

# Using Measures Affecting Revenue in Subsequent Forecasts October 30, 2012

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## Highlights

- What's the GOAL?
- Measures – what are they good for?
- Suitable Tax Sources
- Recurring vs. Non-recurring
- Growth (or not)
- Unusual Patterns
- Issue amended in numerous years: Avoid double counting
- Bad Estimates: Who makes that Call?
- Delayed Effective Dates
- Tax Caps
- Time Horizon – how far back should you go?



**Effects of Law Changes to the Florida Corporate Income Tax**

<b>Law Changes in CIT</b>	<b>Bill</b>	<b>FY02-03</b>	<b>FY03-04</b>	<b>FY04-05</b>	<b>FY05-06</b>	<b>FY06-07</b>	<b>FY07-08</b>	<b>FY08-09</b>	<b>FY09-10</b>	<b>FY10-11</b>	<b>FY11-12</b>	<b>FY12-13</b>	<b>FY13-14</b>	<b>FY14-15</b>	<b>FY15-16</b>
2002 Citizens Property Insurance Corporation	1	(12.1)	(12.1)	(12.1)	(12.1)	(12.1)	(12.1)	(12.1)	(12.1)	(12.1)	(12.1)	(12.1)	(12.1)	(12.1)	(12.1)
2002 Interest on Audits/Assessments	2	5.4	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8
2003 SFO Credits-	3	(47.7)	(47.6)	(47.6)	(80.3)	(87.1)	(85.6)	(97.4)	(96.6)	(71.8)	(56.7)	(54.2)	(54.2)	(54.2)	(54.2)
2003 Tax Amnesty	4	-	23.9	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
2004 Federal corporate income tax code piggyback	5	-	-	(124.8)	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1
2006 Energy Efficient Technology	6	-	-	-	-	(5.5)	(11.0)	-	-	-	-	-	-	-	-
2006 Renewable Energy Credit	7	-	-	-	-	-	(5.0)	-	-	-	-	-	-	-	-
2006 Capital Investment Tax Credit	8	-	-	-	-	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)
2008 Estimated Payments Speed-up	9	-	-	-	-	-	-	93.8	5.3	3.4	1.5	1.5	1.5	1.5	1.5
2009 New Markets	10	-	-	-	-	-	-	-	-	-	(8.8)	(10.0)	(10.0)	(10.0)	(10.0)
2010 Film and Entertainment	11	-	-	-	-	-	-	-	-	-	(10.7)	(14.9)	(7.6)	(7.6)	(7.6)
2010 Tax Amnesty	12	-	-	-	-	-	-	-	-	70.0	-	-	-	-	-
2011 Increase exemption from \$5,000 to \$25,000	13	-	-	-	-	-	-	-	-	-	(11.7)	(30.0)	(30.9)	(31.8)	(31.8)
2011 Single Sales Factor	14	-	-	-	-	-	-	-	-	-	-	-	(7.6)	(7.8)	(7.8)
2011 Tax credit for Research and Development	15	-	-	-	-	-	-	-	-	-	(3.0)	(9.0)	(9.0)	(9.0)	(9.0)
2012 Payment date change	16	-	-	-	-	-	-	-	-	-	-	100.0	(100.0)	-	-
2012 Exemption increase from \$25,000 to \$50,000	17	-	-	-	-	-	-	-	-	-	-	(9.9)	(27.5)	(30.5)	(33.1)
2012 Renewable Energy Production Credits	18	-	-	-	-	-	-	-	-	-	-	-	(2.5)	(10.0)	(10.0)
<b>Total Credits</b>	<b>19</b>	<b>(240.5)</b>	<b>(150.1)</b>	<b>(167.5)</b>	<b>(65.0)</b>	<b>(97.0)</b>	<b>(105.7)</b>	<b>(7.4)</b>	<b>(94.7)</b>	<b>(1.8)</b>	<b>(100.8)</b>	<b>(40.1)</b>	<b>(259.6)</b>	<b>(175.4)</b>	<b>(183.1)</b>
<b>Actual CIT Collections</b>	<b>20</b>	<b>960.9</b>	<b>1,134.7</b>	<b>1,573.1</b>	<b>2,231.2</b>	<b>2,248.5</b>	<b>1,921.0</b>	<b>1,418.4</b>	<b>1,460.1</b>	<b>1,672.6</b>	<b>1,817.4</b>				
<b>CIT Base</b>	<b>21</b>	<b>1,201.4</b>	<b>1,284.8</b>	<b>1,740.6</b>	<b>2,296.2</b>	<b>2,345.5</b>	<b>2,026.7</b>	<b>1,425.8</b>	<b>1,554.8</b>	<b>1,674.4</b>	<b>1,918.2</b>	<b>2,036.1</b>	<b>2,273.0</b>	<b>2,281.3</b>	<b>2,344.9</b>
<b>Estimated CIT Collections</b>	<b>22</b>											<b>1,996.0</b>	<b>2,013.4</b>	<b>2,105.9</b>	<b>2,161.8</b>



## Conclusions

- KNOW the LAW!!!
- KNOW the LAW Changes
- Details, details, details – they are important!
- Have a file folder with every law change
- Document what you did, and why you did it.

