



# Monthly Revenue Report

Office of Economic & Demographic Research

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## Revised General Revenue Collections for September 2011 (Sales Tax Data Reported is Unaudited)

General Revenue (GR) collections for September 2011 were \$55.2 M under the estimates adopted by the General Revenue Estimating Conference (GR REC) on March 18, 2011 adjusted for law changes during the 2011 regular Legislative Session. The GR REC met on October 11, 2011, to revise these estimates. Details of the estimates can be found at <http://edr.state.fl.us/Content>. In total, the Conference reduced expected Net General Revenue for FY 2011-12 by \$599.6 M. Monthly estimates based on the October revisions will be used in next month's report.

Even though total collections in Sales Tax were \$5.1 M over estimate, after adjusting for estimated payments, unpaid liability, audits, bad checks, and transfers to Sales Tax from the Communications Services Tax, Sales Tax GR came in \$25.0 M (about 1.9%) under estimate.

Looking at the Sales Tax collection details for September, two of the six Sales Tax components were over estimate. The Consumer Non-Durables component was over estimate by \$26.4 M (about 6.3%) and Tourism was over estimate by \$0.7 M (about 0.2%). The Other Durables component fell \$1.0 M (about 1.1%) under estimate; Building was below estimate by \$2.1 M (about 2.8%); Business ended \$3.0 M (about 1.1%) under estimate; and Automobiles fell \$15.9 M (about 6.4%) under estimate. Note that this Sales Tax report largely reflects activity that actually occurred in August.

Several sources were primarily responsible for the shortfall this month. The largest shortfall was in

Corporate Income Tax, which fell \$39.3 M under estimate. Part of the shortfall was attributable to a filing deadline extension. Deadlines for corporations impacted by Hurricane Irene were extended to October 15, instead of September 30. Another part of the shortfall may be due to the fact that this year's estimates were based on last year's levels, which were artificially high due to amnesty payments. Beverage Taxes fell \$7.9 M under estimate, attributable to higher than expected scholarship tax credits. These credits came in at \$9.8 M, \$4.6 M over the estimate of \$5.2 M. Given the alacrity with which these tax credits are being accessed in this source, the October estimates reduced expected revenue to GR. Medical Hospital Fees, reimbursements to the state by counties for medical services, primarily nursing home care, were under estimate by \$6.2 M. Timing is partly responsible for the shortfall; several large payments were transmitted on the first working day of October and so will show in that month. However, continuing issues related to collection of backlogged amounts due led the GR REC to reduce the estimate for the fiscal year.

Total collections for both total Documentary Stamp Tax and Intangibles Taxes were under estimate, highlighting a slower than expected recovery in the housing market. Total collections of Documentary Stamp Tax were under estimate by \$5.6 M, although the GR transfer was \$2.5 M over estimate. The Documentary Stamp Tax transfer to GR is made at the end of the month based on the balance in state accounts. Some revenue from last month was included in this

month's transfer calculation. Intangibles Taxes collections mirrored this shortfall, coming in \$2.1 M under estimate. All of Intangibles Taxes are deposited to GR. Finally, Refunds were \$22.3 M under estimate, which increases Net GR. Virtually all the Refund shortfall was in Corporate Income Tax refunds, which were \$20.1 M under estimate. We expect to make up the Refund shortfall later in the fiscal year.

Fewer sources were significantly over estimate in September. In addition to the Documentary Stamp Tax issue discussed above, Other Non-Operating Revenues which encompass many small transfers to GR, was over estimate by \$3.3 M due to a Medicaid fraud penalty payment. Earnings on Investment came in \$1.3 M over estimate, due to gains on the external portfolio.

In summary, Net GR collections for September were \$55.2 M under estimate for the month and \$106.3 M under estimate for the fiscal year to date. The table below is based on monthly estimates from the March 18, 2011 GR REC, adjusted for law changes during the 2011 regular Legislative Session. The GR REC met on October 11, 2011. Estimates from that conference will first be applied to the October revenue report.

Again, details of the estimates can be found at <http://edr.state.fl.us/Content>. Note that the listing of sources below has been rearranged to reflect each source's overall importance to GR.

### General Revenue Collections

Month: \$55.2 M under the March 2011 estimate adjusted for Legislative changes

Year: \$106.3 M under the March 2011 estimate adjusted for Legislative changes

### September Lottery Transfers to DOE

Month: \$91.118 M, \$1.845 M under the September 2011 estimate

Year: \$291.413 M, \$1.914 M under the September 2011 estimate; \$12.344 M over the February 2011 estimate

SEPTEMBER 2011 GENERAL REVENUE COLLECTIONS (\$ MILLIONS) BASED ON THE MARCH 2011 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	1,326.6	1,351.6	(25.0)	4,110.3	4,151.6	(41.3)	3,948.9	4.1%
CORPORATE INCOME TAX	338.5	377.8	(39.3)	421.0	458.9	(37.9)	410.7	2.5%
HIGHWAY SAFETY FEES	75.2	75.9	(0.7)	250.6	250.1	0.5	229.9	9.0%
INSURANCE PREMIUM TAX	0.2	2.2	(2.0)	50.2	52.2	(2.0)	54.5	-7.9%
BEVERAGE TAXES	30.8	38.7	(7.9)	101.3	122.4	(21.1)	127.8	-20.8%
SERVICE CHARGES	19.6	21.3	(1.7)	99.1	116.8	(17.7)	116.9	-15.3%
ARTICLE V FEES AND TRANSFERS	13.4	12.8	0.6	38.8	37.8	1.0	45.6	-15.0%
TOBACCO TAX	17.1	16.8	0.3	37.6	36.8	0.8	39.9	-5.9%
CORPORATE FILING FEES	9.2	10.0	(0.8)	24.8	25.3	(0.5)	27.1	-8.4%
MEDICAL HOSPITAL FEES	8.8	15.0	(6.2)	35.6	55.0	(19.4)	38.3	-7.0%
INTANGIBLES TAXES	12.2	14.3	(2.1)	40.2	49.1	(8.9)	37.9	5.9%
INDIAN GAMING	12.5	12.5	0.0	37.5	37.5	0.0	25.0	50.0%
EARNINGS ON INVESTMENTS	10.7	9.4	1.3	35.6	29.0	6.6	42.5	-16.2%
DOCUMENTARY STAMP TAX	14.5	12.0	2.5	46.0	50.7	(4.7)	35.5	29.4%
PARIMUTUEL TAXES	0.5	0.6	(0.1)	1.6	1.7	(0.1)	1.5	6.0%
SEVERANCE TAXES	0.8	0.5	0.3	5.4	2.9	2.5	4.0	35.4%
OTHER TAXES LICENSES AND FEES	3.0	3.0	(0.0)	8.2	9.9	(1.7)	10.7	-23.9%
OTHER NONOPERATING REVENUES	17.0	13.7	3.3	59.2	40.3	18.9	38.8	52.5%
TOTAL REVENUE	1,910.6	1,988.1	(77.5)	5,402.8	5,528.0	(125.2)	5,235.6	3.2%
LESS REFUNDS	15.1	37.4	(22.3)	77.0	96.0	(19.0)	103.4	-25.5%
NET REVENUE	1,895.5	1,950.7	(55.2)	5,325.8	5,432.0	(106.2)	5,132.2	3.8%