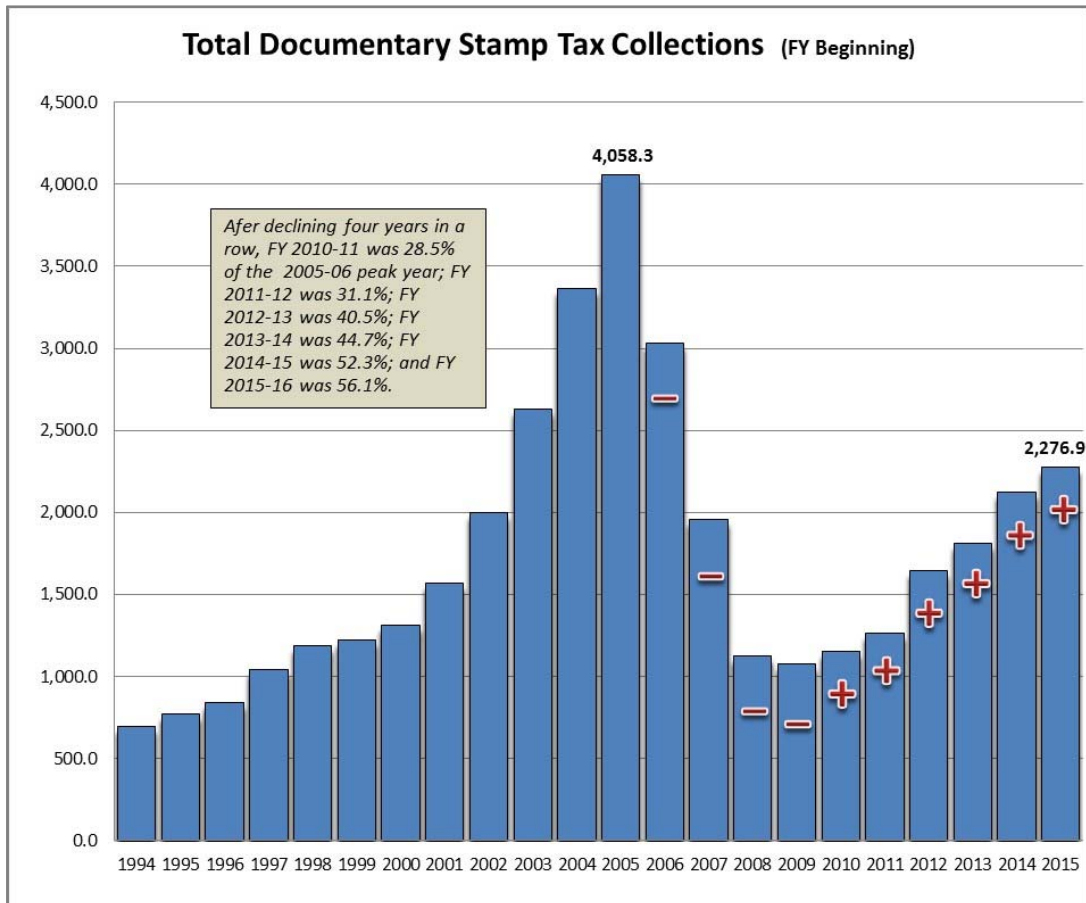


## *Documentary Stamp Tax Executive Summary Summer 2016*

The pace of Florida’s recovery in Documentary Stamp Tax collections will be driven in large measure by the time it takes the *construction industry* to revive fully. Due to the subdued activity in that area, recent attention has focused more on the market for existing homes as an upstream indicator. However, gains in existing home sales were lower than expected during the FY 2015-16.

Single-family building permit activity, an indicator of new construction, is back in positive territory, showing a strong growth of 20.3 percent in the calendar year 2015, after a modest 1.6 percent growth in the calendar year 2014. Despite the positive percentage growth in both years, the level is still low by historic standards.

As a result of the still relatively low construction activity and lower-than-expected home sales, Documentary Stamp Tax collections were only 56.1 percent of their prior peak as the 2015-16 fiscal year ended. Even so, this was an improvement over the two previous years which saw collections at 44.7 percent and 52.3 percent of the 2005-06 peak year, respectively.



Currently, the key housing market metrics do not show a return to their peak levels until 2020-21 (total construction expenditures), 2021-22 (median sales price for existing homes) and 2022-23 (private residential construction expenditures). The rest either do not return to their peak at all during the forecast horizon (construction employment; single and multi-family starts) or very late in the period (private nonresidential construction expenditures).

The Conference decreased the forecast for Fiscal Year 2016-17 by \$90.5 million over the previous estimate to \$2.4 billion. Positive growth is expected to continue throughout the three-year period used for the upcoming Long-Range Financial Outlook (2017-18 at 5.6 percent, 2018-19 at 5.0 percent, and 2019-20 at 4.3 percent). These combined growth rates produce anticipated collections of nearly \$2.8 billion in Fiscal Year 2019-20. The prior peak level of \$4.1 billion is not expected to be reached until Fiscal Year 2031-32.

The table below shows both the new forecast for total collections from the Documentary Stamp Tax and the constitutionally required distribution to the Land Acquisition Trust Fund (LATF). See the accompanying table on the next page.

Documentary Stamp Tax Total Collections					
Long Term Forecast (\$ Million)					
Fiscal Year	Total Doc Stamps	Percent Change	Total to LATF	Debt Service	Remainder LATF
2009-10	1,078.60	-3.93%			
2010-11	1,156.50	7.22%			
2011-12	1,261.60	9.09%			
2012-13	1,643.40	30.26%			
2013-14	1,812.50	10.29%			
2014-15	2,120.80	17.01%			
2015-16	2,276.87	7.36%			
<b>2016-17</b>	<b>2,415.80</b>	<b>6.10%</b>	794.0	171.3	622.7
<b>2017-18</b>	<b>2,551.10</b>	<b>5.60%</b>	838.6	171.4	667.2
<b>2018-19</b>	<b>2,678.60</b>	<b>5.00%</b>	880.7	171.5	709.2
<b>2019-20</b>	<b>2,793.80</b>	<b>4.30%</b>	918.7	171.6	747.1
<b>2020-21</b>	<b>2,891.60</b>	<b>3.50%</b>	951.0	171.6	779.4
<b>2021-22</b>	<b>2,989.90</b>	<b>3.40%</b>	983.4	150.2	833.2
<b>2022-23</b>	<b>3,100.50</b>	<b>3.70%</b>	1,019.9	139.3	880.6
<b>2023-24</b>	<b>3,213.50</b>	<b>3.64%</b>	1,057.2	119.2	938.0
<b>2024-25</b>	<b>3,326.90</b>	<b>3.53%</b>	1,094.6	119.2	975.4
<b>2025-26</b>	<b>3,437.00</b>	<b>3.31%</b>	1,131.0	93.8	1,037.2
<b>2026-27</b>	<b>3,545.00</b>	<b>3.14%</b>	1,166.6	73.6	1,093.1
2027-28	3,656.39	3.14%	1,203.4	54.6	1,148.8
2028-29	3,771.29	3.14%	1,241.3	30.3	1,211.0
2029-30	3,889.79	3.14%	1,280.4	6.9	1,273.5
2030-31	4,012.02	3.14%	1,320.7	6.9	1,313.8
2031-32	4,138.09	3.14%	1,362.3	6.9	1,355.4
2032-33	4,268.12	3.14%	1,405.3	3.4	1,401.8
2033-34	4,402.23	3.14%	1,449.5	3.4	1,446.1
2034-35	4,540.57	3.14%	1,495.2	3.4	1,491.7
2035-36*	4,683.24	3.14%	1,542.2	3.4	1,538.8
2036-37*	4,830.40	3.14%	1,590.8	3.4	1,587.4

**Documentary Stamp Tax Collections and Distributions (Millions)**  
**General Revenue Conference August 2016 Adopted - 2016-08-15**

Statutory %s	\$ Cap	F.S Reference	Description	2015-16*	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
		201.15	Total Collection	2276.87	2415.80	2551.10	2678.60	2793.80	2891.60	2989.90	3100.50	3213.50	3326.90	3437.00	3545.00
			DOR Admin Cost	9.80	9.80	9.80	9.80	9.80	9.80	9.80	9.80	9.80	9.80	9.80	9.80
			Remainder available for distribution	2267.07	2406.00	2541.30	2668.80	2784.00	2881.80	2980.10	3090.70	3203.70	3317.10	3427.20	3535.20
		(1)	Debt Service (deposited to LATF)	170.00	171.33	171.40	171.47	171.61	171.57	150.21	139.31	119.24	119.21	93.83	73.55
			Land Acquisition Trust Fund	576.95	622.65	667.23	709.23	747.11	779.42	833.22	880.62	937.98	975.43	1037.15	1093.07
33.00%		(2)	Total to Land Acquisition Trust Fund	746.95	793.98	838.63	880.70	918.72	950.99	983.43	1019.93	1057.22	1094.64	1130.98	1166.62
			Remainder	1516.54	1612.02	1702.67	1788.10	1865.28	1930.81	1996.67	2070.77	2146.48	2222.46	2296.22	2368.58
8.00%		215.20(1)	General Revenue Service Charge	122.11	129.75	137.00	143.83	150.01	155.25	160.52	166.45	172.50	178.58	184.48	190.27
		201.15(4)	Net Available for Distribution	1394.43	1482.27	1565.67	1644.27	1715.27	1775.56	1836.15	1904.32	1973.98	2043.88	2111.74	2178.31
	75.00	(a)	State Economic Enhancement and Development Trust Fund (DEO)	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00
24.18%	541.75	(a)	State Transportation Trust Fund	262.23	283.48	303.65	322.66	339.83	354.41	369.06	385.55	402.40	419.30	435.71	451.81
0.15%	3.25	(b)	Grants and Donations Trust Fund (DEO)	2.03	2.16	2.28	2.39	2.50	2.59	2.67	2.77	2.87	2.98	3.07	3.17
	35.00	(c)	State Economic Enhancement and Development Trust Fund (DEO)	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
5.62%		(c)	State Housing Trust Fund	60.87	65.80	70.49	74.91	78.90	82.29	85.69	89.52	93.44	97.37	101.18	104.92
5.62%		(c)	Local Government Housing Trust Fund	60.87	65.80	70.49	74.91	78.90	82.29	85.69	89.52	93.44	97.37	101.18	104.92
	40.00	(d)	State Economic Enhancement and Development Trust Fund (DEO)	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
1.62%		(d)	State Housing Trust Fund	17.54	18.96	20.31	21.58	22.72	23.70	24.68	25.78	26.90	28.03	29.13	30.21
11.31%		(d)	Local Government Housing Trust Fund	122.76	132.70	142.14	151.03	159.06	165.88	172.74	180.45	188.33	196.24	203.92	211.45
0.02%	0.30	(e)	General Inspection Trust Fund	0.24	0.25	0.27	0.28	0.29	0.30	0.30	0.30	0.30	0.30	0.30	0.30
			Total to Trust Funds (Except LATF)	676.54	719.15	759.63	797.76	832.20	861.46	890.83	923.89	957.68	991.59	1024.49	1056.78
		(6)	Remainder To General Revenue Fund	744.12	763.12	806.04	846.51	883.07	914.10	945.32	980.43	1016.30	1052.29	1087.25	1121.53

\* The actual FY 2015-16 distribution numbers do not add up to the total collection receipts due to timing issues related to transfers that occurred at the end of the fiscal year.

**Documentary Stamp Tax Total Collections  
Long Term Forecast (\$ Million)**

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2036-37	4,830.40	3.14%	1,590.8	3.4	1,587.4

Note: Estimates in bold were adopted at the General Revenue Estimating Conference (August 2016). The Constitutional Provisions requiring the set-aside of funds into the Land Acquisition Trust Fund expires July 1, 2035. The long-run forecast assumes the legislature continues this treatment beyond that date.