing if fewer than 100 percent of the multifamily project's residential units are used to provide affordable housing meeting the requirements of this section.

2. Up to 100 percent of the assessed value if 100 percent of the multifamily project's residential units are used to provide affordable housing meeting the requirements of this section.

(c) The board of county commissioners of the county or the governing body of the municipality, as applicable, may choose to adopt an ordinance that exempts property used to provide affordable housing for natural persons or families meeting the very-low-income limits, natural persons or families meeting the extremely-low-income limits, or both.

(2) If a residential unit that in the previous year qualified for the exemption under this section and was occupied by a tenant is vacant on January 1, the vacant unit may qualify for the exemption under this section if the use of the unit is restricted to providing affordable housing that would otherwise meet the requirements of this section and a reasonable effort is made to lease the unit to eligible persons or families.

(3) An ordinance granting the exemption authorized by this section must:

(a) Be adopted under the procedures for adoption of a nonemergency ordinance by a board of county commissioners specified in chapter 125 or by a municipal governing body specified in chapter 166.

(b) Designate the local entity under the supervision of the board of county commissioners or governing body of a municipality which must develop, receive, and review applications for certification and develop notices of determination of eligibility.

Additionally, there are procedures listed for securing the exemption.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Local Option Affordable Housing Property Tax Exemption
Bill Number(s): SB 102 – Section 9

Section 2: Description of Data and Sources

2022F NAL File
Ad Valorem Revenue Estimating Conference, August 2022
Florida Housing Data Clearinghouse, Assisted Housing Inventory, 2020
Data USA: Florida Wage Distribution, 2020
Median Household Income by County: Florida Health Charts
Smart Asset: Rental Rate market research

Section 3: Methodology (Include Assumptions and Attach Details)

The 2022F NAL roll was used to identify 5,516 parcels with DOR_UC=3 and at least 50 residential units. For each parcel, the just value (JV) was increased by 15% to determine the market value (MV). The MV was divided by the number of residential units. According to Smart Asset, "the rents that landlords charge fall between 0.8% and 1.1% of the home's value," so the MV/unit was multiplied by 0.8% to estimate the monthly rental rate.

Florida Health Charts data was used to determine the 2021 median household income for each Florida county. 30% of 30% and 50% of these median incomes were calculated for each county. Each parcel's monthly rent was then compared to these values to determine if it could be eligible for the exemption. The remaining taxable values were summed for these groups.

The high estimate assumes that 100% of the units in parcels with estimated rental rates would be eligible for the exemption. The middle estimate assumes that 56% of the units would be rented to people meeting the income requirements for the exemption, following Data USA's household income distribution, which would allow for a 75% exemption of those units. The low estimate assumes only 20% (the minimum per bill language) of units would be for residents in the income range, and those 20% would receive the 75% exemption.

The taxable values were multiplied by the 2022F statewide aggregate school and non-school millage rates and the impact was grown forward using the most recent AV REC's Residential Non-Homestead Taxable Value growth rates.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	$0	$(172.7 M)	$0	$(72.1 M)	$0	$(25.9 M)
2024-25	$(188.9 M)	$(188.9 M)	$(78.8 M)	$(78.8 M)	$(28.3 M)	$(28.3 M)
2025-26	$(202.3 M)	$(202.3 M)	$(84.5 M)	$(84.5 M)	$(30.4 M)	$(30.4 M)
2026-27	$(214.2 M)	$(214.2 M)	$(89.4 M)	$(89.4 M)	$(32.1 M)	$(32.1 M)
2027-28	$(225.1 M)	$(225.1 M)	$(94.0 M)	$(94.0 M)	$(33.8 M)	$(33.8 M)

Revenue Distribution: Ad Valorem

Section 5: Consensus Estimate (Adopted: 02/03/2023): The Conference adopted a negative indeterminate impact because the exemption is granted at the discretion of the local jurisidiction. If all juridisctions fully implement the exemption, the impact could be as large as -$225.1m recurring in Fiscal Year 2027-28, assuming 100% of the units in qualifying parcels would be eligible for the full exemption.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	0.0	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	(**)	(**)	(**)	(**)
2026-27	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2027-28	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)

	A	B	C	D	E	F	G
1							
2	**Just Value to Market Value Increase**						
3			15%				
4							
5	**Rental Rate of Market Value**						
6			Middle				
7			0.8%				
8			*Source: Smart Asset*				
9							
10	**2022F Parcels with Rent in Range**						
11		NO_RES_UNTS > 50 & DOR_UC=3					
12			30% of < 30%	30% of 30-50%	Sum		
13		Parcels	794	1,274	2,068		
14		Units	103,741	190,898	294,639		
15		TV_SD	$ 2,032,520,267	$ 8,226,623,309	10,259,143,576		
16		TV_NSD	$ 1,860,560,222	$ 7,089,698,332	8,950,258,554		
17		*Source: 2022F NAL Roll*					
18							
19	**Exemption Structure**						
20			High	Middle	Low		
21		% in HH Income Range	100%	55.7%	20%		
22		Exemption %	100%	75%	75%		
23							
24							
25	**Taxable Value Exempt**						
26			High	Middle	Low		
27		TV_SD	$ 10,259,143,576	$ 4,282,214,154	$ 1,538,871,536		
28		TV_NSD	$ 8,950,258,554	$ 3,735,879,470	$ 1,342,538,783		
29							
30	**2022F Statewide Aggregate Millage Rates**						
31		SD	5.9581				
32		NSD	10.5827				
33							
34	**2022 Impact**						
35			High	Middle	Low		
36		TV_SD	$ 61,125,003	$ 25,513,860	$ 9,168,751		
37		TV_NSD	$ 94,717,901	$ 39,535,692	$ 14,207,685		
38							
39	**Residential Non-Homestead TV Growth Rates**						
40		2022	$ 894,790				
41		2023	$ 991,827	10.84%			
42		2024	$ 1,084,463	9.34%			
43		2025	$ 1,161,755	7.13%			
44		2026	$ 1,229,861	5.86%			
45		2027	$ 1,292,598	5.10%			
46		2028	$ 1,353,781	4.73%			
47		*Source: Aug 2022 AV REC*					

	A	B	C	D	E	F	G
48							
49	**Impact: School District**						
50	**Year**	High		Middle		Low	
51		Cash	Recurring	Cash	Recurring	Cash	Recurring
52	2023-2024	$0	$(67.8 M)	$0	$(28.3 M)	$0	$(10.2 M)
53	2024-2025	$(74.1 M)	$(74.1 M)	$(30.9 M)	$(30.9 M)	$(11.1 M)	$(11.1 M)
54	2025-2026	$(79.4 M)	$(79.4 M)	$(33.1 M)	$(33.1 M)	$(11.9 M)	$(11.9 M)
55	2026-2027	$(84.0 M)	$(84.0 M)	$(35.1 M)	$(35.1 M)	$(12.6 M)	$(12.6 M)
56	2027-2028	$(88.3 M)	$(88.3 M)	$(36.9 M)	$(36.9 M)	$(13.2 M)	$(13.2 M)
57							
58							
59	**Impact: Non-School District**						
60	**Year**	High		Middle		Low	
61		Cash	Recurring	Cash	Recurring	Cash	Recurring
62	2023-2024	$0	$(105.0 M)	$0	$(43.8 M)	$0	$(15.7 M)
63	2024-2025	$(114.8 M)	$(114.8 M)	$(47.9 M)	$(47.9 M)	$(17.2 M)	$(17.2 M)
64	2025-2026	$(123.0 M)	$(123.0 M)	$(51.3 M)	$(51.3 M)	$(18.4 M)	$(18.4 M)
65	2026-2027	$(130.2 M)	$(130.2 M)	$(54.3 M)	$(54.3 M)	$(19.5 M)	$(19.5 M)
66	2027-2028	$(136.8 M)	$(136.8 M)	$(57.1 M)	$(57.1 M)	$(20.5 M)	$(20.5 M)
67							
68	**Total Impact**						
69	**Year**	High		Middle		Low	
70		Cash	Recurring	Cash	Recurring	Cash	Recurring
71	2023-2024	$0	$(172.7 M)	$0	$(72.1 M)	$0	$(25.9 M)
72	2024-2025	$(188.9 M)	$(188.9 M)	$(78.8 M)	$(78.8 M)	$(28.3 M)	$(28.3 M)
73	2025-2026	$(202.3 M)	$(202.3 M)	$(84.5 M)	$(84.5 M)	$(30.4 M)	$(30.4 M)
74	2026-2027	$(214.2 M)	$(214.2 M)	$(89.4 M)	$(89.4 M)	$(32.1 M)	$(32.1 M)
75	2027-2028	$(225.1 M)	$(225.1 M)	$(94.0 M)	$(94.0 M)	$(33.8 M)	$(33.8 M)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax and Insurance Premium Tax
Issue: Florida Main Street Historic Preservation Tax Credits
Bill Number(s): HB499

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Stark
Month/Year Impact Begins: January 1, 2024
Date(s) Conference Reviewed: February 3, 2023

Section 1: Narrative

a. **Current Law**: **National Historic Register of Historic Places**[1]

The National Historic Register of Historic Places, under the National Park Service, is "part of a national program to coordinate and support public and private efforts to identify, evaluate, and protect America's historic and archeological resources." The program reviews property nominations and lists eligible properties in the National Register; offers guidance on evaluating, documenting, and listing historic places, and helps qualified historic properties receive preservation benefits and incentives.

Properties listed in the National Register are eligible for federal historic preservation tax credits. A 20 percent income tax credit is available for the rehabilitation of historic, income-producing buildings that are determined by the Secretary of the Interior, through the National Park Service, to be certified historic structures. The National Park Service reports that each year, they approve "approximately 1200 projects, leveraging nearly $6 billion annually in private investment in the rehabilitation of historic buildings across the country." [2]

State Historic Preservation Officers maintain records of buildings listed in the National Register of Historic Places, as well as State and local districts that may qualify as registered historic districts. In Florida, there are more than 1,700 properties and districts listed on the National Register.[3] Nominations for properties in Florida are submitted to the National Park Service through the Florida Department of State's Division of Historical Resources, following review and recommendation by the Florida National Register Review Board.[4]

An average of 20-25 nationally registered Florida property and district listings are added annually to Register. Most of the projects are large commercial developments.[5]

Florida Initiatives

Currently, Florida does not offer a similar program offering state tax credits to offset the costs of rehabilitating historic properties. However, federal tax credits – both historic preservation and New Markets Tax Credits – have been claimed for with projects funded through the now expired Florida New Markets Development Program. This "stacking" of credits enabled both Florida and Federal tax credits to be generated from the same Florida-based project, thereby increasing the incentives available to the funded projects.

The Historic Preservation Grant Program administered by the Division of Historical Resources in Florida Department of State offers grants for the preservation and protection of the state's historic and archaeological sites and properties. However, property owned by private individuals or for-profit corporations are ineligible for such grants.[6]

[1] Senate Committee on Commerce and Tourism Staff Analysis for SB 1310, 1-14-22, @ 2022 S0131 CM (flsenate.gov)
[2] Tax Incentives—Technical Preservation Services, National Park Service (nps.gov) & about-tax-incentives-2012.pdf (nps.gov)
[3] National Register of Historic Places - Division of Historical Resources - Florida Department of State (myflorida.com) Districts contain multiple properties. While there are over 50,000 Florida properties in the Registry, most are residential and unlikely qualify for the federal tax credit, as they are not income producing properties.
[4] *Ibid.*
[5] Bureau of Historic Preservation, Division of Historical Resources, Florida Department of State
[6] Section 267.0617(2), F.S.

Main Street America[7]

Main Street America, a program under the National Main Street Center, is a network of grassroots organizations that "revitalizes older and historic commercial districts to build vibrant neighborhoods and thriving economies." The program offers community-based revitalization initiatives to transform downtowns. In order to be designated as either an affiliate or accredited member of Main Street America, a community must first become a member of the National Main Street Center and meet certain requirements. Main Street America has coordinating programs that are organized at the state, county, and city level that partner with the National Main Street Center to provide support and training to Main Street America communities.

Florida has two coordinating programs: Florida Main Street America located in Tallahassee and Orlando Main Street located in Orlando. Florida Main Street is administered by the Division of Historical Resources. Forty-five Florida Main Streets and 10 Orlando Main Streets have received technical assistance toward the goal of revitalizing historic downtowns and encouraging economic development.

b. Proposed Change: Creates the Main Street Historic Tourism and Revitalization Act (Act), which provides a tax credit against Florida corporate income taxes and insurance premium taxes for qualified expenses incurred in the rehabilitation of a certified historic structure.

The tax credit may not exceed the amount of tax due after any other applicable tax credits and 20 percent of qualified expenses incurred in the rehabilitation of an income-producing, certified historic structure that has been approved by the National Park Service to receive the federal historic rehabilitation tax credit.[8] The credit is increased to 30 percent if a structure is located within an active Florida Main Street Program or the Orlando Main Streets program, provided that such program is a current designated member of Main Street America.

To qualify for the credit, the applicant must document that:

- The rehabilitation is a certified rehabilitation;
- The structure is a certified historic structure, is income-producing, is located within the state, and was rehabilitated and placed into service on or after July 1, 2023;
- The taxpayer had an ownership interest in the certified historic structure in the year during which the certified historic structure was placed into service after the certified rehabilitation was complete; and
- The total amount of qualified expenses incurred in rehabilitating the certified historic structure exceeded $5,000.

Unused credits may be carried forward for a period up to 5 years. Unused credits may also be transferred or sold to other taxpayers, without limit.

The bill does not impose a cap on the amount of tax credits to be claimed, nor does it include a sunset date on tax credit eligibility. The tax credit is available beginning on or after January 1, 2024.

The difference between HB499 and SB288 is HB499's removal of the requirement of an accredited Main Street program, requiring instead the program be active. There are different tiers of participation in the national Main Street program.[9] The affiliate status is the introductory tier, while the accredited status is the top tier of participation. According to Department of State staff, the National Main Street program has made the accreditation standards more stringent and would remove 1/3 to 1/2 of the local Main Streets from eligibility for the 30% credit. This change would affect the eligibility of these communities in the coming year.

[7] Senate Committee on Commerce and Tourism Staff Analysis for SB 1310, 1-14-22, 2022 S0131 CM (flsenate.gov) & Florida Main Street - Division of Historical Resources - Florida Department of State (myflorida.com)

[8] Paragraph 220.197(4)(b) of the bill conditions claiming of credits on submission of NPS Form 10-168c, signed by the National Park Service attesting that the completed rehabilitation meets the "Standards for Rehabilitation." This signed form qualifies the applicant for federal tax credits.

[9] https://higherlogicdownload.s3.amazonaws.com/NMSC/390e0055-2395-4d3b-af60-81b53974430d/UploadedImages/Accreditation/Main_Street_America_Tier_System_Overview_-_2022_Update.pdf

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax and Insurance Premium Tax
Issue: Florida Main Street Historic Preservation Tax Credits
Bill Number(s): HB499

Section 2: Description of Data and Sources

National Park Service
Novoco.com
Dept. of State - Bureau of Historic Preservation
July 2022 Florida Economic Estimating Conference (FEEC)

Section 3: Methodology (Include Assumptions and Attach Details)

The application to receive a federal tax credit is a three part process:

Part 1 – Evaluation of Significance

Owners of buildings within historic districts must complete Part 1 of the Historic Preservation Certification Application – Evaluation of Significance. The National Park Service then determines whether the building contributes to the historic district. If so, the building becomes a certified historic structure. <u>Buildings individually listed in the National Register of Historic Places are already certified historic structures and do not need to complete Part 1</u> (unless the listed property has more than one building).

Part 2 – Description of Rehabilitation

Part 2 describes the proposed rehabilitation. The National Park Service must approve, or certify, all rehabilitation projects seeking the 20% rehabilitation tax credit. A certified rehabilitation is a rehabilitation of a certified historic structure that is approved by the NPS as being consistent with the historic character of the property and, where applicable, the district in which it is located. It is not a requirement, but owners are encouraged to apply before starting work. The rehabilitation must be substantial, <u>during a 24-month period selected by the taxpayer, rehabilitation expenditures must exceed the greater of $5,000 or the adjusted basis of the building and its structural components</u>. For phased rehabilitations, the measuring period is 60 months rather than 24 months. This phase rule is available only if: (1) a set of architectural plans and specifications outlines and describes all rehabilitation phases; (2) the plans are completed before the physical rehabilitation work begins, and (3) it can reasonably be expected that all phases will be completed. Qualified rehabilitation expenditures include costs of the work on the historic building, as well as architectural and engineering fees, site survey fees, legal expenses, development fees, and other construction-related costs, if such costs are added to the property basis and are reasonable and related to the services performed. They do not include acquisition or furnishing costs, new additions that expand the building, new building construction, or parking lots, sidewalks, landscaping, or other related facilities

Part 3 – Request for Certification of Completed Work

After the rehabilitation work is completed, the owner submits part 3 of the application<u>. If approved as a certified rehabilitation, the owner is eligible for the 20% rehabilitation credit</u>. The property must be placed in service (that is, returned to use). <u>The rehabilitation tax credit is generally allowed in the taxable year the rehabilitated property is placed in service</u>. The building must be a certified historic structure when placed in service, with the following exception: If the building or the historic district is not listed in the National Register, the owner must have requested that the SHPO nominate the building or the district to the National Register before the building is placed in service. If the building is in a historic district that is listed or may be listed in the National Register, the owner must submit Part 1 of the application before the building is placed in service. Generally, the tax credit is claimed on IRS form 3468 for the tax year in which the rehabilitated building is placed in service. For phased projects, the tax credit may be claimed before completion of the entire project provided that the substantial rehabilitation test has been met. If a building remains in service throughout the rehabilitation, then the credit may be claimed when the substantial rehabilitation test has been met. In general, unused tax credit can be "carried back" one year and "carried forward" 20 years
The owner must hold the building for five full years after completing the rehabilitation, or pay back the credit. If the owner disposes of the building within a year after it is placed in service, 100% of the credit is recaptured. For properties held between one and five years, the tax credit recapture amount is reduced by 20% per year.

A similar bill (SB1310) was analyzed during the 2022 Legislative Session. Assumptions about Florida's future utilization of the tax credit was influenced by historical Qualified Rehabilitation Expenditures (QRE) as approved for the federal tax. These totals were aggregated by state. States were grouped together by annual cap limitations. Other state data was considered as Florida's participation in the federal program was much lower than other states, especially states with current state tax credit programs. The Conference adopted the low estimate, which was a calculation of the average QRE (removing min and max) of uncapped states multiplied by the average number of projects, resulting in an estimate ranging from ($40.3m) to ($44.5m).

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax and Insurance Premium Tax
Issue: Florida Main Street Historic Preservation Tax Credits
Bill Number(s): HB499

Since the analysis was done last year, applications for the federal tax credit from Florida QRE has grown 3667%. FY 2020-21 had approved QRE of $108,462,086 compared to $2,878,880 the previous fiscal year. Estimated QRE for FY 2012-22 is even higher, at $236,394,432. This analysis uses the Florida QRE for the last two years (approved and estimated) and grows from that average. The growth rate is FEEC Total Construction Expenditures growth.

It was assumed that reducing the accreditation requirement would keep the same number of eligible Main Street communities. The assumption of the tax credit of 25% of eligible QRE (also adopted last year) was kept for this analysis. An average credit of 25% is used to give equal weight to rehabilitations in Main Street communities and out.

According to the National Park Service (Fiscal Year 2021 at a Glance), almost half of completed projects (part 3) were under $1 million QRE and 18% were under $250,000 QRE.

FY 2021 Size of Projects	
Under $250,000	18%
$25,000 to $999.999	29%
$1,000,000 to $4,999,999	25%
$5,000,000 to $24,999,999	21%
Over $25 million	7%

Although many projects were small, the average project QRE was $7.1 million. A large project can swamp the tax credit program, one project in Florida in 2009 had approved QRE of $317 million.

The estimates uses Florida's approved QRE for FY 2020-21 and the estimated QRE for FY 2021-22 and calculates the average of those two years to create a starting point, which is then grown by Total Construction Expenditures. There is evidence from states that do not have a cap, similar to the proposed Florida credit, that this starting point can be easily maintained. Using the average annual QRE of no cap states over the last five years ($197,523,557), a 25% credit would equal $49.4m.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			$0.0	($43.7)		
2024-25			($44.1)	($44.1)		
2025-26			($45.5)	($45.5)		
2026-27			($46.9)	($46.9)		
2027-28			($47.5)	($47.5)		

Revenue Distribution: Corporate Income Tax and Insurance Premium Tax, the estimate impacts GR with an estimate of 80% CIT and 20% IPT based on other credit programs.

Section 5: Consensus Estimate (Adopted: 02/03/2023): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	(43.7)	0.0	0.0	0.0	0.0	0.0	(43.7)
2024-25	(44.1)	(44.1)	0.0	0.0	0.0	0.0	(44.1)	(44.1)
2025-26	(45.5)	(45.5)	0.0	0.0	0.0	0.0	(45.5)	(45.5)
2026-27	(46.9)	(46.9)	0.0	0.0	0.0	0.0	(46.9)	(46.9)
2027-28	(47.5)	(47.5)	0.0	0.0	0.0	0.0	(47.5)	(47.5)

HB499

Qualified Rehabilitation Expenses (QRE)*	Florida	Average
Total QRE last 5 yrs, FY 2016-17 through 2020-21**	$ 661,609,595	$ 132,321,919

**QRE is the value of items that can be written off by developers on their federal tax bill. Developers can claim 20% of that amount to assist in payment of federal taxes.*

*** FY 2020-21 is an estimate based on part 2 of the federal tax incentive application.*

Number of FL Sites listed with National Register 1,870

(At the Federal level - Properties listed as a National Historic site can bypass Part 1 of the 3 part application process)

Bill proposes an additional 20% in state credit for projects approved by the National Park Service to receive the federal credit,
or an additional 30% credit for projects approved by NPS and located within the official boundaries of a designated Florida Main Street district as documented by the Department of State .

Average Credit (assumption) **25%**

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 (estimate)***
Florida Approved QRE	$ 20,981,104.00	$ 12,084,751.00	$ 12,688,695.00	$ 24,968,677.00	$ 2,878,880.00	$ 108,462,086.00	$ 236,394,432.00
	-55.37%	-42.40%	5.00%	96.78%	-88.47%	3667.51%	117.95%

****Based on Part 2 estimates.*

Average QRE based on FY 2020-21 approval and FY 2021-22 estimate $ 172,428,259

Value of a 25% credit $ 43,107,065

Credit can be taken 2024 tax year. Return due April, May 2024, impact first seen FY 2024-25.

	Florida	Growth *(Total Construction Expenditures (July 2022)*
FY 2022-23	$ 43,710,564	**1.400%**
FY 2023-24	$ 44,103,959	**0.900%**
FY 2024-25	$ 45,515,285	**3.200%**
FY 2025-26	$ 46,880,744	**3.000%**
FY 2026-27	$ 47,490,194	**1.300%**
FY 2027-28	$ 48,107,566	**1.300%**

	Cash	Recurring
FY 2023-24	$0.0	($43.7)
FY 2024-25	($44.1)	($44.1)
FY 2025-26	($45.5)	($45.5)
FY 2026-27	($46.9)	($46.9)
FY 2027-28	($47.5)	($47.5)

sources: National Park Service, US Dept. of the Interior - Federal Tax Incentives for Rehabilitating Historic Buildings FY 2020-21
Discussions with Florida Dept. of State - Bureau of Historic Preservation
list of all tax credit projects since 1995: https://tpsdev.cr.nps.gov/status/results.cfm
Source of QRE totals is NPS annual report (page 7) available at https://www.nps.gov/tps/tax-incentives/taxdocs/tax-incentives-2020annual.pdf
Source of other state programs: https://www.novoco.com/resource-centers/historic-tax-credits/state-htcs/state-htc-program-descriptions

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax and Insurance Premium Tax
Issue: Florida Main Street Historic Preservation Tax Credits
Bill Number(s): SB288

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Senator DiCeglie
Month/Year Impact Begins: January 1, 2024
Date(s) Conference Reviewed: February 3, 2023

Section 1: Narrative

a. **Current Law**: **National Historic Register of Historic Places**[1]

The National Historic Register of Historic Places, under the National Park Service, is "part of a national program to coordinate and support public and private efforts to identify, evaluate, and protect America's historic and archeological resources." The program reviews property nominations and lists eligible properties in the National Register; offers guidance on evaluating, documenting, and listing historic places, and helps qualified historic properties receive preservation benefits and incentives.

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An average of 20-25 nationally registered Florida property and district listings are added annually to Register. Most of the projects are large commercial developments.[5]

Florida Initiatives

Currently, Florida does not offer a similar program offering state tax credits to offset the costs of rehabilitating historic properties. However, federal tax credits – both historic preservation and New Markets Tax Credits – have been claimed for with projects funded through the now expired Florida New Markets Development Program. This "stacking" of credits enabled both Florida and Federal tax credits to be generated from the same Florida-based project, thereby increasing the incentives available to the funded projects.

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To qualify for the credit, the applicant must document that:

- The rehabilitation is a certified rehabilitation;
- The structure is a certified historic structure, is income-producing, is located within the state, and was rehabilitated and placed into service on or after July 1, 2023;
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REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax and Insurance Premium Tax
Issue: Florida Main Street Historic Preservation Tax Credits
Bill Number(s): SB288

Section 2: Description of Data and Sources

National Park Service
Novoco.com
Dept. of State - Bureau of Historic Preservation
July 2022 Florida Economic Estimating Conference (FEEC)

Section 3: Methodology (Include Assumptions and Attach Details)

The application to receive a federal tax credit is a three part process:

Part 1 – Evaluation of Significance

Owners of buildings within historic districts must complete Part 1 of the Historic Preservation Certification Application – Evaluation of Significance. The National Park Service then determines whether the building contributes to the historic district. If so, the building becomes a certified historic structure. Buildings individually listed in the National Register of Historic Places are already certified historic structures and do not need to complete Part 1 (unless the listed property has more than one building).

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Part 2 describes the proposed rehabilitation. The National Park Service must approve, or certify, all rehabilitation projects seeking the 20% rehabilitation tax credit. A certified rehabilitation is a rehabilitation of a certified historic structure that is approved by the NPS as being consistent with the historic character of the property and, where applicable, the district in which it is located. It is not a requirement, but owners are encouraged to apply before starting work. The rehabilitation must be substantial, during a 24-month period selected by the taxpayer, rehabilitation expenditures must exceed the greater of $5,000 or the adjusted basis of the building and its structural components. For phased rehabilitations, the measuring period is 60 months rather than 24 months. This phase rule is available only if: (1) a set of architectural plans and specifications outlines and describes all rehabilitation phases; (2) the plans are completed before the physical rehabilitation work begins, and (3) it can reasonably be expected that all phases will be completed. Qualified rehabilitation expenditures include costs of the work on the historic building, as well as architectural and engineering fees, site survey fees, legal expenses, development fees, and other construction-related costs, if such costs are added to the property basis and are reasonable and related to the services performed. They do not include acquisition or furnishing costs, new additions that expand the building, new building construction, or parking lots, sidewalks, landscaping, or other related facilities

Part 3 – Request for Certification of Completed Work

After the rehabilitation work is completed, the owner submits part 3 of the application. If approved as a certified rehabilitation, the owner is eligible for the 20% rehabilitation credit. The property must be placed in service (that is, returned to use). The rehabilitation tax credit is generally allowed in the taxable year the rehabilitated property is placed in service. The building must be a certified historic structure when placed in service, with the following exception: If the building or the historic district is not listed in the National Register, the owner must have requested that the SHPO nominate the building or the district to the National Register before the building is placed in service. If the building is in a historic district that is listed or may be listed in the National Register, the owner must submit Part 1 of the application before the building is placed in service. Generally, the tax credit is claimed on IRS form 3468 for the tax year in which the rehabilitated building is placed in service. For phased projects, the tax credit may be claimed before completion of the entire project provided that the substantial rehabilitation test has been met. If a building remains in service throughout the rehabilitation, then the credit may be claimed when the substantial rehabilitation test has been met. In general, unused tax credit can be "carried back" one year and "carried forward" 20 years
The owner must hold the building for five full years after completing the rehabilitation, or pay back the credit. If the owner disposes of the building within a year after it is placed in service, 100% of the credit is recaptured. For properties held between one and five years, the tax credit recapture amount is reduced by 20% per year.

A similar bill (SB1310) was analyzed during the 2022 Legislative Session. Assumptions about Florida's future utilization of the tax credit was influenced by historical Qualified Rehabilitation Expenditures (QRE) as approved for the federal tax. These totals were aggregated by state. States were grouped together by annual cap limitations. Other state data was considered as Florida's participation in the federal program was much lower than other states, especially states with current state tax credit programs. The Conference adopted the low estimate, which was a calculation of the average QRE (removing min and max) of uncapped states multiplied by the average number of projects, resulting in an estimate ranging from ($40.3m) to ($44.5m).

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax and Insurance Premium Tax
Issue: Florida Main Street Historic Preservation Tax Credits
Bill Number(s): SB288

Since the analysis was done last year, applications for the federal tax credit from Florida QRE has grown 3667%. FY 2020-21 had approved QRE of $108,462,086 compared to $2,878,880 the previous fiscal year. Estimated QRE for FY 2012-22 is even higher, at $236,394,432. This analysis uses the Florida QRE for the last two years (approved and estimated) and grows from that average. The growth rate is FEEC Total Construction Expenditures growth.

It was assumed that maintaining the more stringent accreditation requirement would reduce the number of eligible Main Street communities. The analysis assumes a tax credit of 22.5% of eligible QRE (also adopted last year).

According to the National Park Service (Fiscal Year 2021 at a Glance), almost half of completed projects (part 3) were under $1 million QRE and 18% were under $250,000 QRE.

FY 2021 Size of Projects	
Under $250,000	18%
$25,000 to $999.999	29%
$1,000,000 to $4,999,999	25%
$5,000,000 to $24,999,999	21%
Over $25 million	7%

Although many projects were small, the average project QRE was $7.1 million. A large project can swamp the tax credit program, one project in Florida in 2009 had approved QRE of $317 million. The average number of projects over the last five years for non-capped states was 34 projects a year.

The estimates uses Florida's approved QRE for FY 2020-21 and the estimated QRE for FY 2021-22 and calculates the average of those two years to create a starting point, which is then grown by Total Construction Expenditures. There is evidence from states that do not have a cap, similar to the proposed Florida credit, that this starting point can be easily maintained. Using the average annual QRE of no cap states over the last five years ($197,523,557), a 20% credit would equal $39.5m.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			$0.0	($39.3)		
2024-25			($39.7)	($39.7)		
2025-26			($41.0)	($41.0)		
2026-27			($42.2)	($42.2)		
2027-28			($42.7)	($42.7)		

Revenue Distribution: Corporate Income Tax and Insurance Premium Tax, the estimate impacts GR with an estimate of 80% CIT and 20% IPT based on other credit programs.

Section 5: Consensus Estimate (Adopted: 02/03/2023): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0.0	(39.3)	0.0	0.0	0.0	0.0	0.0	(39.3)
2024-25	(39.7)	(39.7)	0.0	0.0	0.0	0.0	(39.7)	(39.7)
2025-26	(41.0)	(41.0)	0.0	0.0	0.0	0.0	(41.0)	(41.0)
2026-27	(42.2)	(42.2)	0.0	0.0	0.0	0.0	(42.2)	(42.2)
2027-28	(42.7)	(42.7)	0.0	0.0	0.0	0.0	(42.7)	(42.7)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax and Insurance Premium Tax
Issue: Florida Main Street Historic Preservation Tax Credits
Bill Number(s): SB288

SB288

Qualified Rehabilitation Expenses (QRE)*		Florida		Average
Total QRE last 5 yrs, FY 2016-17 through 2020-21**	$	661,609,595	$	132,321,919

**QRE is the value of items that can be written off by developers on their federal tax bill. Developers can claim 20% of that amount to assist in payment of federal taxes.*

*** FY 2020-21 is an estimate based on part 2 of the federal tax incentive application.*

Number of FL Sites listed with National Register 1,870

(At the Federal level - Properties listed as a National Historic site can bypass Part 1 of the 3 part application process)

Bill proposes an additional 20% in state credit for projects approved by the National Park Service to receive the federal credit,
or an additional 30% credit for projects approved by NPS and located within the official boundaries of a designated Florida Main Street district as documented by the Department of State .

Average Credit (assumption) **22.5%**

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 (estimate)***
Florida Approved QRE	$ 20,981,104.00	$ 12,084,751.00	$ 12,688,695.00	$ 24,968,677.00	$ 2,878,880.00	$ 108,462,086.00	$ 236,394,432.00
	-55.37%	-42.40%	5.00%	96.78%	-88.47%	3667.51%	117.95%

****Based on Part 2 estimates.*

Average QRE based on FY 2020-21 approval and FY 2021-22 estimate $ 172,428,259

Value of a 25% credit $ 38,796,358

Credit can be taken 2024 tax year. Return due April, May 2024, impact first seen FY 2024-25.

		Florida	Growth *(Total Construction Expenditures (July 2022)*
FY 2022-23	$	39,339,507	**1.400%**
FY 2023-24	$	39,693,563	**0.900%**
FY 2024-25	$	40,963,757	**3.200%**
FY 2025-26	$	42,192,670	**3.000%**
FY 2026-27	$	42,741,174	**1.300%**
FY 2027-28	$	43,296,810	**1.300%**

	Cash	Recurring
FY 2023-24	$0.0	($39.3)
FY 2024-25	($39.7)	($39.7)
FY 2025-26	($41.0)	($41.0)
FY 2026-27	($42.2)	($42.2)
FY 2027-28	($42.7)	($42.7)

sources: National Park Service, US Dept. of the Interior - Federal Tax Incentives for Rehabilitating Historic Buildings FY 2020-21
Discussions with Florida Dept. of State - Bureau of Historic Preservation
list of all tax credit projects since 1995: https://tpsdev.cr.nps.gov/status/results.cfm
Source of QRE totals is NPS annual report (page 7) available at https://www.nps.gov/tps/tax-incentives/taxdocs/tax-incentives-2020annual.pdf
Source of other state programs: https://www.novoco.com/resource-centers/historic-tax-credits/state-htcs/state-htc-program-descriptions

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax, Insurance Premium Tax
Issue: The Live Local Tax Donation Program
Bill Number(s): SB102 – Section 16,17,19,20,32,37 and 39

☐ **Entire Bill:**
☒ **Partial Bill**:
Sponsor(s): ***N/A***
Month/Year Impact Begins: July 1, 2023
Date(s) Conference Reviewed: February 3, 2023

Section 1: Narrative

a. **Current Law**: The *Florida Tax Credit Scholarship Program* (FTC) was established in 2001 through the provision of tax credits to corporate income taxpayers that contribute money to nonprofit Scholarship-Funding Organizations (SFOs). The SFOs award scholarships to students, with the greatest benefit going to families with limited financial resources. In 2009, the program was expanded to provide credits against the insurance premium tax. In 2010, the program was expanded again to provide tax credits against corporate income tax, insurance premium tax, severance taxes on oil and gas production, self-accrued sales tax liabilities of direct pay permit holders, and alcoholic beverage taxes on beer, wine, and spirits.

   More recently, HB7061 created the Strong Families Tax Credit, which provides a credit for 100% of an eligible contribution to an eligible charitable organization under s. 402.62, F.S. This bill became law effective July 1, 2021. It authorized a dollar-for-dollar tax credit up to $5 million annually (which has been subsequently increased to $10 million) against corporate income tax, insurance premium tax, severance taxes on oil and gas production, self-accrued sales tax liabilities of direct pay permit holders, and alcoholic beverage taxes on beer, wine, and spirits.

   The New Worlds Reading Initiative was established in 2021 (and revised in 2022)through the provision of tax credits for businesses that make monetary donations to the administrator of the New Worlds Reading Initiative, a literacy program that provides books to elementary school students in Florida who read below grade level. The tax credits are a dollar-for-dollar credit against corporate income tax, insurance premium tax , severance taxes on oil and gas production, self-accrued sales tax liabilities of direct pay permit holders, and alcoholic beverage taxes on beer, wine, and spirits. The annual tax credit cap was $10 million for FY 2021-22, $30 million for FY 2022-23, and $60 million for all fiscal years thereafter.

b. **Proposed Change:** The proposed law establishes the Live Local Program. The Live Local Program allows companies to gain tax credits for either Insurance Premium Tax or Corporate Income Tax in exchange for contributing to the State Apartment Incentive Loan Program under s 420.5087. The State Apartment Incentive Loan Program provides funding for the construction of multifamily construction units in areas underserved or lacking multifamily housing. Beginning in FY 2023-24, the tax credit cap amount is $100 million dollars. The tax credit may be carried forward for a period not to exceed 10 years. A taxpayer may transfer the credit to members of an affiliated group of corporations if the type of tax credit remains the same. By August 15th of every year, the Department of Revenue shall notify the top 500 corporate income or franchise due taxpayers of the existence of the Live Local Program and the process for obtaining an allocation of the tax credit cap.

Section 2: Description of Data and Sources
Historical distribution of New World Reading Initiative (NWRI), Strong Families and Scholarship Funding Organization (SFO) Tax Credit Programs (provided by Department of Revenue)
General Revenue Conference, August 2022

Section 3: Methodology (Include Assumptions and Attach Details)
The analysis reviewed prior tax credit programs and the timing of credit usage for those programs. This program and previous tax credit programs were similar in that they offered tax credits for charitable donations. They differ in that this program only offers tax credits against CIT and IPT. Further, they differ in that the cap for this program is $100 million while similar programs such as New Worlds Reading Initiatives and Strong Families are capped much lower (beginning Fiscal Year 2022-23) at $60 million and $10 million respectively. These two programs have not yet seen their caps reached. This would argue for lower participation in the program, especially in the intial years. Alternatively, this program requires the Department of Revenue to notify the top 500 taxpayers of this new credit, a feature that is not required in the other programs. This may increase participation in the program.

To address all of these issues, the analysis offers a low, middle and high estimate. The low and middle assume a staggered participation in the program, with all estimates reaching the cap by the last year of the forecast.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax, Insurance Premium Tax
Issue: The Live Local Tax Donation Program
Bill Number(s): SB102 – Section 16,17,19,20,32,37 and 39

The middle methodology assumes that the tax credit will reach 50% of the credit cap in the first year of implementation, then 75%, and finally reaches the cap by FY 2025-26.

The low assumes 50% utilization for the first three fiscal years then 75%, then 100% by the last fiscal year.

The high methodology assumes the program reaches its cap on the first year of implementation.

The breakdown of the distribution of the credit between IPT and CIT comes from the forecast of NWRI, Strong Families, and SFO tax credits. This analysis assumes 78% of the tax credit will be taken as a CIT credit and 22% of the credit impacts IPT. Both will only affect General Revenue.

Section 4: Proposed Fiscal Impact

	High		*Middle*		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	($100m)	($100m)	($50m)	($100m)	($50m)	($100m)
2024-25	($100m)	($100m)	($75m)	($100m)	($50m)	($100m)
2025-26	($100m)	($100m)	($100m)	($100m)	($50m)	($100m)
2026-27	($100m)	($100m)	($100m)	($100m)	($75m)	($100m)
2027-28	($100m)	($100m)	($100m)	($100m)	($100m)	($100m)

Revenue Distribution: General Revenue

Section 5: Consensus Estimate (Adopted: 02/03/2023): The Conference adopted the middle estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(50.0)	(100.0)	0.0	0.0	0.0	0.0	(50.0)	(100.0)
2024-25	(75.0)	(100.0)	0.0	0.0	0.0	0.0	(75.0)	(100.0)
2025-26	(100.0)	(100.0)	0.0	0.0	0.0	0.0	(100.0)	(100.0)
2026-27	(100.0)	(100.0)	0.0	0.0	0.0	0.0	(100.0)	(100.0)
2027-28	(100.0)	(100.0)	0.0	0.0	0.0	0.0	(100.0)	(100.0)

August 2022 General Revenue Conference Forecast

CIT	Traditional	New Worlds	Strong Families	Total	
FY 2023-24	$ 260.0	$ 33.7	$ 3.0	$ 296.7	
FY 2024-25	$ 260.0	$ 33.7	$ 3.0	$ 296.7	
FY 2025-26	$ 260.0	$ 33.7	$ 3.0	$ 296.7	
FY 2026-27	$ 260.0	$ 33.7	$ 3.0	$ 296.7	
FY 2027-28	$ 260.0	$ 33.7	$ 3.0	$ 296.7	78%

IPT	Traditional	New Worlds	Strong Families	Total	
FY 2023-24	$ 75.0	$ 9.6	$ 1.0	$ 85.6	
FY 2024-25	$ 75.0	$ 9.6	$ 1.0	$ 85.6	
FY 2025-26	$ 75.0	$ 9.6	$ 1.0	$ 85.6	
FY 2026-27	$ 75.0	$ 9.6	$ 1.0	$ 85.6	
FY 2027-28	$ 75.0	$ 9.6	$ 1.0	$ 85.6	22%

Combined	Traditional	New Worlds	Strong Families	Total
FY 2023-24	$ 335.0	$ 43.3	$ 4.0	$ 382.3
FY 2024-25	$ 335.0	$ 43.3	$ 4.0	$ 382.3
FY 2025-26	$ 335.0	$ 43.3	$ 4.0	$ 382.3
FY 2026-27	$ 335.0	$ 43.3	$ 4.0	$ 382.3
FY 2027-28	$ 335.0	$ 43.3	$ 4.0	$ 382.3

REVENUE ESTIMATING CONFERENCE

Revenue Source: Motor Fuel Taxes
Issue: Natural Gas Fuel Taxes Delay
Bill Number(s): SB 322 and HB 529

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Senator Gruters and Representative Mooney
Month/Year Impact Begins: 07/01/2023
Date(s) Conference Reviewed: 02/03/2023

Section 1: Narrative

a. Current Law: Part V of Chapter 206, F.S is titled Natural Gas Fuel. Section 206.9951, F.S. defines natural gas fuel as "any liquefied petroleum gas product, compressed natural gas product, or combination thereof used in a motor vehicle as defined by s. 206.01(23)." For the purpose of taxation, section 206.9955(1), F.S. defines a motor fuel equivalent gallon as follows: 5.66 pounds or 126.67 cubic feet for compressed natural gas (CNG), 6.06 pounds for liquefied natural gas (LNG), and 1.35 gallons for liquefied petroleum gas (LPG). Section 206.9955(2), F.S. imposes the following taxes on each unit of natural gas fuel effective January 1, 2024:

1. Excise tax of 4 cents
2. A total of 2 cents of local taxes, designated as the 1 cent ninth cent fuel tax and the 1 cent local option fuel tax
3. SCETS tax of 5.8 cents, to be annually adjusted for changes to the consumer price index on January 1
4. Sales tax of 9.2 cents, to be annually adjusted for changes to the consumer price index on January 1

For the purpose of indexing the SCETS and sales taxes, the base year is the 12-month period ending September 30, 2013. Section 206.9952, F.S. sets requirements for licensure as a natural gas fuel retailer and penalties for noncompliance. Section 206.996, F.S. sets monthly reporting requirements for natural gas fuel retailers.

b. Proposed Change: Section 206.9955, F.S is revised to delay the effective date for the taxes on natural gas fuel from January 1, 2024 to January 1, 2026. Sections 206.9952 and 206.996, F.S. are revised to conform to the delayed effective date.

Section 2: Description of Data and Sources
Transportation Revenue Estimating Conference on August 4, 2022

Section 3: Methodology (Include Assumptions and Attach Details)
Delaying the implementation date for the natural gas fuel tax will have a negative impact of state trust funds, local funds, and GR via the GR service charge. The current forecast of taxable units and associated revenue comes directly from the latest Transportation REC. The proposed forecast shows the later implementation date. Comparing the current forecast with the proposed forecast yields the reduction to impacted funds.

Section 4: Proposed Fiscal Impact

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			(*)	(0.1)		
2024-25			(0.1)	(0.1)		
2025-26			(0.1)	(0.1)		
2026-27			0.0	0.0		
2027-28			0.0	0.0		

TRUST	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			(0.2)	(0.6)		
2024-25			(0.6)	(0.6)		
2025-26			(0.4)	(0.6)		
2026-27			0.0	0.0		
2027-28			0.0	0.0		

REVENUE ESTIMATING CONFERENCE

Revenue Source: Motor Fuel Taxes
Issue: Natural Gas Fuel Taxes Delay
Bill Number(s): SB 322 and HB 529

LOCAL	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			(0.1)	(0.2)		
2024-25			(0.2)	(0.2)		
2025-26			(0.1)	(0.2)		
2026-27			0.0	0.0		
2027-28			0.0	0.0		

Revenue Distribution:
State Transportation Trust Fund
General Revenue Fund
Local Trust Funds

Section 5: Consensus Estimate (Adopted: 02/03/2023): The Conference adopted the proposed cash and zero recurring.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(Insignificant)	0.0	(0.2)	0.0	(0.1)	0.0	(0.3)	0.0
2024-25	(0.1)	0.0	(0.6)	0.0	(0.2)	0.0	(0.9)	0.0
2025-26	(0.1)	0.0	(0.4)	0.0	(0.1)	0.0	(0.6)	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2027-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	A	B	C	D	E	F	G	H	I	J	K
1			2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
2	**Current Forecast**										
3		Natural Gas Fuel Taxable Units (Millions)	1.1	3.4	3.4	3.4	3.5	3.5	3.5	3.6	3.6
4		Natural Gas Fuel Gross Collections ($ Millions)	$ 0.3	$ 0.9	$ 0.9	$ 0.9	$ 1.0	$ 1.0	$ 1.0	$ 1.0	$ 1.1
5		Local Alt. Fuel Clearing Fund ($ Millions)	$ 0.0	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1
6		State Alt. Fuel Clearing Fund Total ($ Millions)	$ 0.3	$ 0.8	$ 0.8	$ 0.8	$ 0.9	$ 0.9	$ 0.9	$ 0.9	$ 1.0
7		GR Service Charge	$ 0.0	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1
8		Distributions ot Local Government	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1
9		State Transportation Trust Fund	$ 0.2	$ 0.6	$ 0.6	$ 0.6	$ 0.7	$ 0.7	$ 0.7	$ 0.7	$ 0.8
10	**Proposed Forecast**										
11		Natural Gas Fuel Taxable Units (Millions)	0.0	0.0	1.1	3.4	3.5	3.5	3.5	3.6	3.6
12		Natural Gas Fuel Gross Collections ($ Millions)	$ -	$ -	$ 0.3	$ 0.9	$ 1.0	$ 1.0	$ 1.0	$ 1.0	$ 1.1
13		Local Alt. Fuel Clearing Fund ($ Millions)	$ -	$ -	$ 0.0	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1
14		State Alt. Fuel Clearing Fund Total ($ Millions)	$ -	$ -	$ 0.3	$ 0.8	$ 0.9	$ 0.9	$ 0.9	$ 0.9	$ 1.0
15		GR Service Charge	$ -	$ -	$ 0.0	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1
16		Distributions ot Local Government	$ -	$ -	$ 0.0	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.1
17		State Transportation Trust Fund	$ -	$ -	$ 0.2	$ 0.6	$ 0.7	$ 0.7	$ 0.7	$ 0.7	$ 0.8
18	**Impact (Cash) (Millions)**										
19		GR	$ (0.0)	$ (0.1)	$ (0.1)	$ -	$ -	$ -	$ -	$ -	$ -
20		Trust	$ (0.2)	$ (0.6)	$ (0.4)	$ -	$ -	$ -	$ -	$ -	$ -
21		Local	$ (0.1)	$ (0.2)	$ (0.1)	$ -	$ -	$ -	$ -	$ -	$ -
22	**Impact (Recurring) (Millions)**										
23		GR	$ (0.1)	$ (0.1)	$ (0.1)	$ -	$ -	$ -	$ -	$ -	$ -
24		Trust	$ (0.6)	$ (0.6)	$ (0.6)	$ -	$ -	$ -	$ -	$ -	$ -
25		Local	$ (0.2)	$ (0.2)	$ (0.2)	$ -	$ -	$ -	$ -	$ -	$ -
26											
27	Note: Refunds and Tax Allowance are insignificant										
28											

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Reduction of Homestead Assessment Limitation Percentage
Bill Number(s): SB 120 & HB 471

☑ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Senator Avila & Representative Fernandez-Barquin
Month/Year Impact Begins: January 2025 (based on SJR 122 & HJR 469)
Date(s) Conference Reviewed: January 20, 2023; January 27, 2023; February 3, 2023

Section 1: Narrative

a. Current Law: Section 193.155, F.S., indicates that the annual growth in assessed value of homestead properties shall not exceed the lower of 3 percent or the percent change in the consumer price index for all urban consumers, U.S. city average.

b. Proposed Change: The joint resolution would change maximum potential annual growth in assessed value of homestead properties from 3 percent to 2 percent.

Section 2: Description of Data and Sources

2022 Millage and Taxes Levied Report, 2022 Final Data Book published by Property Tax Oversight
2009 through 2022 Final Real Property Assessment Rolls, NAL data
Results of the Ad Valorem Estimating Conference, August 3, 2022

Section 3: Methodology (Include Assumptions and Attach Details)

The fiscal impact of the proposed language relies heavily upon the consumer price index (CPI) in all future years. If the language is implemented, there will be no impact until the first year that CPI exceeds 2%. Even if CPI only exceeds 2% for one year, the impact will persist into future years. That impact will grow for unsold parcels so long as just value stays at or above what the assessed value would have been under current law. That impact will diminish if parcels are sold or just values drop below what the assessed value would have been under current law. Multiple years of CPI exceeding 2% will result in stacking, persistent impacts.

Using the most recent fourteen property tax rolls, a “what-if” scenario can be created for each year to identify what the impact would have been on properties in those years had the bill first gone into effect in that year. Because what is being changed is the maximum rate of growth of homestead assessed value, the analysis begins with the prior year roll. In the prior year, identify parcels with homestead status and match them up with the analysis year roll using the master parcel identification number. Keep only parcels with homestead in both years that did not sell in the prior year. To evaluate the growth rate of the homestead assessed values, new construction values are removed and deletion values are added back to the analysis year before dividing it by the prior year’s homestead assessed value.

For parcels with growth in homestead assessed value greater than two percent but less than the save our homes cap in the year of the analysis, calculate what the homestead’s assessed value would have been in the analysis year if the homestead’s assessed value had instead grown at two percent. This requires then adding back in the new construction and removing the deletion value to the homestead assessed value for the analysis year to remain comparable to the roll data. Calculate each parcel’s school and non-school exemption amounts under the current law and apply them to the homestead assessed values under the bill to arrive at a school and non-school taxable value amount under the proposed language, ensuring the values are not less than zero. Subtract the school and non-school homestead taxable values under the current law from the school and non-school taxable values under the proposed language to arrive at the impact on school and non-school taxable value. Apply the 2022 aggregate millage rates for school and non-school levies to arrive at the impact on collections for school and non-school ad valorem taxes.

The table below is included to help identify what the impact of this proposed language would have been had it gone in to effect in a given year. The subsequent years in the table do not represent the continued impact from prior years, but rather the impact that year had the proposed language gone into effect in that year.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Reduction of Homestead Assessment Limitation Percentage
Bill Number(s): SB 120 & HB 471

Roll Year	Save Our Homes Cap	Unsold Parcels with Assessed Value Growing Lower than 2% if the Save Our Homes Cap is Over 2%	Unsold Parcels with Assessed Value Growing Higher than 2% but less than the Save Our Homes Cap	Impact on School Taxable Value	Impact on Non-School Taxable Value	Impact on Collections for School	Impact on Collections for Non-School	Total Impact
2010	2.70%	2,318,017	1,879,318	$(1,748,546,929)	$(1,720,769,092)	$(10,418,063)	$(18,210,341)	$(28,628,404)
2011	1.50%	-	-	$-	$-	$-	$-	$-
2012	3.00%	2,543,454	1,579,642	$(2,423,532,606)	$(2,395,398,766)	$(14,439,713)	$(25,349,728)	$(39,789,440)
2013	1.70%	-	-	$-	$-	$-	$-	$-
2014	1.50%	-	-	$-	$-	$-	$-	$-
2015	0.80%	-	-	$-	$-	$-	$-	$-
2016	0.70%	-	-	$-	$-	$-	$-	$-
2017	2.10%	219,473	3,799,590	$(601,145,793)	$(592,553,732)	$(3,581,702)	$(6,270,804)	$(9,852,506)
2018	2.10%	225,755	3,867,915	$(632,376,271)	$(623,762,499)	$(3,767,777)	$(6,601,076)	$(10,368,854)
2019	1.90%	-	-	$-	$-	$-	$-	$-
2020	2.30%	305,738	3,962,864	$(2,098,372,570)	$(2,072,761,180)	$(12,502,368)	$(21,935,359)	$(34,437,727)
2021	1.40%	-	-	$-	$-	$-	$-	$-
2022	3.00%	22,998	4,388,541	$(8,916,964,141)	$(8,834,826,543)	$(53,128,395)	$(93,496,101)	$(146,624,497)

The accompanying joint resolutions, SJR 122 and HJR 469, indicate the change would not go into effect until the 2025 roll year. The effective roll year of 2025 is assumed to apply to this bill as well. If it were to go into effect earlier, the impact could be larger and occur sooner. The impact of the proposed language is extremely sensitive to slight changes in CPI and subsequent year's impacts are further sensitive to CPI in each respective year. As such, the impact is indeterminate.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	$0	(**)	$0	(**)	$0	$0
2024-25	$0	(**)	$0	(**)	$0	$0
2025-26	(**)	(**)	(**)	(**)	$0	$0
2026-27	(**)	(**)	(**)	(**)	$0	$0
2027-28	(**)	(**)	(**)	(**)	$0	$0

Revenue Distribution: Ad Valorem

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Reduction of Homestead Assessment Limitation Percentage
Bill Number(s): SB 120 & HB 471

Section 5: Consensus Estimate (Adopted: 02/03/2023): The adopted impact of the implementing bill to the constitutional amendment is zero due to the resolution being self-executing.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2027-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Note: See the analysis of the proposed Constitutional Amendment (SJR122/HJR469) for a discussion of its impact.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax, Corporate Income Tax, Insurance Premium Tax
Issue: Community Contribution Tax Credit
Bill Number(s): SB 102; Sections 12, 18, and 38

☐ **Entire Bill**
☒ **Partial Bill**: Part of Section 12; Entirety of Sections 18 and 38
Sponsor(s): Sen Calatayud
Month/Year Impact Begins: July 1st, 2023
Date(s) Conference Reviewed: Feb 3rd, 2023

Section 1: Narrative

a. Current Law: The current law caps the credits available at $14.5M for projects that provide housing opportunities for persons with special needs as defined in S.420.0004 or homeownership opportunities as defined in s.420.9071 and $4.5M for all other projects. A total of $19M in credit is currently available.

b. Proposed Change: The proposed language increases the credit available for projects that provide housing opportunities for persons with special needs as defined in S.420.0004 or homeownership opportunities as defined in s.420.9071 from $14.5M to $25M. Credit available for all other projects is unchanged by this language. The total amount of credit available would be raised to $29.5M

Section 2: Description of Data and Sources

Section 3: Methodology (Include Assumptions and Attach Details)

It is assumed that all credit available is awarded. Therefore, the impact is the increase in cap, or $10.5M. Over the past 3 years approximately 92.9% of the credit is used against Sales and Use Tax liability, 5.6% is used against Corporate Income Tax liability, and 1.5% is used against Insurance Premium Tax liability.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			$(10.5) M	$(10.5) M		
2024-25			$(10.5) M	$(10.5) M		
2025-26			$(10.5) M	$(10.5) M		
2026-27			$(10.5) M	$(10.5) M		
2027-28			$(10.5) M	$(10.5) M		

Revenue Distribution: Sales and Use Tax, Corporate Income Tax, Insurance Premium Tax

Section 5: Consensus Estimate (Adopted: 02/03/2023): The Conference adopted the proposed estimate.

Total Impact

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(8.4)	(8.4)	(Insignificant)	(Insignificant)	(2.1)	(2.1)	(10.5)	(10.5)
2024-25	(8.4)	(8.4)	(Insignificant)	(Insignificant)	(2.1)	(2.1)	(10.5)	(10.5)
2025-26	(8.4)	(8.4)	(Insignificant)	(Insignificant)	(2.1)	(2.1)	(10.5)	(10.5)
2026-27	(8.4)	(8.4)	(Insignificant)	(Insignificant)	(2.1)	(2.1)	(10.5)	(10.5)
2027-28	(8.4)	(8.4)	(Insignificant)	(Insignificant)	(2.1)	(2.1)	(10.5)	(10.5)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax, Corporate Income Tax, Insurance Premium Tax
Issue: Community Contribution Tax Credit
Bill Number(s): SB 102; Sections 12, 18, and 38

Sales Tax Impact

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(7.7)	(7.7)	(Insignificant)	(Insignificant)	(0.3)	(0.3)	(0.7)	(0.7)
2024-25	(7.7)	(7.7)	(Insignificant)	(Insignificant)	(0.3)	(0.3)	(0.7)	(0.7)
2025-26	(7.7)	(7.7)	(Insignificant)	(Insignificant)	(0.3)	(0.3)	(0.7)	(0.7)
2026-27	(7.7)	(7.7)	(Insignificant)	(Insignificant)	(0.3)	(0.3)	(0.7)	(0.7)
2027-28	(7.7)	(7.7)	(Insignificant)	(Insignificant)	(0.3)	(0.3)	(0.7)	(0.7)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(1.1)	(1.1)	(2.1)	(2.1)	(9.8)	(9.8)
2024-25	(1.1)	(1.1)	(2.1)	(2.1)	(9.8)	(9.8)
2025-26	(1.1)	(1.1)	(2.1)	(2.1)	(9.8)	(9.8)
2026-27	(1.1)	(1.1)	(2.1)	(2.1)	(9.8)	(9.8)
2027-28	(1.1)	(1.1)	(2.1)	(2.1)	(9.8)	(9.8)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Reduction of Homestead Assessment Limitation Percentage
Bill Number(s): SJR 122 & HJR 469

☑ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Senator Avila & Representative Fernandez-Barquin
Month/Year Impact Begins: January 2025
Date(s) Conference Reviewed: January 20, 2023; January 27, 2023; February 3, 2023

Section 1: Narrative

a. Current Law: Article VII of the Florida Constitution indicates that the annual growth in assessed value of homestead properties shall not exceed the lower of 3 percent or the percent change in the consumer price index for all urban consumers, U.S. city average.

b. Proposed Change: The joint resolution would change maximum potential annual growth in assessed value of homestead properties from 3 percent to 2 percent.

Section 2: Description of Data and Sources

2022 Millage and Taxes Levied Report, 2022 Final Data Book published by Property Tax Oversight
2009 through 2022 Final Real Property Assessment Rolls, NAL data
Results of the Ad Valorem Estimating Conference, August 3, 2022

Section 3: Methodology (Include Assumptions and Attach Details)

The fiscal impact of the proposed language relies heavily upon the consumer price index (CPI) in all future years. If the language is implemented, there will be no impact until the first year that CPI exceeds 2%. Even if CPI only exceeds 2% for one year, the impact will persist into future years. That impact will grow for unsold parcels so long as just value stays at or above what the assessed value would have been under current law. That impact will diminish if parcels are sold or just values drop below what the assessed value would have been under current law. Multiple years of CPI exceeding 2% will result in stacking, persistent impacts.

Using the most recent fourteen property tax rolls, a "what-if" scenario can be created for each year to identify what the impact would have been on properties in those years had the bill first gone into effect in that year. Because what is being changed is the maximum rate of growth of homestead assessed value, the analysis begins with the prior year roll. In the prior year, identify parcels with homestead status and match them up with the analysis year roll using the master parcel identification number. Keep only parcels with homestead in both years that did not sell in the prior year. To evaluate the growth rate of the homestead assessed values, new construction values are removed and deletion values are added back to the analysis year before dividing it by the prior year's homestead assessed value.

For parcels with growth in homestead assessed value greater than two percent but less than the save our homes cap in the year of the analysis, calculate what the homestead's assessed value would have been in the analysis year if the homestead's assessed value had instead grown at two percent. This requires then adding back in the new construction and removing the deletion value to the homestead assessed value for the analysis year to remain comparable to the roll data. Calculate each parcel's school and non-school exemption amounts under the current law and apply them to the homestead assessed values under the bill to arrive at a school and non-school taxable value amount under the proposed language, ensuring the values are not less than zero. Subtract the school and non-school homestead taxable values under the current law from the school and non-school taxable values under the proposed language to arrive at the impact on school and non-school taxable value. Apply the 2022 aggregate millage rates for school and non-school levies to arrive at the impact on collections for school and non-school ad valorem taxes.

The table below is included to help identify what the impact of this proposed language would have been had it gone in to effect in a given year. The subsequent years in the table do not represent the continued impact from prior years, but rather the impact that year had the proposed language gone into effect in that year.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Reduction of Homestead Assessment Limitation Percentage
Bill Number(s): SJR 122 & HJR 469

Roll Year	Save Our Homes Cap	Unsold Parcels with Assessed Value Growing Lower than 2% if the Save Our Homes Cap is Over 2%	Unsold Parcels with Assessed Value Growing Higher than 2% but less than the Save Our Homes Cap	Impact on School Taxable Value	Impact on Non-School Taxable Value	Impact on Collections for School	Impact on Collections for Non-School	Total Impact
2010	2.70%	2,318,017	1,879,318	$(1,748,546,929)	$(1,720,769,092)	$(10,418,063)	$(18,210,341)	$(28,628,404)
2011	1.50%	-	-	$-	$-	$-	$-	$-
2012	3.00%	2,543,454	1,579,642	$(2,423,532,606)	$(2,395,398,766)	$(14,439,713)	$(25,349,728)	$(39,789,440)
2013	1.70%	-	-	$-	$-	$-	$-	$-
2014	1.50%	-	-	$-	$-	$-	$-	$-
2015	0.80%	-	-	$-	$-	$-	$-	$-
2016	0.70%	-	-	$-	$-	$-	$-	$-
2017	2.10%	219,473	3,799,590	$(601,145,793)	$(592,553,732)	$(3,581,702)	$(6,270,804)	$(9,852,506)
2018	2.10%	225,755	3,867,915	$(632,376,271)	$(623,762,499)	$(3,767,777)	$(6,601,076)	$(10,368,854)
2019	1.90%	-	-	$-	$-	$-	$-	$-
2020	2.30%	305,738	3,962,864	$(2,098,372,570)	$(2,072,761,180)	$(12,502,368)	$(21,935,359)	$(34,437,727)
2021	1.40%	-	-	$-	$-	$-	$-	$-
2022	3.00%	22,998	4,388,541	$(8,916,964,141)	$(8,834,826,543)	$(53,128,395)	$(93,496,101)	$(146,624,497)

The joint resolution is dependent on the ballot outcome and implementing legislation, therefor the proposed fiscal impact is indeterminate.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	0	(0/**)	0	(0/**)	0	(0/**)
2024-25	0	(0/**)	0	(0/**)	0	(0/**)
2025-26	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)
2026-27	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)
2027-28	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)

Revenue Distribution: Ad Valorem

Section 5: Consensus Estimate (Adopted: 02/03/2023): The Conference adopted a zero/negative indeterminate impact since this is a joint resolution proposing an amendment to be submitted to the voters.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	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/(**)
2025-26	0.0	0.0	0.0	0.0	(0/(**)	(0/(**)	(0/(**)	(0/(**)
2026-27	0.0	0.0	0.0	0.0	(0/(**)	(0/(**)	(0/(**)	(0/(**)
2027-28	0.0	0.0	0.0	0.0	(0/(**)	(0/(**)	(0/(**)	(0/(**)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Reduction of Homestead Assessment Limitation Percentage
Bill Number(s): SJR 122 & HJR 469

Note: If the constitutional amendment does not pass, the impact is zero. If approved, because the amendment is self-executing, the impact would be negative indeterminate due to the inherent forecasting complexities between market conditions and the CPI. Using Fiscal Year 2022-23 as a case study, the Save Our Homes Cap moved from 1.4% in the prior year to the 3% maximum cap. Had the maximum cap been 2% as proposed by the bill language, the impact would have been nearly $150 million in that one year. Going forward, this impact will be persistent. Further, multiple years of CPI exceeding 2% would result in stacking impacts.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax
Issue: Residential Graywater System Tax Credit
Bill Number(s): SB 358 / HB 475

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Senator Burgess, Representative Buchanan
Month/Year Impact Begins: January 1, 2024
Date(s) Conference Reviewed: 02/03/2023

Section 1: Narrative

a. Current Law:

There is currently no tax credit given for residential graywater systems.

b. Proposed Change:

For taxable years beginning on or after January 1, 2024, a developer or homebuilder is eligible to receive a credit against the tax imposed by this chapter in an amount up to 50 percent of the cost of each NSF/ANSI 350 Class R certified noncommercial, residential graywater system purchased during the taxable year. The tax credit may not exceed $4,200 for each system purchased.

(4) Any unused tax credit authorized under this section may be carried forward and claimed by the taxpayer for up to 2 taxable years.

Section 2: Description of Data and Sources

5 year Ad Valorem residential new builds
NSF certified residential systems
2020 CIT roll
2021 SUT roll

Section 3: Methodology (Include Assumptions and Attach Details)

This analysis uses the past 5-year residential new build data which is then broken down into new builds corporate developers would be responsible for. The percentage of corporate developers is based on the ratio of developers identified within the sales tax roll and matched into the corporate roll, with the low being the initial ratio of 14.98% and doubling that percentage for the middle and high respectively. This gives us potential C Corp new builds which is then broken down by the percentage of households getting systems and the credits generated per system. The high assumes the systems will be expensive enough to hit the $4200 cap per system with a 5% participation rate, the middle assumes a $5000 average cost per system with a 2.5% participation rate, and the low a $2500 average cost per system with a 1% participation rate. The recurring in the first year is calculated as though the exemption were available in 2023 with 85% 2023 and 15% of 2024 Calendar year total. Each was grown using the avg growth rate of residential new builds from 2018-2022. Each year thereafter, the recurring is 15% of the current year and 85% of the prior calendar year totals. Due to the January 1, 2024 effective date, the cash is 15% of the first year recurring and set to the recurring each year thereafter.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	$(4.1 M)	$(27.2M)	$(0.6 M)	$(4.0 M)	$(0.1 M)	$(0.4 M)
2024-25	$(28.9 M)	$(28.9 M)	$(4.3 M)	$(4.3 M)	$(0.4 M)	$(0.4 M)
2025-26	$(30.8 M)	$(30.8 M)	$(4.6 M)	$(4.6 M)	$(0.5 M)	$(0.5 M)
2026-27	$(32.7 M)	$(32.7 M)	$(4.9 M)	$(4.9 M)	$(0.5 M)	$(0.5 M)
2027-28	$(34.9 M)	$(34.9 M)	$(5.2 M)	$(5.2 M)	$(0.5 M)	$(0.5 M)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax
Issue: Residential Graywater System Tax Credit
Bill Number(s): SB 358 / HB 475

Revenue Distribution: General Revenue, Corporate Income Tax

Section 5: Consensus Estimate (Adopted: 02/03/2023): The Conference adopted a negative indeterminate impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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	(**)	(**)
2026-27	(**)	(**)	0.0	0.0	0.0	0.0	(**)	(**)
2027-28	(**)	(**)	0.0	0.0	0.0	0.0	(**)	(**)

	A	B	C	D	E	F	G
1	**Residential New Builds**						
2	2018	157,235					
3	2019	158,424	0.8%				
4	2020	165,804	4.7%				
5	2021	191,103	15.3%				
6	2022	200,851	5.1%				
7	2023	213,793	6.4%	**Growth rate for residential new builds using 5 yr avg**			
8	2024	227,568					
9	2025	242,232					
10	2026	257,840					
11	2027	274,454					
12	2028	292,138					
13							
14	**% developers in CIT**						
15	High	Middle	Low				
16	59.90%	29.95%	14.98%				
17							
18	**Residential New Builds from C Corps**						
19	Year	**High**	**Middle**	**Low**			
20	2023	128,072	64,036	32,018			
21	2024	136,324	68,162	34,081			
22	2025	145,108	72,554	36,277			
23	2026	154,458	77,229	38,615			
24	2027	164,411	82,205	41,103			
25	2028	175,004	87,502	43,751			
26							
27	**% New Builds w/ Greywater System**						
28	High	Middle	Low				
29	0.50%	2.50%	1.00%				
30							
31	**Credits generated per system (50% of price up to $4,200 cap)**						
32	High	Middle	Low				
33	$ 4,200	$ 2,500	$ 1,250				
34							
35	**Credits Generated**						
36	Year	**High**	**Middle**	**Low**			
37	2023	$ 2,689,510	$ 4,002,247	$ 400,225			
38	2024	$ 2,862,808	$ 4,260,131	$ 426,013			
39	2025	$ 3,047,272	$ 4,534,631	$ 453,463			
40	2026	$ 3,243,622	$ 4,826,818	$ 482,682			
41	2027	$ 3,452,624	$ 5,137,833	$ 513,783			
42	2028	$ 3,675,092	$ 5,468,887	$ 546,889			
43							
44	**Impact**						
45		High		Middle		Low	
46	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
47	2023-24	$ (0.4 M)	$ (2.7 M)	$ (0.6 M)	$ (4.0 M)	$ (0.1 M)	$ (0.4 M)
48	2024-25	$ (2.9 M)	$ (2.9 M)	$ (4.3 M)	$ (4.3 M)	$ (0.4 M)	$ (0.4 M)
49	2025-26	$ (3.1 M)	$ (3.1 M)	$ (4.6 M)	$ (4.6 M)	$ (0.5 M)	$ (0.5 M)
50	2026-27	$ (3.3 M)	$ (3.3 M)	$ (4.9 M)	$ (4.9 M)	$ (0.5 M)	$ (0.5 M)
51	2027-28	$ (3.5 M)	$ (3.5 M)	$ (5.2 M)	$ (5.2 M)	$ (0.5 M)	$ (0.5 M)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Documentary Stamp Tax
Issue: Doc Stamp GR Service Charge Exemption/Redirect
Bill Number(s): SB102

☐ **Entire Bill**
☒ **Partial Bill:** Sections 10, 11, 13, 14 & 15
Sponsor(s): Calatayud
Month/Year Impact Begins: July 1, 2023
Date(s) Conference Reviewed: February 3, 2023

Section 1: Narrative

a. Current Law: Section 201.15, F.S., specifies the distribution of documentary stamp tax collections. Of total collections, the Department of Revenue deducts amounts necessary to pay for collection and enforcement of the tax. From the amount remaining after the preceding deduction, 33 percent is distributed to the Land Acquisition Trust Fund, which includes the payment of debt service. From the amount remaining after the two preceding deductions, an 8 percent service charge is paid to the General Revenue Fund. Of this remainder and among other distributions, amounts equal to 4.5 percent (s. 201.15(4)(c), F.S.) and 5.20254 percent (s. 201.15(4)(d),F.S.) are distributed to the State Housing Trust Fund.

b. Proposed Change:

- Section 10 of SB102 suspends the General Revenue Service Charge (s. 201.15, F.S.) effective July 1, 2023, and specifies an additional distribution to the State Housing Trust Fund—the lesser of 8 percent of the collections remaining after the Land Acquisition Trust Fund distribution or $150 million to the State Housing Trust Fund for projects under the State Apartment Incentive Loan (SAIL) Program (s.201.15 (4), F.S.). If 8 percent of the remainder is greater than $150 million in any fiscal year, the difference is paid to the General Revenue Fund. Section 10 also amends s. 201.15(5), F.S., to specify that the distributions in sections 201.15(4)(c) and (d) to the State Housing Trust Fund and Local Government Housing Trust Fund may not be transferred to the General Revenue Fund in the General Appropriations Act.
- Section 11 provides an expiration to the changes in s. 201.15, F.S., on July 1, 2033, and a reversion to the text in existence on June 30, 2023.
- Section 13 creates s. 215.212, F.S., to specify that the service charge provided in s. 215.20(1), F.S., may not be deducted from the taxes distributed in s. 201.15, F.S.
- Section 14 amends s. 215.22, F.S., to make a conforming change related to the General Revenue service charge.
- Section 15 provides an expiration to the conforming change in s. 215.22, F.S., on July 1, 2033, and a reversion to the text in existence on June 30, 2023.

Section 2: Description of Data and Sources
August 16, 2022 General Revenue Estimating Conference – Documentary Stamp Tax Results

Section 3: Methodology (Include Assumptions and Attach Details)
Using the Documentary Stamp Tax conference results (see attached), the current year distribution for the General Revenue service charge is eliminated. It is replaced with the $150 million additional distribution to the State Housing Trust Fund and the distribution to the General Revenue Fund from the difference between the lesser of the 8 percent and the $150 million. The distributions related to the General Revenue service charge and General Revenue Fund remainder are manually adjusted to be reported as in the month collected rather than the month distributed. Therefore, there is no difference between the cash and recurring impact. The net impact is zero.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
GR	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			($150.0m)	($150.0m)		
2024-25			($150.0m)	($150.0m)		
2025-26			($150.0m)	($150.0m)		
2026-27			($150.0m)	($150.0m)		
2027-28			($150.0m)	($150.0m)		

REVENUE ESTIMATING CONFERENCE

Revenue Source: Documentary Stamp Tax
Issue: Doc Stamp GR Service Charge Exemption/Redirect
Bill Number(s): SB102

	High		Middle		Low	
SHTF	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			$150.0m	$150.0m		
2024-25			$150.0m	$150.0m		
2025-26			$150.0m	$150.0m		
2026-27			$150.0m	$150.0m		
2027-28			$150.0m	$150.0m		

Revenue Distribution:
State Housing Trust Fund

Section 5: Consensus Estimate (Adopted: 02/03/2023) The Conference adopted the proposed impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(150.0)	(150.0)	150.0	150.0	0.0	0.0	0.0	0.0
2024-25	(150.0)	(150.0)	150.0	150.0	0.0	0.0	0.0	0.0
2025-26	(150.0)	(150.0)	150.0	150.0	0.0	0.0	0.0	0.0
2026-27	(150.0)	(150.0)	150.0	150.0	0.0	0.0	0.0	0.0
2027-28	(150.0)	(150.0)	150.0	150.0	0.0	0.0	0.0	0.0

Documentary Stamp Tax Collections and Distributions (Millions)
SB 102 (2/3/2023)

	Statutory %s	$ Cap	F.S. Reference	Description	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2038-38	2038-39	2039-40
				Total Collection	4523.7	4037.6	4073.9	3475.6	3527.8	3615.9	3724.5	3836.1	3951.2	4069.8	4191.9	4317.7	4447.2	4580.6	4718.0	4859.6	5005.3	5155.5
			201.15	DOR Admin Cost	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8
				Remainder available for distribution	4513.9	4027.8	4064.1	3465.8	3518.0	3606.1	3714.7	3826.3	3941.4	4060.0	4182.1	4307.9	4437.4	4570.8	4708.2	4849.8	4995.6	5145.7
			201.15(1)	**Debt Service (deposited to LATF)**	**124.2**	**104.8**	**104.8**	**81.3**	**60.9**	**44.4**	**24.8**	**6.9**	**6.9**	**6.9**	**3.4**	**3.4**	**3.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
				- Florida Forever	*101.5*	*82.1*	*82.1*	*65.2*	*44.8*	*34.9*	*15.4*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
				- Everglades Restoration Bonds Prior to July 1, 2016	*22.7*	*22.7*	*22.7*	*16.1*	*16.1*	*9.5*	*9.5*	*6.9*	*6.9*	*6.9*	*3.4*	*3.4*	*3.4*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
			201.15(2)	**Land Acquisition Trust Fund (1+2+3+4+5+6+7)**	**1365.4**	**1224.3**	**1236.3**	**1062.4**	**1100.0**	**1145.6**	**1201.0**	**1255.8**	**1293.7**	**1332.9**	**1376.7**	**1418.2**	**1460.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
	25.00%	*200.00*	*375.041(3)(b)1.*	1. Everglades Projects / Comp Everglades Rest Plan	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	0.0	0.0	0.0	0.0	0.0
			375.041(3)(b)1.	*+++ South Florida Water Management District*	*32.0*	*32.0*																
	76.50%	*100.00*	*375.041(3)(b)1.*	*+++ Planning, Engineering and Construction*	*100.0*	*100.0*	*100.0*	*100.0*														
			375.041(3)(b)1.	*+++ Remaining Everglades Purposes*	*68.0*	*68.0*	*100.0*	*100.0*	*200.0*	*200.0*	*200.0*	*200.0*	*200.0*	*200.0*	*200.0*	*200.0*	*200.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
	7.60%	*50.00*	*375.041(3)(b)2.*	2. Spring Restoration, Protection & Management	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	0.0	0.0	0.0	0.0	0.0
			375.041(3)(b)3.	3. Lake Apopka / St. Johns Water Management District	5.0	5.0	5.0	5.0														
			375.041(3)(b)	4. Debt Service / Bonds Post July 1, 2016 [pursuant to 375.041(3)(b)]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		64.00	*375.041(3)(b)4.*	5. Everglades Trust Fund	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	0.0	0.0	0.0	0.0	0.0
		50.00	*375.041(3)(b)5.*	6. SFWMD	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	0.0	0.0	0.0	0.0	0.0
			Residual	7. Uncommitted Cash Based on Statutory Provisions	996.4	855.3	867.3	693.4	736.0	781.6	837.0	891.8	929.7	968.9	1012.7	1054.2	1096.9	0.0	0.0	0.0	0.0	0.0
	33.00%		201.15(3)	Total to Land Acquisition Trust Fund	**1489.6**	**1329.2**	**1341.2**	**1143.7**	**1160.9**	**1190.0**	**1225.9**	**1262.7**	**1300.7**	**1339.8**	**1380.1**	**1421.6**	**1464.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
				Remainder	3024.3	2698.6	2723.0	2322.1	2357.1	2416.1	2488.9	2563.6	2640.7	2720.2	2802.0	2886.3	2973.1	4570.8	4708.2	4849.8	4995.6	5145.7
	8.00%		215.20(1)	General Revenue Service Charge	242.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	231.7	238.6	366.5	377.4	388.8	400.4	412.4
		150.00	SB 102 (201.15(4))	State Housing Trust Fund		150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0							
			SB 102 (201.15(4))	General Revenue Fund		66.7	68.6	36.6	39.4	44.1	49.9	55.9	62.0	68.4	74.9							
			201.15(4)	Net Available for Distribution	2781.6	2482.0	2504.3	2135.5	2167.7	2222.0	2289.0	2357.8	2428.7	2501.8	2577.1	2654.6	2734.4	4204.4	4330.8	4461.0	4595.1	4733.3
STTF																						
	20.55%	466.75	(a)	State Transportation Trust Fund	466.8	466.8	466.8	438.8	445.4	456.5	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8
GDTF	0.15%	3.25	(b)	Grants and Donations Trust Fund (DEO)	3.250	3.250	3.250	3.110	3.160	3.240	3.250	3.250	3.250	3.250	3.250	3.250	3.250	3.250	3.250	3.250	3.250	3.250
SHTF																						
4.50%	2.25%		(c)	State Housing Trust Fund	62.6	55.8	56.4	48.1	48.8	50.0	51.5	53.1	54.7	56.3	58.0	59.7	61.5	94.6	97.4	100.4	103.4	106.5
	2.25%		(c)	Local Government Housing Trust Fund	62.6	55.8	56.4	48.1	48.8	50.0	51.5	53.1	54.7	56.3	58.0	59.7	61.5	94.6	97.4	100.4	103.4	106.5
SHTF																						
5.20%	0.65%		(d)	State Housing Trust Fund	18.1	16.1	16.3	13.9	14.1	14.5	14.9	15.3	15.8	16.3	16.8	17.3	17.8	27.3	28.2	29.0	29.9	30.8
	4.55%		(d)	Local Government Housing Trust Fund	126.6	113.0	114.0	97.2	98.7	101.2	104.2	107.3	110.6	113.9	117.3	120.8	124.5	191.4	197.2	203.1	209.2	215.5
GITF	0.02%	0.30	(e)	General Inspection Trust Fund	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
SEEDTF		75.00	(f)	State Economic Enhancement and Development Trust Fund (DEO)	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
RFTF	5.42%		(g)	Resilient Florida Trust Fund (RFTF)	150.7	134.5	135.7	115.7	117.4	120.4	124.0	127.7	131.6	135.5	139.6	143.8	148.1	227.8	234.6	241.7	248.9	256.4
WPSPTF	5.42%		(h)	Water Protection and Sustainability Program Trust Fund (WPSPTF)	150.7	134.5	135.7	115.7	117.4	120.4	124.0	127.7	131.6	135.5	139.6	143.8	148.1	227.8	234.6	241.7	248.9	256.4
				Total to Trust Funds (Except LATF)	1116.6	1055.0	1059.6	955.7	969.0	991.4	1015.4	1029.5	1044.1	1059.1	1074.6	1090.5	1106.9	1408.8	1434.7	1461.5	1489.0	1517.4
			(6)	Remainder To General Revenue Fund	1665.0	1426.9	1444.7	1179.8	1198.7	1230.6	1273.6	1328.2	1384.6	1442.7	1502.5	1564.1	1627.5	2795.6	2896.1	2999.5	3106.1	3215.9

Documentary Stamp Tax Collections and Distributions (Millions)
Current Law (8/16/2022)

	Statutory %s	$ Cap	F.S. Reference	Description	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2038-38	2038-39	2039-40
				Total Collection	4523.7	4037.6	4073.9	3475.6	3527.8	3615.9	3724.5	3836.1	3951.2	4069.8	4191.9	4317.7	4447.2	4580.6	4718.0	4859.6	5005.3	5155.5
			201.15	DOR Admin Cost	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8
				Remainder available for distribution	4513.9	4027.8	4064.1	3465.8	3518.0	3606.1	3714.7	3826.3	3941.4	4060.0	4182.1	4307.9	4437.4	4570.8	4708.2	4849.8	4995.6	5145.7
			201.15(1)	Debt Service (deposited to LATF)	**124.2**	**104.8**	**104.8**	**81.3**	**60.9**	**44.4**	**24.8**	**6.9**	**6.9**	**6.9**	**3.4**	**3.4**	**3.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
				- Florida Forever	*101.5*	*82.1*	*82.1*	*65.2*	*44.8*	*34.9*	*15.4*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
				- Everglades Restoration Bonds Prior to July 1, 2016	*22.7*	*22.7*	*22.7*	*16.1*	*16.1*	*9.5*	*9.5*	*6.9*	*6.9*	*6.9*	*3.4*	*3.4*	*3.4*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
			201.15(2)	Land Acquisition Trust Fund (1+2+3+4+5+6+7)	**1365.4**	**1224.3**	**1236.3**	**1062.4**	**1100.0**	**1145.6**	**1201.0**	**1255.8**	**1293.7**	**1332.9**	**1376.7**	**1418.2**	**1460.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
	25.00%	*200.00*	*375.041(3)(b)1.*	1. Everglades Projects / Comp Everglades Rest Plan	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	0.0	0.0	0.0	0.0	0.0
			375.041(3)(b)1.	*+++ South Florida Water Management District*	*32.0*	*32.0*																
	76.50%	*100.00*	*375.041(3)(b)1.*	*+++ Planning, Engineering and Construction*	*100.0*	*100.0*	*100.0*	*100.0*														
			375.041(3)(b)1.	*+++ Remaining Everglades Purposes*	*68.0*	*68.0*	*100.0*	*100.0*	*200.0*	*200.0*	*200.0*	*200.0*	*200.0*	*200.0*	*200.0*	*200.0*	*200.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
	7.60%	*50.00*	*375.041(3)(b)2.*	2. Spring Restoration, Protection & Management	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	0.0	0.0	0.0	0.0	0.0
			375.041(3)(b)3.	3. Lake Apopka / St. Johns Water Management District	5.0	5.0	5.0	5.0														
			375.041(3)(b)	4. Debt Service / Bonds Post July 1, 2016 [pursuant to 375.041(3)(b)]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		64.00	*375.041(3)(b)4.*	5. Everglades Trust Fund	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	0.0	0.0	0.0	0.0	0.0
		50.00	*375.041(3)(b)5.*	6. SFWMD	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	0.0	0.0	0.0	0.0	0.0
			Residual	7. Uncommitted Cash Based on Statutory Provisions	996.4	855.3	867.3	693.4	736.0	781.6	837.0	891.8	929.7	968.9	1012.7	1054.2	1096.9	0.0	0.0	0.0	0.0	0.0
	33.00%		201.15(3)	Total to Land Acquisition Trust Fund	**1489.6**	**1329.2**	**1341.2**	**1143.7**	**1160.9**	**1190.0**	**1225.9**	**1262.7**	**1300.7**	**1339.8**	**1380.1**	**1421.6**	**1464.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
				Remainder	3024.3	2698.6	2723.0	2322.1	2357.1	2416.1	2488.9	2563.6	2640.7	2720.2	2802.0	2886.3	2973.1	4570.8	4708.2	4849.8	4995.6	5145.7
	8.00%		215.20(1)	General Revenue Service Charge	242.7	216.7	218.6	186.6	189.4	194.1	199.9	205.9	212.0	218.4	224.9	231.7	238.6	366.5	377.4	388.8	400.4	412.4
		150.00	SB 102 (201.15(4))	State Housing Trust Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			SB 102 (201.15(4))	General Revenue Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			201.15(4)	Net Available for Distribution	2781.6	2482.0	2504.3	2135.5	2167.7	2222.0	2289.0	2357.8	2428.7	2501.8	2577.1	2654.6	2734.4	4204.4	4330.8	4461.0	4595.1	4733.3
STTF																						
	20.55%	466.75	(a)	State Transportation Trust Fund	466.8	466.8	466.8	438.8	445.4	456.5	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8
GDTF	0.15%	3.25	(b)	Grants and Donations Trust Fund (DEO)	3.250	3.250	3.250	3.110	3.160	3.240	3.250	3.250	3.250	3.250	3.250	3.250	3.250	3.250	3.250	3.250	3.250	3.250
SHTF																						
4.50%	2.25%		(c)	State Housing Trust Fund	62.6	55.8	56.4	48.1	48.8	50.0	51.5	53.1	54.7	56.3	58.0	59.7	61.5	94.6	97.4	100.4	103.4	106.5
	2.25%		(c)	Local Government Housing Trust Fund	62.6	55.8	56.4	48.1	48.8	50.0	51.5	53.1	54.7	56.3	58.0	59.7	61.5	94.6	97.4	100.4	103.4	106.5
SHTF																						
5.20%	0.65%		(d)	State Housing Trust Fund	18.1	16.1	16.3	13.9	14.1	14.5	14.9	15.3	15.8	16.3	16.8	17.3	17.8	27.3	28.2	29.0	29.9	30.8
	4.55%		(d)	Local Government Housing Trust Fund	126.6	113.0	114.0	97.2	98.7	101.2	104.2	107.3	110.6	113.9	117.3	120.8	124.5	191.4	197.2	203.1	209.2	215.5
GITF	0.02%	0.30	(e)	General Inspection Trust Fund	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
SEEDTF		75.00	(f)	State Economic Enhancement and Development Trust Fund (DEO)	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
RFTF	5.42%		(g)	Resilient Florida Trust Fund (RFTF)	150.7	134.5	135.7	115.7	117.4	120.4	124.0	127.7	131.6	135.5	139.6	143.8	148.1	227.8	234.6	241.7	248.9	256.4
WPSPTF	5.42%		(h)	Water Protection and Sustainability Program Trust Fund (WPSPTF)	150.7	134.5	135.7	115.7	117.4	120.4	124.0	127.7	131.6	135.5	139.6	143.8	148.1	227.8	234.6	241.7	248.9	256.4
				Total to Trust Funds (Except LATF)	1116.6	1055.0	1059.6	955.7	969.0	991.4	1015.4	1029.5	1044.1	1059.1	1074.6	1090.5	1106.9	1408.8	1434.7	1461.5	1489.0	1517.4
			(6)	Remainder To General Revenue Fund	1665.0	1426.9	1444.7	1179.8	1198.7	1230.6	1273.6	1328.2	1384.6	1442.7	1502.5	1564.1	1627.5	2795.6	2896.1	2999.5	3106.1	3215.9

Documentary Stamp Tax Collections and Distributions (Millions)
Impact of SB 102 (2/3/2023)

	Statutory %s	$ Cap	F.S. Reference	Description	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2038-38	2038-39	2039-40
				Total Collection	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			201.15	DOR Admin Cost	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
				Remainder available for distribution	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			201.15(1)	Debt Service (deposited to LATF)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
				- Florida Forever	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
				- Everglades Restoration Bonds Prior to July 1, 2016	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
			201.15(2)	Land Acquisition Trust Fund (1+2+3+4+5+6+7)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
	25.00%	*200.00*	*375.041(3)(b)1.*	1. Everglades Projects / Comp Everglades Rest Plan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			375.041(3)(b)1.	*+++ South Florida Water Management District*	*0.0*	*0.0*	[redacted]															
	76.50%	*100.00*	*375.041(3)(b)1.*	*+++ Planning, Engineering and Construction*	*0.0*	*0.0*	*0.0*	*0.0*	[redacted]													
			375.041(3)(b)1.	*+++ Remaining Everglades Purposes*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
	7.60%	*50.00*	*375.041(3)(b)2.*	2. Spring Restoration, Protection & Management	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			375.041(3)(b)3.	3. Lake Apopka / St. Johns Water Management District	0.0	0.0	0.0	0.0	[redacted]													
			375.041(3)(b)	4. Debt Service / Bonds Post July 1, 2016 [pursuant to 375.041(3)(b)]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		64.00	*375.041(3)(b)4.*	5. Everglades Trust Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		50.00	*375.041(3)(b)5.*	6. SFWMD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			Residual	7. Uncommitted Cash Based on Statutory Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	33.00%		201.15(3)	Total to Land Acquisition Trust Fund	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
				Remainder	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	8.00%		215.20(1)	General Revenue Service Charge	0.0	-216.7	-218.6	-186.6	-189.4	-194.1	-199.9	-205.9	-212.0	-218.4	-224.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		150.00	SB 102 (201.15(4))	State Housing Trust Fund	0.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			SB 102 (201.15(4))	General Revenue Fund	0.0	66.7	68.6	36.6	39.4	44.1	49.9	55.9	62.0	68.4	74.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			201.15(4)	Net Available for Distribution	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
STTF																						
	20.55%	466.75	(a)	State Transportation Trust Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GDTF	0.15%	3.25	(b)	Grants and Donations Trust Fund (DEO)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SHTF																						
4.50%	2.25%		(c)	State Housing Trust Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2.25%		(c)	Local Government Housing Trust Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SHTF																						
5.20%	0.65%		(d)	State Housing Trust Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	4.55%		(d)	Local Government Housing Trust Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GITF	0.02%	0.30	(e)	General Inspection Trust Fund	0.00	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
SEEDTF		75.00	(f)	State Economic Enhancement and Development Trust Fund (DEO)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RFTF	5.42%		(g)	Resilient Florida Trust Fund (RFTF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WPSPTF	5.42%		(h)	Water Protection and Sustainability Program Trust Fund (WPSPTF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
				Total to Trust Funds (Except LATF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			201.15(6)	Remainder To General Revenue Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Building Materials used in Affordable Housing Units Sales Tax Refund
Bill Number(s): SB 102, Section 12

☐ **Entire Bill**
☒ **Partial Bill**: Section 12
Sponsor(s): Sen Alatau
Month/Year Impact Begins: July 1st, 2023
Date(s) Conference Reviewed: February 3rd, 2023

Section 1: Narrative

a. **Current Law**: Materials used in the construction of affordable housing units are taxed at 6%.

b. **Proposed Change**: The language in this bill allows for the owner of an affordable housing development to receive a refund of sales tax paid on building materials used in construction of the development, providing the construction was finished after July 1st, 2023, and the owner follows the process described. The language excludes renovation, restoration, rehabilitation, alteration, modification, and expansion from eligibility. The refund is capped at the lesser of $5,000 or 97.5% of sales tax paid and must be at least $500. Qualifying properties means "property that has units subject to an agreement with the Florida Housing Finance Corporation pursuant to chapter 420 recorded in the official records of the county in which the property is located to provide affordable housing to natural persons or families meeting the extremely-low-income, very-low-income, or low-income limits specified in s. 420.0004."

Subparagraph 6 of the language details a transfer from the half cent clearing trust fund to GR equal to 10% of every refund.

Section 2: Description of Data and Sources

The FHFC provided data on affordable housing construction in calendar years 2018-2022. The figures they provided were grown at the Core CPI rate adopted in the 2022 Long Run National Economic Estimating Conference and the New Construction Growth Rate from the 2022 Long Run Ad Valorem Conference.

Section 3: Methodology (Include Assumptions and Attach Details)

We first recognize that the cap imposed by language of $5,000 (which translates to $83,333 in sales) is well below the amount paid in sales tax for materials used in construction of a single unit. Therefore, every unit constructed is going to hit this cap. We can estimate the number of units constructed in a given fiscal year (using the new construction growth rate from the ad valorem conference) and multiply that number by the $5,000 cap to reach an estimate that assumes universal adoption. The language only allows a 6-month window to apply for a refund, so we set this as the high and build the middle and low by assuming adoption rates of less than 100%. We chose 90% for the middle and 75% for the low as we feel the incentive is high enough to persuade most people.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	$ (36.43)	$ (39.74)	$ (32.79)	$ (35.77)	$ (27.32)	$ (29.81)
2024-25	$ (40.52)	$ (40.52)	$ (36.47)	$ (36.47)	$ (30.39)	$ (30.39)
2025-26	$ (41.97)	$ (41.97)	$ (37.77)	$ (37.77)	$ (31.48)	$ (31.48)
2026-27	$ (42.65)	$ (42.65)	$ (38.38)	$ (38.38)	$ (31.98)	$ (31.98)
2027-28	$ (42.71)	$ (42.71)	$ (38.44)	$ (38.44)	$ (32.03)	$ (32.03)

Revenue Distribution:

Sales and use Tax, with a caveat that 10% of each refund is transferred from local half cent to GR

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Building Materials used in Affordable Housing Units Sales Tax Refund
Bill Number(s): SB 102, Section 12

Section 5: Consensus Estimate (Adopted: 02/03/2023): The Conference adopted the high estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(31.9)	(34.8)	(Insignificant)	(Insignificant)	(1.1)	(1.2)	(3.4)	(3.7)
2024-25	(35.6)	(35.6)	(Insignificant)	(Insignificant)	(1.2)	(1.2)	(3.7)	(3.7)
2025-26	(36.8)	(36.8)	(Insignificant)	(Insignificant)	(1.2)	(1.2)	(4.0)	(4.0)
2026-27	(37.4)	(37.4)	(Insignificant)	(Insignificant)	(1.3)	(1.3)	(4.0)	(4.0)
2027-28	(37.4)	(37.4)	(Insignificant)	(Insignificant)	(1.3)	(1.3)	(4.0)	(4.0)

	6% Sub-Total		Add: Local Option		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(36.4)	(39.7)	(4.4)	(4.8)	(40.8)	(44.5)
2024-25	(40.5)	(40.5)	(4.9)	(4.9)	(45.4)	(45.4)
2025-26	(42.0)	(42.0)	(5.1)	(5.1)	(47.1)	(47.1)
2026-27	(42.7)	(42.7)	(5.2)	(5.2)	(47.9)	(47.9)
2027-28	(42.7)	(42.7)	(5.2)	(5.2)	(47.9)	(47.9)

	A	B	C	D	E	F	G	H
1	**Inputs From FHFC**						Received from Bill Aldinger, Managing Director of Policy and Special Programs at the Florida Housing Finance Corporation, on Feb 1, 2023. Numbers given in calendar year. Based on credit underwriting reports required to be approved prior to permanent financing.	
2	Calendar Year	New Construction Units		Total Material Cost	Cost Per Unit			
3	2019	6,315		$ 721,835,631	$ 114,305			
4	2020	9,272		$ 1,165,202,465	$ 125,669			
5	2021	7,053		$ 961,565,589	$ 136,334			
6	2022	9,495		$ 1,477,942,598	$ 155,655			
7	Average	8,034		$ 1,081,636,571	$ 132,991			
8								
9	**Requirements in Language**						Refund is the lesser of $5000 or 97.5% of the sales tax due. Assumed that $5000 will always be lesser.	
10	Refund Floor	$ 500.00		Refund Cap	$ 5,000.00			
11	Material Cost Floor	$ 8,333.33		Material Cost Cap	$ 83,333.33			
12								
13	**August 2022 New Construction Growth**			**Average New Construction Units**			Series:	Average
14	*adval_results.pdf page 12*			Grown at Given Growth Rates				
15	2023	-1.06%		2023	7,949		The new construction growth rate from the Ad Valorem Conference is used under the reasoning that the proportion of new construction that is Affordable Housing is largely constant over time.	
16	2024	1.96%		2024	8,104			
17	2025	3.57%		2025	8,394			
18	2026	1.61%		2026	8,529			
19	2027	0.14%		2027	8,541			
20	2028	0.51%		2028	8,585			
21								
22	**July 2022 NEEC Core CPI Growth**			**2022 Cost Per Unit**			Series:	2022
23	*FY upcpicor*			Grown at Given Growth Rates				
24	2023	4.77%		2023	$ 163,080		Average Material Cost per unit is expected to stay above the imposed cap, therefore this series ends its involvement in the impact. It is left here to serve as a starting point should anyone wish to evaluate changing or removing the cap.	
25	2024	2.66%		2024	$ 167,417			
26	2025	2.30%		2025	$ 171,268			
27	2026	2.29%		2026	$ 175,190			
28	2027	2.25%		2027	$ 179,132			
29	2028	2.23%		2028	$ 183,127			
30								
31	**Capped Total Cost of Materials**			**Impact**			6% sales tax rate applied to the capped total cost of materials. An alternative way to reach these figures is multiply number of units by the $5,000 refund cap. This impact assumes universal adoption and is set as the High. The Middle and Low estimates are determined by adoption rates.	
32	Cap * 2022 New Construction Units			6% of Total Material Cost				
33	2023	$ 662,404,238		2023	$ 39,744,254			
34	2024	$ 675,354,413		2024	$ 40,521,265			
35	2025	$ 699,485,556		2025	$ 41,969,133			
36	2026	$ 710,775,814		2026	$ 42,646,549			
37	2027	$ 711,773,908		2027	$ 42,706,434			
38	2028	$ 715,390,922		2028	$ 42,923,455			
39								
40					Adoption Rate			Adoption Rate
41	High			Middle	90%		Low	75%
42	Cash	Recurring		Cash	Recurring		Cash	Recurring
43	$ (36.43)	$ (39.74)		$ (32.79)	$ (35.77)		$ (27.32)	$ (29.81)
44	$ (40.52)	$ (40.52)		$ (36.47)	$ (36.47)		$ (30.39)	$ (30.39)
45	$ (41.97)	$ (41.97)		$ (37.77)	$ (37.77)		$ (31.48)	$ (31.48)
46	$ (42.65)	$ (42.65)		$ (38.38)	$ (38.38)		$ (31.98)	$ (31.98)
47	$ (42.71)	$ (42.71)		$ (38.44)	$ (38.44)		$ (32.03)	$ (32.03)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Private Investigative Services Exemption
Bill Number(s): SB 116 / HB 205

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Senator Rodriguez & Representative Gossett-Seidman
Month/Year Impact Begins: July 1, 2023
Date(s) Conference Reviewed:02/03/2023

Section 1: Narrative

a. **Current Law:** Under s.212.05 (1) F.S., For the exercise of such privilege, a tax is levied on each taxable transaction or incident, which tax is due and payable as follows:

(i)1: At the rate of 6 percent on charges for all:

a. Detective, burglar protection, and other protection services (NAICS National Numbers 561611, 561612, 561613, and 561621).

s.212.05 (1) (i) F.S., 4. If a transaction involves both the sale or use of a service taxable under this paragraph and the sale or use of a service or any other item not taxable under this chapter, the consideration paid must be separately identified and stated with respect to the taxable and exempt portions of the transaction or the entire transaction shall be presumed taxable. The burden shall be on the seller of the service or the purchaser of the service, whichever applicable, to overcome this presumption by providing documentary evidence as to which portion of the transaction is exempt from tax. The department is authorized to adjust the amount of consideration identified as the taxable and exempt portions of the transaction; however, a determination that the taxable and exempt portions are inaccurately stated and that the adjustment is applicable must be supported by substantial competent evidence.

s. 493.6101 (17) F.S., "Private investigation" means the investigation by a person or persons for the purpose of obtaining information with reference to any of the following matters:

(a) Crime or wrongs done or threatened against the United States or any state or territory of the United States, when operating under express written authority of the governmental official responsible for authorizing such investigation.

(b) The identity, habits, conduct, movements, whereabouts, affiliations, associations, transactions, reputation, or character of any society, person, or group of persons.

(c) The credibility of witnesses or other persons.

(d) The whereabouts of missing persons, owners of unclaimed property or escheated property, or heirs to estates.

(e) The location or recovery of lost or stolen property.

(f) The causes and origin of, or responsibility for, fires, libels, slanders, losses, accidents, damage, or injuries to real or personal property.

(g) The business of securing evidence to be used before investigating committees or boards of award or arbitration or in the trial of civil or criminal cases and the preparation therefor.

From Florida Department of Agriculture website: A private investigator is any individual or agency who, for consideration, advertises as providing or performs the following activities. Individuals or agencies providing or advertising as providing these services for consideration must be licensed.

- Subcontracting with the government to determine crimes or wrongs done or threatened against the United States
- Determining the identity, habits, conduct, movements, whereabouts, affiliations, associations, transactions, reputation or character of any society, person, or group of persons
- The credibility of witnesses or other persons
- The whereabouts of missing persons, owners of abandoned or escheated property, or heirs to estates
- The location or recovery of lost or stolen property
- The causes or origin of fires, libels, slanders, losses, accidents, damage, or injuries to real or personal property
- Securing evidence to be used before investigating committees or boards of award or arbitration or trial of civil or criminal cases

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Private Investigative Services Exemption
Bill Number(s): SB 116 / HB 205

Proposed Change : (qqq) *Small private investigative agencies*.—
1. As used in this paragraph, the term "small private investigative agency" means a private investigator licensed under s. 493.6201 which:
a. Employs three or fewer full-time or part-time employees, including those performing services pursuant to an employee leasing arrangement as defined in s. 468.520(4), in total; and
b. Reported less than $150,000 in taxable sales during the previous calendar year for providing private investigative services as defined in s. 493.6101(17) for all its businesses related through common ownership.
2. The sale of investigative services by a small private investigative agency to a client is exempt from the tax imposed by this chapter.
(3) This section shall take effect upon this act becoming a law.

Section 2: Description of Data and Sources
Calendar Year 2021 Sales Tax Data
2022 Private Investigator Impact Analysis Growth Rates
Florida Department of Agriculture
Kind Code – NAICS crosswalk
Florida Department of Agriculture - Active Licensed Private Investigators
DOR Private Investigator Class A BP findings

Section 3: Methodology (Include Assumptions and Attach Details)

This analysis uses a list from the Florida Department of Agriculture and Consumer Services (DACS) of the Active Licensed Private Investigators that has been matched into the Florida Department of Revenue's annual sales tax data files. Businesses with less than 150k in taxable sales were kept. To account for licensed businesses that could not be matched between DACS and DOR, the impact was apportioned up according to the breakdown of those businesses with licenses that were matched. Out of 2689 total Class A licenses, 1406 were matched into DOR from DACS 794 of those were matched with SUT data and 678 is the remaining number of licensees under 150k in taxable sales. Following the percentage breakdowns from those we get a potential 619 more class A licenses that could fall into the under 150k group. An average was made for tax with the 678 matched licenses and that number was used to grow the undiscovered group. It was assumed a business generating less than 150k in taxable sales would not be able to hire more than 3 people. Previous conferences on this issue adopted a 1.5% growth rate for Private Investigators which was used for the out years. There were potential administrative issues brought up about the bill, specifically that the term "small private investigative agency" is conditioned by an agency that reported less than $150k in taxable sales the previous calendar year. Conditioning the exemption qualifications by taxable sales, allows the agency to "drop off the map" for all subsequent years once it meets the qualification for a single year since they would no longer have any taxable sales with the exemption. The agency could arguably receive more than $150,000 for providing private investigative services the following years. None of the sales would be reported as taxable. The agency would continue to meet the requirements of the statute even though it is providing private investigative services in excess of the initial taxable threshold amount. Due to this a percentage of the remaining tax from businesses over 150k in taxable sales is added to the impact. This effect is compounding so 5% is added each additional year.

The first year cash value is eleven twelfths of the recurring due to the July 1, 2023 effective date.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24			$(1.65 M)	$(1.80 M)		
2024-25			$(2.68 M)	$(2.68 M)		
2025-26			$(3.56 M)	$(3.56 M)		
2026-27			$(4.44 M)	$(4.44 M)		
2027-28			$(5.33 M)	$(5.33 M)		

List of affected Trust Funds: Sales and Use Tax

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Private Investigative Services Exemption
Bill Number(s): SB 116 / HB 205

Section 5: Consensus Estimate (Adopted: 02/03/2023): The Conference adopted the proposed estimate but with the fifth year recurring being the recurring level for every year.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(1.4)	(4.7)	(Insignificant)	(Insignificant)	(Insignificant)	(0.2)	(0.1)	(0.4)
2024-25	(2.4)	(4.7)	(Insignificant)	(Insignificant)	(0.1)	(0.2)	(0.2)	(0.4)
2025-26	(3.2)	(4.7)	(Insignificant)	(Insignificant)	(0.1)	(0.2)	(0.3)	(0.4)
2026-27	(3.9)	(4.7)	(Insignificant)	(Insignificant)	(0.1)	(0.2)	(0.4)	(0.4)
2027-28	(4.7)	(4.7)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.4)	(0.4)

	6% Sub-Total		Add: Local Option		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(1.6)	(5.3)	(0.2)	(0.6)	(1.8)	(5.9)
2024-25	(2.7)	(5.3)	(0.3)	(0.6)	(3.0)	(5.9)
2025-26	(3.6)	(5.3)	(0.4)	(0.6)	(4.0)	(5.9)
2026-27	(4.4)	(5.3)	(0.5)	(0.6)	(4.9)	(5.9)
2027-28	(5.3)	(5.3)	(0.6)	(0.6)	(5.9)	(5.9)

	A	B	C	D	E	F	G
1	Total Class A Private Investigator active licenses						
2	2,689						
3							
4	Total Class A PI licenses found with partner #			percentage breakdown		Unknown Class A Licenses	
5	1406			47.7%		1,283	
6							
7	Total licenses matched with SUT data						
8	794			56.5%		725	
9							
10	Total licenses matched into SUT with less than 150k taxable sales						
11	678			85.4%		619	
12							
13	matched licensees with less than 150k taxable						
14	Gross sales	Taxable sales	Tax				
15	**$ 231,802,052**	**$ 9,967,100**	**$ 926,906**				
16							
17	Average for each license under 150k			within naics under 150k			
18	Gross	341,890.93		Gross sales	Taxable sales	Tax	count
19	Taxable	14,700.74		713,722,148	54,851,533	6,217,361	2,341
20	Tax	1,367.12					
21							
22	Apportioned tax from unkown licensees under 150k						
23	Gross	$ 211,523,495					
24	Taxable	$ 9,095,156					
25	Tax	$ 845,818					
26							
27	Total Tax including apportioned factor						
28	1,772,723						
29							
30	Growth rate for Private Investigators as used in previous conferences						
31	1.5%						
32							
33	2023-24	1,799,314.12					
34	2024-25	1,826,303.83					
35	2025-26	1,853,698.39					
36	2026-27	1,881,503.86					
37	2027-28	1,909,726.42					
38							
39	Matched licenses over 150k taxable sales						
40	Gross sales	Taxable sales	Tax				
41	314,283,770	244,524,786	17,088,274				
42							
43	% of remaining tax to add to impact representing the specific language of this bill						
44	2024-25	5%					
45	2025-26	10%					
46	2026-27	15%					
47	2027-28	20%					
48							
49	Sales Tax Impacts						
50		High		Middle		Low	
51	FY	Cash	Recurring	Cash	Recurring	Cash	Recurring
52	2023-24	$ -	$ -	$ (1.65 M)	$ (1.80 M)	$ -	$ -
53	2024-25	$ -	$ -	$ (2.68 M)	$ (2.68 M)	$ -	$ -
54	2025-26	$ -	$ -	$ (3.56 M)	$ (3.56 M)	$ -	$ -
55	2026-27	$ -	$ -	$ (4.44 M)	$ (4.44 M)	$ -	$ -
56	2027-28	$ -	$ -	$ (5.33 M)	$ (5.33 M)	$ -	$ -