



# Monthly Revenue Report

Office of Economic & Demographic Research

Volume 30, Number 4  
October 2009

## Revised General Revenue Collections for October 2009 (Sales Tax Data Reported is Unaudited)

General Revenue (GR) collections for October 2009 were \$190.7 M over the estimates adopted by the General Revenue Estimating Conference (GR REC) on August 11, 2009. **Over 60% of the surplus is due to slower than expected processing and payment of Corporate Income Tax (CIT) Refunds.** Based on prior years' experience, the GR REC expected \$129.8 M in CIT Refunds. Only \$13.2 M in CIT Refunds were made in October. It is expected that the missing October CIT Refunds will be processed in November and December, ultimately reaching estimated levels for the year-to-date. Since the overage this month is largely an artifact of slower than expected CIT Refund payments, **we expect November and December to come in under estimate due to the catch-up.**

In addition, Other Non-Operating Revenues benefitted from an early repayment of Insurance Build-Up Incentive Program money. This source would have been under estimate by \$2.5 M; however, it came in \$12.0 M over estimate due to the early repayment. Only \$6 M had been expected for the entire fiscal year.

**Subtracting these anomalous payments, the underlying overage in Net GR would have been about \$60 M.**

In other sources, Sales Tax GR was \$17.6 M (about 1.4%) over estimate for the month. The results were somewhat mixed: three of the six Sales Tax components were over estimate; three were under

estimate. The components over estimate included: Building at \$7.9 M or about 11.6% over estimate; Tourism at \$7.4 M or about 3.0% over estimate; and Other Durables at \$3.2 M or about 3.8% over estimate. Components under estimate were: Business at \$1.3 M or 0.5% under estimate; Consumer Non-Durables at \$4.0 M or about 0.9% under estimate; and Automobiles at \$9.4 M or about 4.7% under estimate.

Most sources were over estimate this month. Corporate Income Tax (CIT) was over estimate by \$31.0 M in a relatively small month. With the change in due dates for this source, there is more uncertainty in the monthly estimates than in previous years. The Documentary Stamp Tax continued to perform well, with total collections \$9.6 M over estimate, and the Documentary Stamp Tax transfer to GR \$9.0 M over estimate. Intangibles Taxes, which in the past have performed in sync with the Documentary Stamp Tax, were \$1.4 M short of the estimate for the month. Service Charges to GR were \$6.7 M over estimate, with about equal contributions from the overages in the Documentary Stamp Tax Service Charge, the Department of Financial Affairs Trust Fund Service Charge, and Other Service Charges (a large collection of smaller trust fund transfers to GR). Medical Hospital Fees (reimbursements to the state by counties for certain Medicaid services) came in \$2.7 M over estimate this month. It appears that issues related to late and incorrect billing are beginning to be resolved. Beverage Taxes were \$5.7 M over estimate; however, this source has a large variation month-to-month and this level of overage is not unusual.

Sources notably under estimate once again include Tobacco Tax GR at \$3.1 M under estimate. Total Cigarette Tax collections are over estimate by about \$4.6 M. Timing of the transfer to GR may have produced this month's shortfall. Tobacco Surcharge collections are running on estimate for this month. Highway Safety Fees, composed of Drivers Licenses, Auto Title Fees, and a number of other new fees, was under estimate by \$11.7 M, or about 15%. It appears that the \$4.7 M shortfall in the Drivers License portion is at least in part due to individuals renewing their licenses early to avoid the fee increases. The new Highway Safety fees fell \$10.6 M short of estimate; with no prior history on these fees, monthly estimates may have been set too high. Again, Refunds were under estimate, which INCREASES the bottom line Net GR. Total Refunds were under estimate by \$115.1 M, with Corporate Income Tax Refunds under estimate by \$116.6 M and Sales Tax Refunds over estimate by \$3.5 M. The Refund issue is discussed in the first paragraph above.

To summarize, Net GR collections for October were \$190.7 M over estimate for the month and \$264.6 M over estimate for the year to date, DUE TO THE TIMING OF CORPORATE INCOME TAX RECEIPTS. The table below is based on the monthly estimates from the August 11, 2009, GR REC. Details of that conference can be found at <http://edr.state.fl.us/Content>. Note that the listing of sources below has been rearranged to reflect each source's overall importance to GR.

### General Revenue Collections

Month: \$190.7 M over the August 2009 estimate; \$183.4 M over the March 2009 estimate adjusted for session law changes

Year: \$264.6 M over the August 2009 estimate; \$299.8 M over the March 2009 estimate adjusted for session law changes

### October Lottery Transfers to DOE

Month: \$93,568 M, \$4,431 M under the October 2009 estimate

Year: \$381,428 M, \$4,431 M under the October 2009 estimate; \$4,449 M under the July 2009 estimate

OCTOBER 2009 GENERAL REVENUE COLLECTIONS (\$ MILLIONS)								
BASED ON THE AUGUST 2009 REVENUE ESTIMATING CONFERENCE								
	MONTH			FISCAL YEAR TO DATE				
	ACTUAL CURRENT MONTH	ESTIMATE CURRENT MONTH	OVER/UNDER ESTIMATE	ACTUAL CURRENT YEAR	ESTIMATE CURRENT YEAR	OVER/UNDER ESTIMATE	PRIOR YEAR ACTUAL	PERCENT INCREASE/DECREASE
SALES TAX COLLECTIONS	1,241.4	1,223.8	17.6	5,165.2	5,063.4	101.8	5,619.7	-8.1%
CORPORATE INCOME TAX	88.6	57.6	31.0	510.5	422.2	88.2	662.3	-22.9%
HIGHWAY SAFETY FEES	66.2	77.9	(11.7)	132.2	146.5	(14.2)	42.2	213.2%
INSURANCE PREMIUM TAX	18.0	14.8	3.2	79.4	84.7	(5.3)	64.1	23.9%
BEVERAGE TAXES	45.8	40.1	5.7	181.3	176.6	4.6	177.9	1.9%
SERVICE CHARGES	54.5	47.8	6.7	133.4	135.4	(1.9)	116.5	14.5%
ARTICLE V FEES AND TRANSFERS	16.2	16.5	(0.3)	67.5	66.3	1.2	70.8	-4.7%
TOBACCO TAX	12.7	15.8	(3.1)	46.2	54.6	(8.4)	67.6	-31.6%
CORPORATE FILING FEES	7.0	5.2	1.8	29.0	30.7	(1.7)	37.4	-22.6%
MEDICAL HOSPITAL FEES	20.6	17.9	2.7	57.3	72.8	(15.5)	44.7	28.2%
INTANGIBLES TAXES	12.3	13.7	(1.4)	57.6	60.9	(3.3)	84.3	-31.6%
EARNINGS ON INVESTMENTS	8.9	7.1	1.8	40.7	34.8	5.9	57.1	-28.8%
DOCUMENTARY STAMP TAX	12.0	3.0	9.0	45.4	27.3	18.1	70.3	-35.4%
PARIMUTUEL TAXES	0.4	0.4	(0.0)	1.6	1.6	0.0	1.6	0.1%
SEVERANCE TAXES	2.2	1.7	0.5	2.6	2.7	(0.1)	8.3	-69.0%
OTHER TAXES LICENSES AND FEES	4.6	4.7	(0.1)	12.6	17.2	(4.6)	16.7	-24.6%
OTHER NONOPERATING REVENUES	26.7	14.7	12.0	59.1	59.6	(0.5)	55.3	6.9%
TOTAL REVENUE	1,638.3	1,562.7	75.6	6,621.7	6,457.4	164.3	7,196.9	-8.0%
LESS REFUNDS	32.9	148.0	(115.1)	171.2	271.6	(100.4)	341.2	-49.8%
NET REVENUE	1,605.4	1,414.7	190.7	6,450.5	6,185.8	264.6	6,855.7	-5.9%