



MONTHLY REVENUE REPORT

Office of Economic & Demographic Research

Volume 37, Number 8
February 2017

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

General Revenue (GR) collections for February 2017 were \$20.8 M (1.0%) under the monthly estimate based on the General Revenue forecast adopted December 12, 2016. For the year, GR collections were running \$164.5 M (0.9%) over the projection for this point in time. The year-to-date results are primarily attributable to Corporate Income Tax which was both higher than expected collections and lower than expected refunds (detailed below). Note that this report formed the basis of the new forecast adopted on March 17, 2017, but the results are relative to the monthly estimates associated with the December 2016 forecast.

After making adjustments to total Sales Tax collections for local taxes and distributions, audits, bad checks, and transfers to Sales Tax from the Communications Services Tax (CST), Sales Tax GR for the month of February was \$22.2 M (1.2%) under estimate, largely because of adjustments that affected GR but were not related to the underlying tax liability. In fact, Final Sales Tax Liability (the sum of all sales tax components, detailed below) was virtually on estimate (over by \$1.4 M or 0.1% for the month). For the year, both Final Sales Tax Liability and Sales Tax GR were very close to the estimates, just \$14.2 M (0.09%) and \$1.0 M (0.01%), respectively, under the anticipated levels.

For the month, three of the six Sales Tax components were over estimate—two significantly. The Business component was over by \$16.3 M or 4.3% and the Building component was over by \$6.0 M or 5.0%, while Automobiles was virtually on estimate (over by \$0.5 or 0.1%). The remaining components came in under their monthly estimates: Consumer Nondurables (under by \$5.7 M or 1.0%), Other Durables (under by \$6.0 M or 4.4%), and Tourism (under by \$9.7 M or 2.0%). Note that this Sales Tax report largely reflects activity that occurred in January.

Four revenue sources were over estimate for the month of February and were also over estimate for the year, including Corporate Filing Fees (over by \$12.7 M for the month and \$11.8 M for the year); Documentary Stamp Tax GR (over by \$0.7 M for the month and \$4.9 M for the year); Beverage Taxes (over by \$0.2 M for the month and \$3.4 M for the year); and GR Service Charges (over by \$3.4 M for the month and \$0.1 M for the year). Although Insurances Taxes and Parimutuel Taxes were over estimate for the month by \$3.4 M and \$4.0 M, respectively, both sources were under estimate for the year by \$1.4 M and \$1.3 M, respectively. In contrast, four other sources were under estimate for February but showed gains to the estimate year-to-date. The largest of these is Corporate Income Tax, which was \$2.1 M under estimate for the month but \$80.5 M (7.3%) over estimate for the year. The other sources include Other Nonoperating Revenues (under by \$2.8 M for the month and over by \$24.6 M for the year); Highway Safety Fees (under by \$0.9 M for the month and over by \$8.2 M for the year); and Intangibles Taxes (under by \$0.1 M for the month and over by \$1.6 M for the year).

Five sources were under estimate for both the month and the year as follows: Counties' Medicaid Share (under by \$4.7 M for the month and year due to timing of payments); Tobacco Tax (under by \$2.2 M for the month and \$0.1 M for the year); Earnings on Investments (under by \$1.7 M for the month and \$4.6 M for the year); Other Taxes, Licenses, and Fees (under by \$1.0 M for the month and \$0.9 M for the year); and Article V Fees and Transfers (under by \$0.5 M for the month and \$3.7 M for the year).

Two sources matched the estimates for the month: Severance Taxes and Indian Gaming. Beginning in August 2015, the Indian Gaming funds received in excess of the adopted forecast are being effectively held in reserve by the State until the final resolution of the legal dispute regarding the operation of banked card games. The portion of the February monthly payment (approximately \$9.1 M) associated with banked card games is not included in the reported collections. The total payments being accounted for separately now equal \$179.8 M.

Refunds were \$7.0 M over estimate for February; however, year-to-date refunds were approximately \$47.0 M (16.5%) less than expected, primarily because Corporate Income Tax Refunds were \$55.8 M below the estimate for the year. Likewise, Insurance Premium Tax Refunds were under estimate by \$2.9 M year-to-date. Offsetting this were Sales Tax and Other Refunds, which were \$11.8 M and \$0.1 M over the estimate for the year, respectively. Because refunds reduce revenue, coming in over the estimate in Refunds decreases the bottom-line Net GR.

In summary, Net GR collections for February were \$20.8 M under estimate for the month. The figures in the table below show the variance from monthly estimates that are based on the results of the December 12, 2016, estimating conference. Details of the estimates can be found at <http://edr.state.fl.us/Content/>. Figures for March and subsequent months will reflect the March 17, 2017, estimating conference. Note that the listing of sources below has been rearranged to reflect each source's overall importance to GR.

Actual General Revenue Collections Compared to the December 12, 2016 Estimates

Month	December	January	February	March
Monthly Average (millions)	96.4	89.1	(20.8)	
Year to Date Average (millions - cumulative)	96.3	185.3	164.5	
Percent of Monthly Estimate Collected	103.9%	103.4%	99.0%	
Percent of Total Year Estimate Collected	46.9%	56.2%	63.6%	

FEBRUARY 2017 GENERAL REVENUE COLLECTIONS (\$ MILLIONS) BASED ON THE DECEMBER 2016 REVENUE ESTIMATING CONFERENCE

	MONTH			FISCAL YEAR TO DATE				
	ACTUAL	ESTIMATE	OVER/ UNDER ESTIMATE	ACTUAL	ESTIMATE	OVER/ UNDER ESTIMATE	PRIOR YEAR	PERCENT
	CURRENT MONTH	CURRENT MONTH		CURRENT YEAR	CURRENT YEAR		ACTUAL	INCREASE/ DECREASE
SALES TAX COLLECTIONS	1,853.6	1,875.7	(22.2)	15,040.2	15,041.2	(1.0)	14,389.2	4.5%
CORPORATE INCOME TAX	33.7	35.8	(2.1)	1,177.2	1,096.7	80.5	1,046.2	12.5%
DOCUMENTARY STAMP TAX	52.8	52.1	0.7	483.4	478.5	4.9	489.9	-1.3%
INSURANCE TAXES	30.4	27.0	3.4	287.3	288.7	(1.4)	282.1	1.8%
HIGHWAY SAFETY FEES	33.4	34.3	(0.9)	310.7	302.5	8.2	246.2	26.2%
SERVICE CHARGES	30.9	27.5	3.4	313.4	313.3	0.1	308.2	1.7%
INTANGIBLES TAXES	25.1	25.2	(0.1)	249.4	247.9	1.6	220.2	13.3%
CORPORATE FILING FEES	54.8	42.1	12.7	163.8	152.1	11.8	120.1	36.4%
COUNTIES' MEDICAID SHARE	20.7	25.4	(4.7)	198.6	203.3	(4.7)	201.6	-1.5%
BEVERAGE TAXES	17.1	16.9	0.2	190.7	187.3	3.4	221.0	-13.7%
TOBACCO TAX	16.7	18.9	(2.2)	114.1	114.2	(0.1)	115.4	-1.1%
OTHER NONOPERATING REVENUES	6.4	9.2	(2.8)	131.4	106.9	24.6	134.4	-2.2%
ARTICLE V FEES AND TRANSFERS	9.8	10.3	(0.5)	82.0	85.7	(3.7)	90.0	-8.9%
INDIAN GAMING	10.4	10.4	0.0	88.5	88.5	0.0	150.3	-41.1%
EARNINGS ON INVESTMENTS	8.0	9.7	(1.7)	86.1	90.7	(4.6)	68.2	26.2%
OTHER TAXES LICENSES AND FEES	1.6	2.6	(1.0)	19.4	20.3	(0.9)	21.5	-9.8%
PARIMUTUEL TAXES	4.7	0.7	4.0	15.0	16.4	(1.3)	15.6	-3.9%
SEVERANCE TAXES	0.1	0.1	(0.0)	7.9	7.8	0.1	8.1	-2.9%
TOTAL REVENUE	2,210.1	2,223.9	(13.8)	18,959.3	18,841.8	117.5	18,128.2	4.6%
LESS REFUNDS	40.9	33.9	7.0	237.8	284.8	(47.0)	326.7	-27.2%
NET REVENUE	2,169.2	2,190.0	(20.8)	18,721.4	18,556.9	164.5	17,801.5	5.2%