

## REVENUE ESTIMATING CONFERENCE

**TAX:** Communications Services Tax

**ISSUE:** Exclusion of digital goods/ digital goods definition

**BILL NUMBER(S):** Amendment to HB809 & SB1060

**SPONSOR(S):** Representative Grant & Senator Bogdanoff

**MONTH/YEAR COLLECTION IMPACT BEGINS:** July 1, 2012

**DATE OF ANALYSIS:** January 19, 2012

### SECTION 1: NARRATIVE

**a. Current Law:** No exclusion for digital goods. No definition of digital goods.

Section 202.11 (2) defines "Communication services" means the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals, including cable services, to a point, or between or among points, by or through any electronic, radio, satellite, cable, optical, microwave, or other medium or method now in existence or hereafter devised, regardless of the protocol used for such transmission or conveyance. The term includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code, or protocol of the content for purposes of transmission, conveyance, or routing without regard to whether such service is referred to as voice-over-Internet-protocol services or is classified by the Federal Communications Commission as enhanced or value-added. The term does not include:

- (a) Information services.
- (b) Installation or maintenance of wiring or equipment on a customer's premises.
- (c) The sale or rental of tangible personal property.
- (d) The sale of advertising, including, but not limited to, directory advertising.
- (e) Bad check charges.
- (f) Late payment charges.
- (g) Billing and collection services.
- (h) Internet access service, electronic mail service, electronic bulletin board service, or similar online

Section 202.11 (13) defines Sales Price to be: the total amount charged in money or other consideration by a dealer for the sale of the right or privilege of using communications services in this state, **including any property or other services that are part of the sale**. The sales price of communications services shall not be reduced by any separately identified components of the charge that constitute expenses of the dealer, including, but not limited to, sales taxes on goods or services purchased by the dealer, property taxes, taxes measured by net income, and universal-service fund fees.

(a) The sales price of communications services shall include, whether or not separately stated, charges for any of the following:

1. The connection, movement, change, or termination of communications services.
2. The detailed billing of communications services.
3. The sale of directory listings in connection with a communications service.
4. Central office and custom calling features.
5. Voice mail and other messaging service.
6. Directory assistance.
7. The service of sending or receiving a document commonly referred to as a facsimile or "fax," except when performed during the course of providing professional or advertising services.

(b) The sales price of communications services does not include charges for any of the following:

1. Any excise tax, sales tax, or similar tax levied by the United States or any state or local government on the purchase, sale, use, or consumption of any communications service, including, but not limited to, any tax imposed under this chapter or chapter 203 which is permitted or required to be added to the sales price of such service, if the tax is stated separately.
2. Any fee or assessment levied by the United States or any state or local government, including, but not limited to, regulatory fees and emergency telephone surcharges, which is required to be added to the price of such service if the fee or assessment is separately stated.
3. Communications services paid for by inserting coins into coin-operated communications devices available to the public.
4. The sale or recharge of a prepaid calling arrangement.
5. The provision of air-to-ground communications services, defined as a radio service provided to purchasers while on board an aircraft.
6. A dealer's internal use of communications services in connection with its business of providing communications services.
7. Charges for property or other services that are not part of the sale of communications services, if such charges are stated separately from the charges for communications services.
8. To the extent required by federal law, charges for Internet access services which are not separately itemized on a customer's bill, but which can be reasonably identified from the selling dealer's books and records kept in the regular course of business. The dealer may support the allocation of charges with books and records kept in the regular course of business covering the dealer's entire service area, including territories outside this state.

**REVENUE ESTIMATING CONFERENCE**

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**MONTH/YEAR COLLECTION IMPACT BEGINS:** July 1, 2012

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**b. Proposed Change:** Specifies that the definition of communication services does not include digital goods. A digital good is defined to be: any good or product that is delivered or transferred by means other than tangible storage media, including downloaded games, software, music, or other digital content.

**SECTION 2: DESCRIPTION OF DATA AND SOURCES**

January 2012 adopted REC estimate for Gross Receipts tax transferred from CST, State Sales Tax transferred from CST, and Local CST.

**SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)**

The definition is broad and while it provides certain items that are a part of the definition of digital good, it does not provide a closed definition where all items that would qualify as digital goods are provided. As uncertainty exists regarding what items might meet the definition of “digital goods, a range of base impacts are provided. Low impact is .5% of 2011-12 CST base. High impact is 2% of 2011-121 CST base immediately upon enactment that increase by .25% each year. Middle impact is a 1.25% impact to the 2011-12 CST base. Cash is 11/12<sup>th</sup> of annualized for Gross receipts and State CST impact and 10/12<sup>th</sup> for the local CST.

**SECTION 4: PROPOSED FISCAL IMPACT**

State Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High	(\$ 37.82 M )	(\$ 42.67 M )	(\$ 48.44 M )	(\$ 54.74 M )	(\$ 61.22 M )
Middle	(\$ 23.64 M )	(\$ 26.67 M )	(\$ 26.91 M )	(\$ 27.40 M )	(\$ 27.92 M )
Low	(\$ 9.45 M )	(\$ 10.67 M )	(\$ 10.76 M )	(\$ 10.96 M )	(\$ 11.17 M )

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 1/20/12)** The conference adopted an indeterminate negative estimate.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)
State Trust	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)
Total State Impact	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)
Total Local Impact	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)
Total Impact	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)

Digital Goods

	A	B	C	D	E	F
8	2012-13 CST Gross Receipts taxbase		\$16,609,920,635			
9						
10						
11	Impact	Base Impact	Gross receipts impact	CST State portion	CST Local	
12	0.10%	\$16,609,921	\$418,570	\$934,458	\$780,666	
13	0.25%	\$41,524,802	\$1,046,425	\$2,336,144	\$1,951,666	
14	0.50%	\$83,049,603	\$2,092,850	\$4,672,288	\$3,903,331	
15	1%	\$166,099,206	\$4,185,700	\$9,344,575	\$7,806,663	
16	1.25%	\$207,624,008	\$5,232,125	\$11,680,719	\$9,758,328	
17	2%	\$332,198,413	\$8,371,400	\$18,689,151	\$15,613,325	
18	3%	\$498,297,619	\$12,557,100	\$28,033,726	\$23,419,988	
19	4%	\$664,396,825	\$16,742,800	\$37,378,301	\$31,226,651	
20	5%	\$830,496,032	\$20,928,500	\$46,722,876	\$39,033,313	
21	6%	\$996,595,238	\$25,114,200	\$56,067,452	\$46,839,976	
22	7%	\$1,162,694,444	\$29,299,900	\$65,412,027	\$54,646,639	
23	8%	\$1,328,793,651	\$33,485,600	\$74,756,602	\$62,453,302	
24	9%	\$1,494,892,857	\$37,671,300	\$84,101,177	\$70,259,964	
25	10%	\$1,660,992,063	\$41,857,000	\$93,445,753	\$78,066,627	
26	15%	\$2,491,488,095	\$62,785,500	\$140,168,629	\$117,099,940	
27	20%	\$3,321,984,127	\$83,714,000	\$186,891,505	\$156,133,254	
28						
29			High (2%)			
30			Gross receipts impact	CST State portion	CST Local	total
31	cash	2012-13	\$7,673,783	\$17,131,721	\$13,011,104	\$37,816,609
32	annualized	2012-13	\$8,371,400	\$18,689,151	\$15,613,325	\$42,673,876
33		2013-14	\$9,502,585	\$21,214,522	\$17,723,076	\$48,440,183
34		2014-15	\$10,738,893	\$23,974,578	\$20,028,887	\$54,742,357
35		2015-16	\$12,009,239	\$26,810,625	\$22,398,183	\$61,218,047
36						
37						
38			Middle (1.25%)			
39			Gross receipts impact	CST State portion	CST Local	total
40	cash	2012-13	\$4,796,115	\$10,707,326	\$8,131,940	\$23,635,381
41	annualized	2012-13	\$5,232,125	\$11,680,719	\$9,758,328	\$26,671,172
42		2013-14	\$5,279,214	\$11,785,846	\$9,846,153	\$26,911,213
43		2014-15	\$5,374,240	\$11,997,991	\$10,023,384	\$27,395,615
44		2015-16	\$5,476,351	\$12,225,953	\$10,213,828	\$27,916,132
45						
46						
47			Low (0.5%)			
48			Gross receipts impact	CST State portion	CST Local	total
49	cash	2012-13	\$1,918,446	\$4,282,930	\$3,252,776	\$9,454,152
50	annualized	2012-13	\$2,092,850	\$4,672,288	\$3,903,331	\$10,668,469
51		2013-14	\$2,111,686	\$4,714,338	\$3,938,461	\$10,764,485
52		2014-15	\$2,149,696	\$4,799,196	\$4,009,354	\$10,958,246
53		2015-16	\$2,190,540	\$4,890,381	\$4,085,531	\$11,166,453

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**MONTH/YEAR COLLECTION IMPACT BEGINS:** July 1, 2012

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### SECTION 1: NARRATIVE

**a. Current Law:** No exclusion for digital services. No definition of digital services.

Section 202.11 (2) defines "Communication services" means the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals, including cable services, to a point, or between or among points, by or through any electronic, radio, satellite, cable, optical, microwave, or other medium or method now in existence or hereafter devised, regardless of the protocol used for such transmission or conveyance. The term includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code, or protocol of the content for purposes of transmission, conveyance, or routing without regard to whether such service is referred to as voice-over-Internet-protocol services or is classified by the Federal Communications Commission as enhanced or value-added. The term does not include:

- (a) Information services.
- (b) Installation or maintenance of wiring or equipment on a customer's premises.
- (c) The sale or rental of tangible personal property.
- (d) The sale of advertising, including, but not limited to, directory advertising.
- (e) Bad check charges.
- (f) Late payment charges.
- (g) Billing and collection services.
- (h) Internet access service, electronic mail service, electronic bulletin board service, or similar online service

Section 202.11 (13) defines Sales Price to be: the total amount charged in money or other consideration by a dealer for the sale of the right or privilege of using communications services in this state, **including any property or other services that are part of the sale**. The sales price of communications services shall not be reduced by any separately identified components of the charge that constitute expenses of the dealer, including, but not limited to, sales taxes on goods or services purchased by the dealer, property taxes, taxes measured by net income, and universal-service fund fees.

(a)The sales price of communications services shall include, whether or not separately stated, charges for any of the following:

1. The connection, movement, change, or termination of communications services.
2. The detailed billing of communications services.
3. The sale of directory listings in connection with a communications service.
4. Central office and custom calling features.
5. Voice mail and other messaging service.
6. Directory assistance.
7. The service of sending or receiving a document commonly referred to as a facsimile or "fax," except when performed during the course of providing professional or advertising services.

(b)The sales price of communications services does not include charges for any of the following:

1. Any excise tax, sales tax, or similar tax levied by the United States or any state or local government on the purchase, sale, use, or consumption of any communications service, including, but not limited to, any tax imposed under this chapter or chapter 203 which is permitted or required to be added to the sales price of such service, if the tax is stated separately.
2. Any fee or assessment levied by the United States or any state or local government, including, but not limited to, regulatory fees and emergency telephone surcharges, which is required to be added to the price of such service if the fee or assessment is separately stated.
3. Communications services paid for by inserting coins into coin-operated communications devices available to the public.
4. The sale or recharge of a prepaid calling arrangement.
5. The provision of air-to-ground communications services, defined as a radio service provided to purchasers while on board an aircraft.
6. A dealer's internal use of communications services in connection with its business of providing communications services.
7. Charges for property or other services that are not part of the sale of communications services, if such charges are stated separately from the charges for communications services.
8. To the extent required by federal law, charges for Internet access services which are not separately itemized on a customer's bill, but which can be reasonably identified from the selling dealer's books and records kept in the regular course of business. The dealer may support the allocation of charges with books and records kept in the regular course of business covering the dealer's entire service area, including territories outside this state.

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**BILL NUMBER(S):** Amendment to HB809 & SB1060

**SPONSOR(S):** Representative Grant & Senator Bogdanoff

**MONTH/YEAR COLLECTION IMPACT BEGINS:** July 1, 2012

**DATE OF ANALYSIS:** January 19, 2012

**b. Proposed Change:** Specifies that the definition of communication services does not include digital services. The bill defines "digital services" as any service, other than video service, provided electronically, including remotely provided access to or use of software or another digital good, and also includes the following services, if they are provided remotely: monitoring, security, distance learning, energy management, medical diagnostic, mechanical diagnostic, and vehicle tracking services. Such a service that includes the transmission, conveyance, or routing of any information or signals shall be treated as a digital service only if (a) the tax imposed under this chapter and chapter 203 has been paid with respect to such transmission, conveyance, or routing, or (b) the charges for such transmission, conveyance, or routing are separately allocated under subsection (15)(b)(8).

**SECTION 2: DESCRIPTION OF DATA AND SOURCES**

January 2012 adopted REC estimate for Gross Receipts tax transferred from CST, State Sales Tax transferred from CST, and Local CST.

**SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)**

The proposed definition is broad and while it provides certain items that are a part of the definition of digital service and does exclude video service, it does not provide a closed definition where all items that would qualify as digital service are provided. As uncertainty exists regarding what items might meet the definition of "digital services, a range of base impacts are provided. Low impact is 2% of 2011-12 CST base. High impact is 6% of 2011-12 CST base immediately upon enactment that increase by 0.5% each year. Middle impact is a 4% impact to the 2011-12 CST base. Cash is 11/12<sup>th</sup> of annualized for Gross receipts and State CST impact and 10/12<sup>th</sup> for the local CST.

**SECTION 4: PROPOSED FISCAL IMPACT**

State Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High	(\$ 113.45 M )	(\$ 128.02 M )	(\$ 139.94 M )	(\$ 153.32 M )	(\$ 167.10 M )
Middle	(\$ 75.63 M )	(\$ 85.35 M )	(\$ 86.12 M )	(\$ 87.67 M )	(\$ 89.33 M )
Low	(\$ 37.82 M )	(\$ 42.67 M )	(\$ 43.06 M )	(\$ 43.83 M )	(\$ 44.67 M )

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 1/20/12)** The conference adopted an indeterminate negative estimate.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)
State Trust	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)
Total State Impact	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)
Total Local Impact	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)
Total Impact	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)

# Digital Services

	A	B	C	D	E	F
8	2012-13	CST Gross Receipts taxbase	\$16,609,920,635			
9						
10						
11	Impact	Base Impact	Gross receipts impact	CST State portion	CST Local	
12	0.10%	\$16,609,921	\$418,570	\$934,458	\$780,666	
13	0.25%	\$41,524,802	\$1,046,425	\$2,336,144	\$1,951,666	
14	0.50%	\$83,049,603	\$2,092,850	\$4,672,288	\$3,903,331	
15	1%	\$166,099,206	\$4,185,700	\$9,344,575	\$7,806,663	
16	1.25%	\$207,624,008	\$5,232,125	\$11,680,719	\$9,758,328	
17	2%	\$332,198,413	\$8,371,400	\$18,689,151	\$15,613,325	
18	3%	\$498,297,619	\$12,557,100	\$28,033,726	\$23,419,988	
19	4%	\$664,396,825	\$16,742,800	\$37,378,301	\$31,226,651	
20	5%	\$830,496,032	\$20,928,500	\$46,722,876	\$39,033,313	
21	6%	\$996,595,238	\$25,114,200	\$56,067,452	\$46,839,976	
22	7%	\$1,162,694,444	\$29,299,900	\$65,412,027	\$54,646,639	
23	8%	\$1,328,793,651	\$33,485,600	\$74,756,602	\$62,453,302	
24	9%	\$1,494,892,857	\$37,671,300	\$84,101,177	\$70,259,964	
25	10%	\$1,660,992,063	\$41,857,000	\$93,445,753	\$78,066,627	
26	15%	\$2,491,488,095	\$62,785,500	\$140,168,629	\$117,099,940	
27	20%	\$3,321,984,127	\$83,714,000	\$186,891,505	\$156,133,254	
28						
29			High (6%)			
30			Gross receipts impact	CST State portion	CST Local	total
31	cash	2012-13	\$23,021,350	\$51,395,164	\$39,033,313	\$113,449,827
32	annualized	2012-13	\$25,114,200	\$56,067,452	\$46,839,976	\$128,021,628
33		2013-14	\$27,451,913	\$61,286,397	\$51,199,997	\$139,938,308
34		2014-15	\$30,076,569	\$67,145,941	\$56,095,189	\$153,317,698
35		2015-16	\$32,780,638	\$73,182,775	\$61,138,492	\$167,101,905
36						
37						
38			Middle (4%)			
39			Gross receipts impact	CST State portion	CST Local	total
40	cash	2012-13	\$15,347,567	\$34,263,443	\$26,022,209	\$75,633,218
41	annualized	2012-13	\$16,742,800	\$37,378,301	\$31,226,651	\$85,347,752
42		2013-14	\$16,893,485	\$37,714,706	\$31,507,691	\$86,115,882
43		2014-15	\$17,197,568	\$38,393,570	\$32,074,829	\$87,665,967
44		2015-16	\$17,524,322	\$39,123,048	\$32,684,251	\$89,331,621
45						
46						
47			Low(2%)			
48			Gross receipts impact	CST State portion	CST Local	total
49	cash	2012-13	\$7,673,783	\$17,131,721	\$13,011,104	\$37,816,609
50	annualized	2012-13	\$8,371,400	\$18,689,151	\$15,613,325	\$42,673,876
51		2013-14	\$8,446,743	\$18,857,353	\$15,753,845	\$43,057,941
52		2014-15	\$8,598,784	\$19,196,785	\$16,037,415	\$43,832,984
53		2015-16	\$8,762,161	\$19,561,524	\$16,342,125	\$44,665,810

**REVENUE ESTIMATING CONFERENCE**

**TAX:** Communications Services Tax

**ISSUE:** Changes to Language Regarding Assignment of Correct Local Taxing Jurisdictions

**BILL NUMBER(S):** Amendment to HB809 & SB1060

**SPONSOR(S):** Representative Grant & Senator Bogdanoff

**MONTH/YEAR COLLECTION IMPACT BEGINS:** July 1, 2012

**DATE OF ANALYSIS:** January 19, 2012

**SECTION 1: NARRATIVE**

**a. Current Law :** Section 202.22(1), F.S. Requires communications services dealers to assign each customer’s service address , as defined in 201.11, F.S., to a local taxing jurisdiction for purposes of determining the local tax rate applicable to each sale of a communications service. Dealers who use one of the methods outlined in 202.22, F.S., and who exercise due diligence in doing so are held harmless from tax, penalty and interest that may be due as a result of incorrectly assigning a customer serviced address to the incorrect jurisdiction and receive as collection allowance of 0.75 percent as granted under s. 202.28, F.S. When the Department cannot determine where the dealer assigned a customer service address and/or where the dealer allocated or reported to tax the Department is required by statute to use the best information available to make an assessment pursuant to Sections 202.24 and 202.25, F.S. Dealers who do not use one of the approved methods are entitled to a collection allowance of 0.25 percent.

**b. Proposed Change:** A communications service dealer may be held liable for incorrectly assigning a serviced address only if:

1. the dealer doesn’t use one of the methods from section 202.22(1), F.S.,
2. the dealer’s failure to use one of the methods results in a combined net aggregate underpayment of local tax with respect to one or more tax periods under examination by the Department; and,
3. the Department determines there are misallocation between jurisdictions with regards to all taxes imposed under s.202.19, F.S., and collected by the dealer with respect to such tax period or periods under examination.

After the dealer has met the above requirements they may be held liable for the net aggregate underpayment of tax and associated interest and penalties. The dealer is never liable for additional tax, interest, or penalty under subsection 202.22, F.S., unless the Department has determined a net aggregate underpayment of tax for the tax period or tax periods examined by taking into account all underpayments and overpayments for such period or periods.

The proposed language also provides that dealers who utilize one of the approved methods, with or without due diligence, cannot be denied their collection allowance granted under s. 202.28, F.S., as a result of incorrect address assignments.

**SECTION 2: DESCRIPTION OF DATA AND SOURCES**

CST Audit Distribution Information from 2006-Current

Gross Receipts Tax and Communication Services Tax (Jan 12) Local CST Growth Rates

**SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)**

See attached spreadsheet for calculations.

**SECTION 4: PROPOSED FISCAL IMPACT**

State Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High	(\$ 17.17 M )	(\$ 18.73 M )	(\$ 18.88 M )	(\$ 19.19 M )	(\$ 19.53 M )
Middle	(\$ 12.88 M )	(\$ 14.05 M )	(\$ 14.16 M )	(\$ 14.39 M )	(\$ 14.65 M )
Low	(\$ 8.59 M )	(\$ 9.37 M )	(\$ 9.44 M )	(\$ 9.59 M )	(\$ 9.77 M )

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 1/20/12)** The conference adopted an estimate of one-half of the low estimate.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue	0	0	0	0	0
State Trust	0	0	0	0	0
Total State Impact	0	0	0	0	0
Local CST	(4.3)	(4.7)	(4.7)	(4.8)	(4.9)
Total Impact	(4.3)	(4.7)	(4.7)	(4.8)	(4.9)

	A	B	C	D	E	F	G	H	I
1									
2			Local Component of Recent Audit Activity						
3									
4				(\$ Millions)					
5									
6		2006	2007	2008	2009	2010	2011	2012	Grand Total
7	Audit amounts	\$ 1.63	\$ 9.31	\$ 35.63	\$ 5.73	\$ 9.12	\$ 11.35	\$ 26.12	\$ 98.89
8	CY to FY		2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	
9			\$ 5.47	\$ 22.47	\$ 20.68	\$ 7.43	\$ 10.24	\$ 18.74	
10	Apply CST Local Growth rates								
11	CST forecast 1/12	2012-13	2013-14	2014-15	2015-16				
12	rates	-0.01%	0.8%	1.6%	1.8%				
13		(\$ 18.73 M)	(\$ 18.88 M)	(\$ 19.19 M)	(\$ 19.53 M)				
14									
15		2012-13	2012-13 cash	2013-14	2014-15	2015-16			
16	High	(\$ 18.73 M)	(\$ 17.17 M)	(\$ 18.88 M)	(\$ 19.19 M)	(\$ 19.53 M)			
17	Middle	(\$ 14.05 M)	(\$ 12.88 M)	(\$ 14.16 M)	(\$ 14.39 M)	(\$ 14.65 M)			
18	Low	(\$ 9.37 M)	(\$ 8.59 M)	(\$ 9.44 M)	(\$ 9.59 M)	(\$ 9.77 M)			

	A	B	C	D	E	F	G	H	I	J
1		Distributions before 1/1/2012								
2		refund	include							
3										
4		Row Labels	Sum of Loc.curr.amount							
5		5000	\$ 29,227,714.33							
6		6000	\$ (9,291,864.95)							
7		7000	\$ 391,053.32							
8		8000	\$ 72,767,852.65							
9		9000	\$ 9,808,504.25							
10		Grand Total	\$ 102,903,259.60							
11		refund	include							
12										
13		Sum of Loc.curr.a	Column Labels							
14		Row Labels	2006	2007	2008	2009	2010	2011	2012	Grand Total
15	Gross receipts	5000	\$ 743,739.52	\$ 3,245,572.44	\$ 15,637,202.73	\$ 2,335,274.49	\$ 2,856,561.83	\$ 4,409,363.32	\$ 10,373,447.26	\$ 39,601,161.59
16	General Revenue	6000	\$ 1,890,996.17	\$ 7,059,063.05	\$ (21,643,823.85)	\$ (916,318.43)	\$ 5,424,063.07	\$ (1,105,844.96)	\$ (2,708,595.58)	\$ (12,000,460.53)
17	Direct to Home	7000					\$ 86,117.66	\$ 304,935.66	\$ 10,059.14	\$ 401,112.46
18	Local	8000	\$ 1,629,551.50	\$ 9,305,787.84	\$ 35,627,941.03	\$ 5,732,717.90	\$ 9,118,033.51	\$ 11,353,820.87	\$ 26,119,320.13	\$ 98,887,172.78
19	Discretionary	9000	\$ 152,664.23	\$ 1,496,412.04	\$ 5,656,990.09	\$ 647,091.56	\$ 800,988.47	\$ 1,054,357.86	\$ 1,563,400.90	\$ 11,371,905.15
20	Grand Total of distributions		\$ 4,416,951.42	\$ 21,106,835.37	\$ 35,278,310.00	\$ 7,798,765.52	\$ 18,285,764.54	\$ 16,016,632.75	\$ 35,357,631.86	\$ 138,260,891.46
21										
22	collections	pre-2006	2006	2007	2008	2009	2010	2011	2012	
23		\$ 2,911,741.47	\$ 10,731,639.84	\$ 24,664,211.08	\$ 23,575,958.15	\$ 9,263,982.80	\$ 17,890,802.70	\$ 26,335,791.33		\$ 115,374,127.37
24										
25										
26										
27										
28										
29										

this is an estimated amount and will become final in April 2012 for December distribution

the payments don't match the distribution figures because there are a variety of situations where an audit liability can be cleared by something other than an audit payment, and the data shown is restricted to audit payments that came in to CST. This is especially prevalent with warrant

Row Labels	Sum of amount
2001	\$ 10,024.09
2002	\$ 16,855.00
2003	\$ 1,616,396.41
2004	\$ 123,743.27
2005	\$ 1,144,722.70
2006	\$ 10,731,639.84
2007	\$ 24,664,211.08
2008	\$ 23,575,958.15
2009	\$ 9,263,982.80
2010	\$ 17,890,802.70
2011	\$ 26,335,791.33
(blank)	
<b>Grand Total</b>	<b>\$ 115,374,127.37</b>

the payments don't match the distribution figures because there are a variety of situations where an audit liability can be cleared by something other than an audit payment, and the data above is restricted to audit payments that came in to CST. This is especially prevalent with warrant payments, bill payments, and subsequent payments.

**REVENUE ESTIMATING CONFERENCE**

**TAX:** Insurance Premium Tax

**ISSUE:** A consolidated government that has entered into an interlocal agreement to provide police protection services to another municipality is eligible to receive the premium taxes reported for the other municipality.

**BILL NUMBER(S):** CS/SB 698

**SPONSOR(S):** Committee on Community Affairs, Senators Wise and Gibson

**MONTH/YEAR COLLECTION IMPACT BEGINS:** July 1, 2012

**DATE OF ANALYSIS:** 01/20/2012

**SECTION 1: NARRATIVE**

- a. **Current Law:** Each municipality with a municipal police officers' retirement trust fund is authorized to assess an excise tax of 0.85% of the gross amount of receipts of premiums from policyholders on casualty insurance policies covering property within the corporate limits of such a municipality.
  
- b. **Proposed Change:** A Consolidated government that has entered into an interlocal agreement to provide police protection services to another incorporated municipality, is eligible to receive the premium taxes reported for the other municipality. The bill also authorizes the municipality receiving the police protection services to enact an ordinance levying the premium tax as provided by law.

**SECTION 2: DESCRIPTION OF DATA AND SOURCES**

Insurance Premium Tax Forecasts (General Revenue Estimating Conference, January 12, 2012)  
 Police Officers' 2010 Premium Tax Distribution (DMS)  
 Florida Population of Municipalities (2010)

**SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)**

**SECTION 4: PROPOSED FISCAL IMPACT**

State Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High: GR	(1.2)	(1.2)	(1.3)	(1.4)	(1.4)
Local	1.2	1.2	1.3	1.4	1.4
Middle: GR	(.6)	(.6)	(.7)	(.7)	(.7)
Local	.6	.6	.7	.7	.7
Low: GR	(.009)	(.009)	(.01)	(.01)	(.01)
Local	.009	.009	.01	.01	.01

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 1/20/12)** The conference adopted the low estimate.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
State Trust	0	0	0	0	0
Total State Impact	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
Total Local Impact	Insignificant	Insignificant	Insignificant	Insignificant	(Insignificant)
Total Impact	0	0	0	0	0

	A	B	C	D	E	F	G
1	1/20/2012						
2	filename	2012yiwenSB698.xls					
3	HB 698	a municipality within a consolidated government may receive another municipality's insurance premium tax revenues when there is an interlocal agreement in place to provide police protection services.					
4							
5							
6		2010 premium tax					
7					police officers'		
8			# cities	population	premium tax	tax per capita	
9		Statewide Municipalities paying tax	182	7,931,385	\$62,531,463	\$7.88	
10		Statewide Municipalities not paying tax	234	1,533,594			
11		Baldwin in Duval County Consolidated Government	1	1,425	\$8,637	\$6.06	
12							
13		Assume 10% of all municipalities currently not paying tax would impose insurance premium taxes as <b>high</b>					
14		Assume 5% of municipalities not paying taxes would impose insurance premium taxes as <b>Middle</b>					
15		Assume one municipality in Dual County not paying taxes would impose insurance premium taxes as <b>Low</b>					
16							
17							
18		High (1/10 of municipalities)	23	153,359	\$1,209,094		
19		Middle (10 of municipalities)	12	76,680	\$604,547		
20		Low (Only Baldwin in Duval County)	1	1,425	\$8,637		
21							
22		REC March 2007 growth rate		low	middle	high	
23		FY 2011-12	3.00%	\$8,896	\$622,683	\$1,245,367	
24		FY 2011-12 cash					
25		FY 2012-13	3.30%	\$9,190	\$643,232	\$1,286,464	
26		FY 2013-14	3.50%	\$9,511	\$665,745	\$1,331,490	
27		FY 2014-15	3.80%	\$9,873	\$691,043	\$1,382,086	
28		FY 2015-16	2.74%	\$10,143	\$709,978	\$1,419,956	
29							

**REVENUE ESTIMATING CONFERENCE**

**TAX:** Business Receipts Tax  
**ISSUE:** Repeal Business Receipts Tax – except debt obligations  
**BILL NUMBER(S):** HB 1063  
**SPONSOR(S):** Representative O’Toole  
**MONTH/YEAR COLLECTION IMPACT BEGINS:** 07/01/2012  
**DATE OF ANALYSIS:** 9/30/11

**SECTION 1: NARRATIVE**

- a. **Current Law:** Chapter 205 of the Florida Statutes authorizes counties and municipalities to levy by resolution or ordinance, a local business tax for the privilege of engaging in or managing any business, profession, or occupation. Most collections occur between August and September. Counties and municipalities differ on how they use the revenues they collect for business tax receipts for their budgeting purposes. Counties have indicated they appropriate the collections for the current fiscal year while municipalities appropriate the revenues for the following year’s budget.
- b. **Proposed Change:** Repeals Chapter 205 of the Florida Statutes. Removes references to business tax receipts in various statutes. Authorizes continuation of local business taxation, notwithstanding repeal, to extent necessary to meet specified debt obligations secured by local business tax revenues; requires certain excess amounts of revenue collected from continuation of local business taxation to be refunded to taxpayers on pro rata basis. Counties or municipalities imposing a local business tax as of March 9, 2012 may continue to levy the tax to the extent necessary to meet all debt obligations issued before March 9, 2012 and for which BTR was explicitly pledged as a security

**SECTION 2: DESCRIPTION OF DATA AND SOURCES**

Business Tax Receipts collections by jurisdiction, 2007-2010 provided by DFS.  
 Discussion with various local finance directors  
 Business Tax Receipts Data – Panama City Beach

**SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)**

See attached

**SECTION 4: PROPOSED FISCAL IMPACT**

Local Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High					
Middle	(\$146.5m)	(\$146.5m)	(\$147.6m)	(\$148.8m)	(\$150.0m)
Low	(\$91.8m)	(\$91.8m)	(\$92.5m)	(\$93.2m)	(\$94.0m)

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 1/20/12)** The conference adopted the middle estimate.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue	0	0	0	0	0
State Trust	0	0	0	0	0
Total State Impact	0	0	0	0	0
Total Local Impact	(146.5)	(146.5)	(147.6)	(148.8)	(150.0)
Total Impact	(146.5)	(146.5)	(147.6)	(148.8)	(150.0)





<b>Municipalities</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010*</b>
Alachua	\$ 38,513	\$ 44,545	\$ 46,049	\$ 47,034
Alford	\$ 543	\$ -	\$ -	
Altamonte Springs	\$ 878,421	\$ 892,002	\$ 913,303	
Altha	\$ 470	\$ -	\$ -	
Apalachicola	\$ 31,866	\$ 31,670	\$ 28,615	\$ 12,821
Apopka	\$ 216,226	\$ 228,941	\$ 220,653	
Arcadia	\$ 52,122	\$ 51,113	\$ 50,085	
Archer	\$ 1,752	\$ -	\$ 700	
Atlantic Beach	\$ 85,383	\$ 120,630	\$ 104,458	\$ 103,702
Atlantis	\$ 61,713	\$ 70,010	\$ 73,031	\$ 81,691
Auburndale	\$ 34,900	\$ -	\$ 31,970	\$ 33,625
Aventura	\$ 706,917	\$ 814,706	\$ 768,006	\$ 674,288
Avon Park	\$ 50,547	\$ 36,498	\$ 43,024	
Bal Harbour Village	\$ 367,775	\$ 401,308	\$ 465,055	\$ 485,161
Baldwin	\$ 4,302	\$ -	\$ -	
Bartow	\$ 24,772	\$ 24,996	\$ 23,665	
Bay Harbor Islands	\$ 69,156	\$ 65,813	\$ -	
Bay Lake	\$ 5	\$ -	\$ -	
Bell	\$ 2,797	\$ 1,910	\$ 3,198	\$ 3,735
Belle Glade	\$ 123,248	\$ 108,945	\$ 138,981	
Belle Isle		\$ 12,043	\$ 14,910	
Belleair	\$ 15,150	\$ -	\$ -	
Belleair Bluffs	\$ 28,779	\$ 24,494	\$ 34,574	\$ 26,858
Bellevue	\$ 16,011	\$ 47,827	\$ 34,649	
Beverly Beach	\$ 826	\$ 412	\$ 705	\$ 593
Boca Raton	\$ 1,480,926	\$ 1,509,960	\$ 1,436,741	\$ 1,468,825
Bonita Springs	\$ 25,695	\$ 58,523	\$ 40,400	
Bowling Green	\$ 1,614	\$ 2,399	\$ 2,164	\$ 3,185
Boynton Beach	\$ 1,337,364	\$ 1,429,056	\$ 1,402,576	
Bradenton	\$ 188,894	\$ 3,119,268	\$ 233,997	
Bradenton Beach	\$ 29,855	\$ 28,919	\$ -	\$ 56,127
Branford	\$ 3,756	\$ -	\$ 3,851	
Briny Breezes	\$ 8,998	\$ 5,910	\$ 5,378	
Bronson	\$ 1,615	\$ -	\$ 4,334	\$ 4,098
Brooksville	\$ 51,112	\$ 15,496	\$ -	
Bunnell	\$ 93,963	\$ 89,691	\$ 90,579	\$ 86,394
Bushnell	\$ 8,789	\$ 6,693	\$ 47,921	
Callaway	\$ 22,388	\$ 21,775	\$ 21,580	
Campbellton	\$ 1,814	\$ -	\$ -	
Cape Canaveral	\$ 71,528	\$ 72,392	\$ 74,426	\$ 65,836
Cape Coral	\$ 779,494	\$ 770,638	\$ 841,320	\$ 870,178
Carrabelle	\$ 5,855	\$ -	\$ -	
Casselberry	\$ 246,031	\$ 203,806	\$ 226,946	
Cedar Grove	\$ 13,050	\$ -	\$ -	

Municipalities	2007	2008	2009	2010*
Cedar Key	\$ 6,459	\$ 6,489	\$ 6,891	\$ 7,071
Center Hill	\$ 2,256	\$ 2,113	\$ -	
Century	\$ 1,571	\$ -	\$ 1,292	
Chattahoochee	\$ 7,417	\$ 7,742	\$ 6,960	
Chiefland	\$ -	\$ -	\$ -	\$ 15,042
Chipley	\$ 45,258	\$ 48,430	\$ 47,386	\$ 41,613
Clearwater	\$ 2,068,999	\$ 2,094,321	\$ 2,163,324	\$ 2,140,167
Clermont	\$ 103,631	\$ 85,610	\$ 104,754	
Clewiston	\$ 77,975	\$ 26,371	\$ 44,458	\$ 42,332
Cloud Lake	\$ 6,178	\$ 5,783	\$ 5,204	\$ 5,334
Cocoa	\$ 138,294	\$ 170,371	\$ 210,697	\$ 172,185
Cocoa Beach	\$ 170,721	\$ 166,768	\$ 158,107	\$ 171,010
Coconut Creek	\$ 286,646	\$ 292,439	\$ 117,788	\$ 294,952
Coleman	\$ 1,023	\$ -	\$ -	
Cooper City	\$ 438,846	\$ 473,069	\$ 461,971	\$ 453,116
Coral Gables	\$ 2,887,848	\$ 2,921,161	\$ 3,102,939	
Coral Springs	\$ 1,284,495	\$ 1,207,716	\$ 1,222,424	\$ 1,175,110
Crescent City	\$ 10,885	\$ 15,548	\$ 12,595	\$ 10,410
Crestview	\$ -	\$ 134,850	\$ 146,006	\$ 140,270
Cross City	\$ -	\$ -	\$ -	\$ 2,107
Crystal River	\$ -	\$ 44,998	\$ 37,980	\$ 38,903
Cutler Bay	\$ 110,504	\$ 118,800	\$ 122,432	
Dade City	\$ 37,113	\$ 35,207	\$ 32,472	
Dania Beach	\$ 493,879	\$ 544,949	\$ 602,364	
Davenport	\$ 7,245	\$ -	\$ -	
Davie	\$ 921,137	\$ 891,372	\$ 903,069	\$ 901,418
Daytona Beach	\$ -	\$ 1,120,986	\$ 990,626	\$ 1,073,764
Daytona Beach Shores	\$ 103,817	\$ 102,362	\$ 103,223	\$ 103,000
DeBary	\$ 24,363	\$ 22,978	\$ 20,779	
Deerfield Beach	\$ 566,880	\$ 580,959	\$ 660,305	
Deland	\$ 234,540	\$ 259,708	\$ 205,674	\$ 249,438
Delray Beach	\$ 746,133	\$ 752,238	\$ 789,705	\$ 616,861
Deltona	\$ 241,762	\$ 242,810	\$ 340,713	\$ 301,974
Destin	\$ 99,626	\$ 177,363	\$ 164,173	\$ 158,209
Doral	\$ 770,507	\$ 753,339	\$ 742,624	\$ 786,808
Dundee	\$ 7,996	\$ -	\$ -	
Dunedin	\$ 176,133	\$ 153,749	\$ 127,372	\$ 2,842,328
Dunnellon	\$ 28,721	\$ 31,803	\$ 30,807	\$ 28,864
Eagle Lake	\$ 7,524	\$ 8,871	\$ 7,822	\$ 7,260
Eatonville	\$ 12,156	\$ -	\$ -	
Edgewater	\$ 109,298	\$ 95,310	\$ 99,139	\$ 63,896
Edgewood	\$ 39,145	\$ -	\$ 37,208	\$ 35,739
Esto	\$ 415	\$ 630	\$ 875	\$ 385
Eustis	\$ 95,517	\$ 111,420	\$ 96,412	\$ 110,666
Fanning Springs	\$ -	\$ -	\$ -	\$ 1,366
Fellsmere	\$ 17,951	\$ 20,320	\$ 21,165	\$ 21,917

<b>Municipalities</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010*</b>
Fernandina Beach	\$ 96,534	\$ 113,624	\$ 116,448	\$ 110,739
Flagler Beach			\$ 28,888	
Florida City	\$ 69,660	\$ -	\$ -	
Fort Lauderdale	\$ 2,952,082	\$ -	\$ 2,371,542	
Fort Meade	\$ 8,183	\$ -	\$ -	
Fort Myers	\$ 1,998,039	\$ 1,700,150	\$ 1,628,537	
Fort Myers Beach	\$ 9,169	\$ -	\$ -	
Fort Pierce	\$ 207,689	\$ -	\$ -	
Fort Walton Beach	\$ 213,213	\$ 236,080	\$ 210,421	\$ 211,570
Fort White	\$ 10,228	\$ -	\$ -	
Frostproof	\$ 17,925	\$ 20,969	\$ 31,356	\$ 28,346
Fruitland Park	\$ 17,481	\$ 16,403	\$ 19,200	
Gainesville	\$ 926,854	\$ 899,993	\$ 974,369	\$ 998,362
Glen Ridge	\$ 9,383	\$ 6,526	\$ -	
Golden Beach	\$ 9,960	\$ 8,763	\$ 15,212	
Golf	\$ 14,395	\$ 13,236	\$ 15,205	
Grant-Valkaria	\$ 1,327	\$ 2,694	\$ -	\$ 3,698
Greenacres	\$ 283,671	\$ 306,977	\$ 212,124	\$ 223,265
Greensboro	\$ 315	\$ -	\$ -	
Gretna			\$ 4,160	
Groveland	\$ 18,848	\$ -	\$ 15,388	
Gulf Breeze	\$ -	\$ -	\$ 69,631	\$ 37,979
Gulf Stream	\$ 25,174	\$ 22,771	\$ 14,633	\$ 16,402
Gulfport	\$ 57,189	\$ 90,220	\$ 49,493	\$ 51,962
Haines City	\$ 71,822	\$ 70,575	\$ 71,389	\$ 76,214
Hallandale Beach	\$ 338,560	\$ 359,498	\$ 338,707	\$ 389,088
Hastings	\$ -	\$ 3,411	\$ 3,338	\$ 3,714
Havana	\$ 8,586	\$ 9,690	\$ 9,721	\$ 9,524
Hawthorne	\$ 3,085	\$ 3,124	\$ -	
Hialeah	\$ 3,290,492	\$ 3,958,326	\$ 4,343,169	\$ 4,307,620
Hialeah Gardens	\$ 294,852	\$ -	\$ 527,506	\$ 589,602
High Springs	\$ 16,824	\$ 22,933	\$ -	
Highland Beach	\$ 2,031	\$ -	\$ -	
Hillcrest Heights	\$ 131	\$ 107	\$ 112	\$ 124
Hilliard	\$ 23,098	\$ 23,596	\$ 23,738	\$ 24,901
Hillsboro Beach	\$ 2,143	\$ -	\$ -	
Holly Hill	\$ 172,725	\$ 173,599	\$ 162,374	
Hollywood	\$ 2,115,567	\$ 2,054,828	\$ 2,094,587	\$ 2,070,057
Holmes Beach	\$ 23,626	\$ 30,383	\$ -	\$ 30,330
Homestead	\$ 342,358	\$ 339,437	\$ 335,295	\$ 349,941
Horseshoe Beach	\$ 369	\$ 3,054	\$ 466	
Howey-in-the-Hills	\$ 2,795	\$ -	\$ -	
Hypoluxo	\$ 30,018	\$ 31,795	\$ 16,151	\$ 16,613
Indialantic	\$ 32,906	\$ 30,879	\$ 30,483	\$ 32,353
Indian Creek Village			\$ 56	
Indian Harbour Beach	\$ 47,469	\$ 43,537	\$ 42,726	\$ 41,832

<b>Municipalities</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010*</b>
Indian River Shores	\$ 12,024	\$ -	\$ 12,347	\$ 12,639
Indian Rocks Beach	\$ 46,984	\$ 34,921	\$ 34,993	\$ 35,941
Inglis	\$ 4,241	\$ -	\$ -	
Interlachen	\$ 5,750	\$ 6,327	\$ 7,579	\$ 6,794
Inverness	\$ 70,481	\$ 59,586	\$ 55,213	
Islamorada, Village of Isl	\$ 38,873	\$ -	\$ -	
Jacksonville	\$ 7,531,796	\$ -	\$ -	\$ 8,052,071
Jacksonville Beach	\$ 285,867	\$ 283,086	\$ 271,344	\$ 273,107
Jasper	\$ 27,594	\$ 13,445	\$ 11,148	
Jay	\$ 2,364	\$ -	\$ -	
Jennings	\$ 897	\$ 1,324	\$ -	
Juno Beach	\$ 59,551	\$ 67,561	\$ 53,616	\$ 56,692
Jupiter	\$ 497,047	\$ 542,036	\$ 471,976	\$ 544,689
Jupiter Inlet Colony	\$ 881	\$ 582	\$ 407	
Jupiter Island	\$ 200	\$ -	\$ -	
Key Biscayne	\$ 110,272	\$ -	\$ 139,458	
Key Colony Beach	\$ 198,431	\$ 205,149	\$ 241,009	\$ 213,230
Key West	\$ 1,182,084	\$ 1,237,103	\$ 1,168,581	\$ 1,165,106
Keystone Heights	\$ 3,840	\$ -	\$ -	\$ 7,468
Kissimmee	\$ 243,493	\$ 203,000	\$ 168,000	
La Belle	\$ 19,926	\$ 21,479	\$ 21,827	
Lacrosse	\$ 988	\$ -	\$ -	
Lady Lake	\$ 49,353	\$ 50,880	\$ 53,331	\$ 57,462
Lake Alfred	\$ 9,982	\$ -	\$ 8,731	
Lake Buena Vista	\$ 11	\$ -	\$ -	
Lake City	\$ 107,981	\$ 132,365	\$ 120,494	
Lake Clarke Shores	\$ 48,849	\$ 24,671	\$ 31,628	\$ 23,421
Lake Hamilton	\$ 1,613	\$ -	\$ -	
Lake Helen	\$ 8,099	\$ 11,985	\$ 5,947	
Lake Mary	\$ 122,684	\$ 122,115	\$ 120,956	\$ 118,243
Lake Park	\$ 325,018	\$ 346,619	\$ 342,294	
Lake Placid	\$ 14,667	\$ -	\$ 10,043	\$ 9,722
Lake Wales	\$ 82,712	\$ 80,915	\$ 79,325	\$ 77,287
Lake Worth	\$ 606,709	\$ -	\$ -	
Lakeland	\$ 1,470,178	\$ -	\$ -	
Lantana	\$ 196,981	\$ 204,351	\$ 202,307	\$ 206,735
Largo	\$ 688,334	\$ 666,035	\$ 655,854	\$ 640,109
Lauderdale Lakes	\$ 225,221	\$ -	\$ -	
Lauderdale-by-the-Sea	\$ 65,253	\$ 62,498	\$ 73,030	
Lauderhill	\$ 961,418	\$ -	\$ -	
Laurel Hill	\$ 2,055	\$ 2,384	\$ -	
Layton	\$ 1,065	\$ 1,970	\$ 2,140	
Lazy Lake Village	\$ 11	\$ -	\$ 32	\$ 26
Lee	\$ -	\$ -	\$ 180	\$ 336
Leesburg	\$ 226,396	\$ 216,957	\$ 208,203	\$ 196,217
Lighthouse Point	\$ 69,120	\$ 67,322	\$ 65,851	\$ 64,487

<b>Municipalities</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010*</b>
Live Oak	\$ 105,531	\$ 106,453	\$ 100,859	\$ 105,335
Longboat Key	\$ 112,016	\$ 175,361	\$ 198,083	
Longwood	\$ 214,247	\$ 203,563	\$ 190,441	
Lynn Haven	\$ 118,341	\$ 112,557	\$ 104,763	\$ 101,458
Macclenny	\$ 31,610	\$ -	\$ -	
Madeira Beach	\$ 80,524	\$ 84,356	\$ 79,969	
Madison	\$ 25,043	\$ -	\$ -	
Maitland	\$ 195,886	\$ 190,376	\$ 197,334	\$ 195,973
Malabar	\$ 15,298	\$ 18,232	\$ 20,737	\$ 20,608
Malone	\$ 2,690	\$ -	\$ -	
Manalapan	\$ 34,089	\$ 26,813	\$ 32,191	
Mangonia Park	\$ -	\$ -	\$ -	\$ 54,437
Marathon	\$ 45,507	\$ -	\$ 27,252	\$ 45,115
Marco Island	\$ 30,279	\$ 22,765	\$ 27,967	\$ 22,810
Margate	\$ 360,219	\$ 302,479	\$ 311,367	\$ 312,263
Mary Esther	\$ 170,549	\$ -	\$ -	
Mascotte	\$ 13,106	\$ 12,408	\$ 7,954	
Mayo	\$ 7,420	\$ 7,890	\$ 9,695	
Medley	\$ 271,490	\$ 185,172	\$ 184,778	
Melbourne	\$ 1,107,538	\$ 1,103,658	\$ 1,095,480	\$ 1,075,005
Melbourne Beach	\$ 17,014	\$ 17,292	\$ 17,528	
Melbourne Village	\$ 6,024	\$ 6,303	\$ 6,198	
Mexico Beach	\$ 15,425	\$ 11,015	\$ 9,989	
Miami	\$ 7,580,367	\$ 7,769,634	\$ 7,512,953	
Miami Beach	\$ 3,662,796	\$ 3,341,802	\$ 3,684,320	
Miami Gardens	\$ 885,041	\$ 1,258,305	\$ 1,243,892	\$ 1,339,736
Miami Lakes	\$ 126,770	\$ 126,140	\$ 119,377	
Miami Shores Village	\$ 62,340	\$ 72,110	\$ -	
Miami Springs	\$ 85,931	\$ 88,031	\$ 91,818	
Micanopy	\$ 5,560	\$ -	\$ -	
Milton		\$ 101,487	\$ 125,159	
Milton	\$ -	\$ -	\$ -	\$ 113,919
Minneola	\$ 19,900	\$ -	\$ -	
Miramar	\$ 1,222,670	\$ 1,182,241	\$ 1,237,456	
Monticello	\$ 7,607	\$ 6,038	\$ 12,943	\$ 9,636
Montverde	\$ 1,641	\$ -	\$ -	
Moore Haven	\$ 4,816	\$ 6,371	\$ 28,310	
Mount Dora	\$ -	\$ 37,532	\$ 5,609	\$ 30,608
Mulberry	\$ 18,719	\$ 13,020	\$ -	\$ 27,112
Naples	\$ 278,694	\$ 274,487	\$ 247,021	\$ 270,748
Neptune Beach	\$ 51,312	\$ 31,220	\$ 70,613	\$ 60,309
New Port Richey	\$ 164,794	\$ 175,804	\$ 194,923	
New Smyrna Beach	\$ 199,291	\$ 205,816	\$ 171,273	
Newberry	\$ 25,520	\$ 34,588	\$ 29,964	\$ 31,500
Niceville		\$ 87,859	\$ 80,446	
North Bay Village		\$ 65,672	\$ 71,881	

<b>Municipalities</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010*</b>
North Lauderdale	\$ 147,210	\$ 227,179	\$ 218,259	\$ 165,142
North Miami	\$ 507,742	\$ 490,068	\$ 579,690	
North Miami Beach	\$ 956,304	\$ 960,950	\$ 770,140	
North Palm Beach	\$ 242,140	\$ 229,738	\$ 246,371	\$ 244,916
North Port	\$ 100,387	\$ 188,030	\$ 135,851	
Oak Hill	\$ 5,358	\$ 4,439	\$ 4,761	\$ 5,813
Oakland	\$ 18,835	\$ -	\$ -	
Oakland Park	\$ 391,910	\$ 392,973	\$ 391,682	\$ 388,128
Ocala	\$ 542,374	\$ 540,890	\$ -	
Ocean Breeze Park	\$ 246	\$ -	\$ -	
Ocean Ridge	\$ 24,253	\$ 4,344	\$ 3,932	\$ 3,829
Ocoee	\$ 428,563	\$ 442,039	\$ 428,227	
Okeechobee	\$ 61,634	\$ 71,827	\$ 70,227	\$ 69,877
Oldsmar	\$ 144,162	\$ 149,123	\$ 174,561	
Opa-locka	\$ 327,326	\$ 281,976	\$ 229,627	
Orange City	\$ 146,295	\$ 160,776	\$ 163,524	
Orange Park	\$ 62,881	\$ -	\$ 64,785	
Orchid	\$ 105	\$ -	\$ -	
Orlando	\$ 7,969,929	\$ 8,228,033	\$ 8,147,487	\$ 8,272,742
Ormond Beach	\$ 333,000	\$ 331,000	\$ 314,000	\$ 312,000
Otter Creek	\$ 60	\$ -	\$ -	
Oviedo	\$ 179,887	\$ 135,961	\$ 139,537	\$ 151,753
Pahokee	\$ 8,191	\$ 8,964	\$ 14,333	
Palatka	\$ 83,448	\$ -	\$ -	\$ 88,801
Palm Bay	\$ 656,412	\$ 603,601	\$ 615,746	\$ 568,811
Palm Beach	\$ 740,875	\$ 741,535	\$ 726,239	
Palm Beach Gardens	\$ -	\$ 1,531,977	\$ 1,540,700	\$ 1,464,400
Palm Beach Shores	\$ 14,133	\$ 15,014	\$ 14,391	\$ 12,301
Palm Coast	\$ 386,431	\$ 474,256	\$ 358,300	\$ 404,685
Palm Shores	\$ 9,062	\$ 16,909	\$ -	\$ 5,363
Palm Springs	\$ 193,399	\$ 210,149	\$ 229,978	\$ 238,928
Palmetto	\$ 59,449	\$ 70,678	\$ -	
Palmetto Bay	\$ 79,313	\$ 79,060	\$ 80,007	
Panama City	\$ 8,998,554	\$ 8,369,068	\$ 7,567,342	
Panama City Beach	\$ 6,285,828	\$ 7,032,426	\$ 7,391,079	\$ 7,475,121
Parker	\$ 13,417	\$ 19,440	\$ 25,885	\$ 31,415
Parkland	\$ 49,682	\$ -	\$ -	\$ 40,785
Pembroke Park	\$ 3,075,143	\$ 125,748	\$ 124,028	\$ 128,146
Pembroke Pines	\$ -	\$ 3,316,948	\$ 3,307,733	\$ 3,191,395
Pensacola	\$ 899,956	\$ 940,673	\$ 895,571	
Perry	\$ 50,740	\$ 53,753	\$ 52,976	\$ 51,158
Pinecrest	\$ 122,229	\$ 132,658	\$ 154,874	\$ 97,684
Pinellas Park	\$ 827,542	\$ 821,302	\$ 817,872	
Plant City	\$ 471,969	\$ 461,761	\$ 499,086	\$ 429,766
Plantation	\$ 813,001	\$ 808,989	\$ 758,933	\$ 747,001
Polk City	\$ 11,022	\$ -	\$ 35,590	

<b>Municipalities</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010*</b>
Pomona Park	\$ 2,447	\$ 3,706	\$ 2,943	\$ 2,120
Pompano Beach	\$ 1,861,598	\$ 1,878,968	\$ 1,852,958	\$ 1,886,351
Ponce Inlet	\$ 7,637	\$ 9,986	\$ 13,750	\$ 14,394
Port Orange	\$ 112,127	\$ 143,473	\$ 136,973	
Port Richey	\$ 77,094	\$ 68,143	\$ 75,451	\$ 78,175
Port St Joe	\$ 19,820	\$ 20,240	\$ 18,433	
Port St Lucie	\$ 1,301,409	\$ 1,584,424	\$ 1,570,426	
Punta Gorda	\$ 139,028	\$ 141,887	\$ 149,451	
Quincy	\$ 24,061	\$ -	\$ 26,239	
Raiford	\$ 303	\$ -	\$ -	
Redington Beach	\$ 2,443	\$ 1,150	\$ 1,560	
Redington Shores	\$ 13,371	\$ 16,473	\$ 15,007	
Riviera Beach	\$ 442,431	\$ 464,131	\$ 447,563	
Rockledge	\$ 179,115	\$ 209,248	\$ 228,421	
Royal Palm Beach	\$ 535,038	\$ 543,746	\$ 595,552	\$ 619,952
Safety Harbor	\$ 158,996	\$ -	\$ -	
San Antonio	\$ 1,665	\$ 1,555	\$ 1,055	
Sanford	\$ 645,329	\$ 560,013	\$ 602,291	
Sanibel	\$ 277,184	\$ 290,066	\$ 293,393	\$ 291,395
Sarasota	\$ 725,009	\$ 902,093	\$ 791,565	\$ 727,042
Satellite Beach	\$ 65,526	\$ 60,516	\$ 58,562	\$ 52,646
Sea Ranch Lakes	\$ 9,514	\$ -	\$ 4,728	\$ 8,102
Sebastian	\$ 148,176	\$ 109,607	\$ 128,722	
Sebring	\$ 70,530	\$ 69,589	\$ -	
Seminole	\$ 156,535	\$ 153,256	\$ 152,295	
Sewalls Point	\$ 837	\$ 4,548	\$ 664	
Sneads	\$ 4,608	\$ -	\$ -	
South Daytona	\$ 166,281	\$ 161,730	\$ 166,126	\$ 186,366
South Miami	\$ 552,773	\$ 552,410	\$ 580,583	
South Palm Beach	\$ 11,544	\$ 14,314	\$ 9,289	
South Pasadena	\$ 91,401	\$ 91,249	\$ 88,433	\$ 88,484
Southwest Ranches	\$ -	\$ 8,510	\$ -	\$ 7,602
Springfield	\$ 38,527	\$ 12,099	\$ 25,287	
St Augustine	\$ 145,744	\$ 145,754	\$ 137,940	\$ 142,546
St Augustine Beach	\$ 26,958	\$ 27,422	\$ 26,554	
St Cloud	\$ 223,932	\$ 204,368	\$ 199,215	
St Leo	\$ 561	\$ 170	\$ 235	
St Lucie Village	\$ 4,145	\$ -	\$ -	
St Marks	\$ 4,344	\$ -	\$ -	
St Pete Beach	\$ 104,283	\$ 108,779	\$ 107,350	\$ 105,469
St Petersburg	\$ 3,048,711	\$ -	\$ 2,596,244	
Starke	\$ 68,875	\$ -	\$ -	
Stuart	\$ 624,001	\$ 637,054	\$ 632,001	
Sunny Isles Beach	\$ 218,793	\$ 223,781	\$ 221,903	\$ 214,234
Sunrise	\$ 2,116,164	\$ 2,161,515	\$ 2,190,433	
Surfside	\$ 68,045	\$ 49,865	\$ 62,816	



<b>Municipality</b>	<b>Does your jurisdiction have any currently outstanding bonds that are secured by the business tax?</b>	<b>Is the business tax a primary pledge for debt service?</b>	<b>What is the outstanding balance of the bonds?</b>	<b>When is the final maturity of the bonds?</b>
Town of North Redington Beach	No	N/A	N/A	N/A
City of Key West	No	N/A	N/A	N/A
Town of Lake Clarke Shores	No	N/A	N/A	N/A
City of Bradenton's	No	N/A	N/A	N/A
City of Tampa	YES	YES	\$81,540,000 on 10/1/10	10/1/2027
City of Port St. Lucie	YES	No	\$278,125,000	2042
City of Melbourne	No	N/A	N/A	N/A
Town of Redington Shores	No	N/A	N/A	N/A
Town of Malabar	No	N/A	N/A	N/A
City of Bradenton	No	N/A	N/A	N/A
City of Stuart	No	N/A	N/A	N/A
Town of Bay Harbor Islands	No	N/A	N/A	N/A

Counties or municipalities imposing a local business tax as of March 9, 2012 may continue to levy the tax to the extent necessary to meet all debt obligations issued before March 9, 2012 and for which BTR was explicitly pledged as a security

Top 25 cities	2009 BTR	2009 Total Debt
Tampa	\$ 10,830,731	\$ 830,857,000
Orlando	\$ 8,147,487	\$ 998,104,388
Panama City	\$ 7,567,342	\$ 38,850,299
Miami	\$ 7,512,953	\$ 583,441,372
Panama City Beach	\$ 7,391,079	\$ 125,347,195
Hialeah	\$ 4,343,169	\$ 150,329,672
Miami Beach	\$ 3,684,320	\$ 414,515,750
Pembroke Pines	\$ 3,307,733	\$ 385,505,000
Coral Gables	\$ 3,102,939	\$ 65,168,668
West Palm Beach	\$ 3,015,396	\$ 503,110,166
St Petersburg	\$ 2,596,244	\$ 389,947,334
Fort Lauderdale	\$ 2,371,542	\$ 485,677,942
Sunrise	\$ 2,190,433	\$ 236,922,506
Clearwater	\$ 2,163,324	\$ 317,047,853
Hollywood	\$ 2,094,587	\$ 391,670,459
Pompano Beach	\$ 1,852,958	\$ 60,585,751
Fort Myers	\$ 1,628,537	\$ 398,832,229
Port St Lucie	\$ 1,570,426	\$ 986,422,274
Palm Beach Gardens	\$ 1,540,700	\$ 33,373,382
Boca Raton	\$ 1,436,741	\$ 148,883,521
Boynton Beach	\$ 1,402,576	\$ 119,473,389
Miami Gardens	\$ 1,243,892	\$ 64,842,569
Miramar	\$ 1,237,456	\$ 189,688,172
Coral Springs	\$ 1,222,424	\$ 65,710,093
Key West	\$ 1,168,581	\$ 37,923,434

**REVENUE ESTIMATING CONFERENCE**

**TAX:** Stormwater Fees

**ISSUE:** Stormwater Fees for Agricultural Lands

**BILL NUMBER(S):** HB 1021 Sec 1

**SPONSOR(S):** Representative Albritton

**MONTH/YEAR COLLECTION IMPACT BEGINS:** 07/01/2012

**DATE OF ANALYSIS:** January 19, 2012

**SECTION 1: NARRATIVE**

- a. **Current Law:** A county may not charge an assessment or fee for stormwater management on a farm operation on land classified as agricultural that implements certain permits or practices. For each county that adopted a stormwater utility ordinance or resolution before March 1, 2009, stating the intent to use the uniform method of collection for stormwater ordinances may continue to charge an assessment or fee for stormwater if credits are provided for water quality or flood control practices.
  
- b. **Proposed Change:** Changes county to "Governmental entity" where "Governmental entity" includes local and regional governmental entities.

**SECTION 2: DESCRIPTION OF DATA AND SOURCES**

Florida Stormwater Association 2009 Stormwater Utilities Survey  
 Email survey to municipalities with stormwater utilities  
 Conversations with Water Management Districts, FSA, and Farm Bureau  
 DOR data-2010 and 2011 property rolls  
 DFS Loger data

**SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)**

See attached.

**SECTION 4: PROPOSED FISCAL IMPACT**

Local Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
Cities	(\$.8m)	(\$.9m)	(\$1.0m)	(\$1.0m)	(\$1.1m)
Special Districts	(\$53.4m)	(\$53.4m)	(\$57.7m)	(\$62.3m)	(\$67.4m)
Total	(\$54.2m)	(\$54.3m)	(\$58.7m)	(\$63.3m)	(\$68.5m)

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 1/20/12)** The conference adopted the proposed estimates.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue	0	0	0	0	0
State Trust	0	0	0	0	0
Total State Impact	0	0	0	0	0
Total Local Impact	(54.2)	(54.3)	(58.7)	(63.3)	(68.5)
Total Impact	(54.2)	(54.3)	(58.7)	(63.3)	(68.5)

## HB 1021 - Stormwater Fees

Currently: A county may not charge an assessment or fee for stormwater management on a farm operation on land classified as agricultural that implements certain permits or practices. For each county that adopted a stormwater utility ordinance or resolution before March 1, 2009, stating the intent to use the uniform method of collection for stormwater ordinances may continue to charge an assessment or fee for stormwater if credits are provided for water quality or flood control practices.

### Changes county to "Governmental entity"

Governmental entity defined as: s.164.1031 F.S., -

"Governmental entity" includes local and regional governmental entities.

"Local governmental entities" includes municipalities, counties, school boards, special districts, and other local entities within the jurisdiction of one county created by general or special law or local ordinance.

"Regional governmental entities" includes regional planning councils, metropolitan planning organizations, water supply authorities that include more than one county, local health councils, water management districts, and other regional entities that are authorized and created by general or special law that have duties or responsibilities extending beyond the jurisdiction of a single county.

Assumes it adds municipalities, stormwater management districts, drainage water control, water management and watershed improvement districts.

Data: Florida Stormwater Association 2009 Stormwater Utilities Survey

Email survey to municipalities with stormwater utilities

Conversations with Water Management Districts, FSA, and Farm Bureau

DOR data-2010 and 2011 property rolls

DFS Loger data

Source : Florida Stormwater Association 2009 Stormwater Utilities Survey (91 respondents)

There are approximately 154 local governments who have established stormwater utilities. 91 utilities responded to survey.

Most stormwater utilities are located within a department of public works and have used impervious area as the basis for calculating the fee.

62% of respondents exempt agricultural land from stormwater fees.

Utility is organized:

13	Separate Department of Local Government
58	Combined with Department of Public Works
3	Combined with Wastewater Utility
18	Combined with other department
0	Authority or district separate from local government

Municipalities with SWU		
City of Altamonte Springs	City of Key West	City of Sanford
City of Apopka	City of Kissimmee	City of Satellite Beach
City of Atlantic Beach	City of Lake Alfred	City of South Daytona
City of Auburndale	City of Lake Mary	City of South Miami
City of Aventura	City of Lake Worth	City of St. Augustine
City of Bartow	City of Lakeland	City of St. Augustine Beach
City of Boca Raton	City of Largo	City of St. Cloud
City of Boynton Beach	City of Lauderdale Lakes	City of St. Petersburg
City of Bradenton	City of Lauderhill	City of Stuart
City of Bradenton Beach	City of Leesburg	City of Sunny Isles Beach
City of Cape Canaveral	City of Longwood	City of Sunrise
City of Cape Coral	City of Madeira Beach	City of Sweetwater
City of Casselberry	City of Margate	City of Tallahassee
City of Clearwater	City of Melbourne	City of Tamarac
City of Clermont	City of Miami	City of Tampa
City of Cocoa	City of Miami Gardens	City of Tarpon Springs
City of Cocoa Beach	City of Miami Springs	City of Tavares
City of Coconut Creek	City of Minneola	City of Titusville
City of Cooper City	City of Miramar	City of Treasure Island
City of Coral Gables	City of Mount Dora	City of Venice
City of Daytona Beach	City of Mulberry	City of West Melbourne
City of DeBary	City of Naples	City of West Miami
City of DeLand	City of Neptune Beach	City of West Palm Beach
City of Delray Beach	City of New Port Richey	City of West Park
City of Deltona	City of New Smyrna Beach	City of Wilton Manors
City of Doral	City of Niceville	City of Winter Garden
City of Dunedin	City of North Bay Village	City of Winter Haven
City of Eagle Lake	City of North Lauderdale	City of Winter Park
City of Edgewater	City of North Miami	City of Winter Springs
City of Eustis	City of North Miami Beach	Town of Bay Harbor Islands
City of Florida City	City of Oakland Park	Town of Dundee
City of Fort Lauderdale	City of Ocala	Town of Eatonville
City of Fort Meade	City of Ocoee	Town of Golden Beach
City of Fort Myers	City of Oldsmar	Town of Jupiter
City of Fort Pierce	City of Opa-Locka	Town of Lake Park
City of Fort Walton Beach	City of Orlando	Town of Malabar
City of Frostproof	City of Ormond Beach	Town of Medley
City of Fruitland Park	City of Oviedo	Town of Melbourne Beach
City of Gainesville	City of Palm Coast	Town of Pembroke Park
City of Gulfport	City of Palmetto	Town of Surfside
City of Haines City	City of Pensacola	Village of El Portal
City of Hallandale Beach	City of Pinellas Park	Village of Indian Creek
City of Hialeah	City of Plant City	Village of Key Biscayne
City of Hialeah Gardens	City of Polk City	Village of Miami Shores Village
City of Holly Hill	City of Pompano Beach	Village of Pinecrest
City of Holmes Beach	City of Port Orange	Village of Tequesta
City of Homestead	City of Port St. Lucie	
City of Indian Harbour Beach	City of Riviera Beach	
City of Jacksonville	City of Rockledge	
City of Jacksonville Beach	City of Safety Harbor	

Email survey of cities with SWU 2012

<b>Respondents</b>	<b>Fiscal Impact (annualized)</b>	<b>Notes</b>
City of Tallahassee	\$ 6,000.00	Only one farm in city limits
City of Kissimmee	\$ -	Does not charge ag stormwater fee.
City of Naples	\$ -	Does not have ag land w/in city limits
City of Miami Gardens	\$ -	Small areas of ag land.
City of Rockledge	\$ -	No fee for undeveloped land.
City of Jacksonville	\$ -	Minimal to no financial impact, currently offer credits.
City of Fort Walton Beach	\$ -	Does not have ag land w/in city limits, has
City of Casselberry	\$ -	Does not have ag land w/in city limits
City of Bradenton	\$ -	No fees from ag land
City of Jupiter	\$ -	No fees from ag land
Mount Dora	\$ -	Does not have ag land w/in city limits
City of Palm Coast		Going to send estimate.
City of Pensacola	\$ -	Little to no ag land, going to send numbers.
City of Atlantic Beach	\$ -	Does not have ag land w/in city limits
City of Key West	\$ -	Does not have ag land w/in city limits
Town of Surfside	\$ -	Does not have ag land w/in city limits
City of Stuart	\$ -	No impact
City of St Petersburg	\$ -	Does not have ag land w/in city limits
City of New Port Richey	\$ -	Does not have ag land w/in city limits
City of Edgewater	\$ -	No ag customers
Lake Alfred	\$ 1,248.00	
City of Miami	\$ -	no ag land in city limits.

From 2011 roll, Municipalities with stormwater utilities that have agricultural

Roll	County	City with SWU	% ag JV (DOR data)	Total annual revenue generated by utility fee (2009 FSA survey)
2011	Polk	DUNDEE	14.192%	
2011	Palm Beach	PAHOKEE	8.668%	
2011	Miami-Dade	FLORIDA CITY	7.595%	
2011	Polk	HAINES CITY	6.141%	\$ 190,325
2011	Polk	LAKE ALFRED	5.157%	
2011	Miami-Dade	HOMESTEAD	4.927%	\$ 937,694
2011	Brevard	MALABAR	3.907%	
2011	Osceola	ST. CLOUD	3.843%	\$ 1,380,000
2011	Osceola	KISSIMMEE	3.731%	
2011	Polk	BARTOW	3.710%	
2011	Polk	POLK CITY	3.695%	
2011	Hillsborough	PLANT CITY	3.341%	\$ 2,082,000
2011	St. Lucie	PORT ST. LUCIE	3.312%	\$ 14,800,000
2011	Polk	MULBERRY	2.768%	
2011	Orange	APOPKA	2.511%	
2011	Orange	WINTER GARDEN	2.178%	\$ 1,468,096
2011	Polk	WINTER HAVEN	2.069%	\$ 584,938
2011	Volusia	DAYTONA BEACH	1.992%	
2011	Volusia	EDGEWATER	1.877%	\$ 943,423
2011	Lee	FORT MYERS	1.630%	\$ 2,700,000
2011	Seminole	SANFORD	1.597%	\$ 2,113,200
2011	Highlands	PALM COAST	1.457%	\$ 3,700,000
2011	Miami-Dade	HIALEAH GARDEN	1.425%	
2011	Marion	OCALA	1.289%	\$ 4,245,131
2011	Seminole	WINTER SPRINGS	1.280%	\$ 1,055,000
2011	Brevard	WEST MELBOURNE	1.264%	
2011	Polk	EAGLE LAKE	1.204%	
2011	Polk	AUBURNDALE	1.099%	\$ 44,829
2011	Orange	ORLANDO	1.089%	\$ 22,519,910
2011	Sarasota	VENICE	1.030%	\$ 2,000,000
2011	Lake	MINNEOLA	1.020%	\$ 91,000
2011	Orange	OCOEE	0.892%	\$ 2,275,470
2011	Polk	LAKELAND	0.863%	\$ 3,313,960
2011	Broward	COCONUT CREEK	0.802%	
2011	Volusia	ORMOND BEACH	0.759%	
2011	Broward	COOPER CITY	0.751%	
2011	St. Lucie	FORT PIERCE	0.747%	\$ 2,298,787
2011	Polk	FORT MEADE	0.717%	\$ 140,000
2011	Manatee	PALMETTO	0.704%	
2011	Volusia	PORT ORANGE	0.677%	\$ 3,480,389
2011	Lake	FRUITLAND PARK	0.676%	\$ 21,000
2011	Broward	MIRAMAR	0.594%	\$ 1,257,000
2011	Miami-Dade	HIALEAH	0.561%	\$ 342,080
2011	Volusia	DEBARY	0.544%	\$ 700,000
2011	Orange	EATONVILLE	0.526%	
2011	Broward	SUNRISE	0.518%	\$ 2,872,064
2011	Okaloosa	NICEVILLE	0.512%	\$ 375,000
2011	Lake	LEESBURG	0.479%	\$ 635,065
2011	Miami-Dade	DORAL	0.475%	\$ 3,000,000
2011	Volusia	NEW SMYRNA BEA	0.458%	
2011	Seminole	OVIEDO	0.331%	\$ 697,000
2011	Alachua	GAINESVILLE	0.308%	\$ 6,189,844

2011	Lake	TAVARES	0.308%	\$ 139,760
2011	Volusia	DELTONA	0.253%	\$ 2,000,000
2011	Miami-Dade	PINECREST	0.238%	
2011	Lee	CAPE CORAL	0.234%	\$ 13,526,806
2011	Leon	TALLAHASSEE	0.232%	\$ 9,000,000
2011	Volusia	DELAND	0.220%	\$ 600,000
2011	Broward	POMPANO BEACH	0.218%	\$ 2,400,000
2011	St. Johns	ST AUGUSTINE	0.190%	\$ 734,328
2011	Pinellas	TARPON SPRINGS	0.165%	\$ 1,028,000
2011	Pinellas	PINELLAS PARK	0.163%	
2011	Brevard	MELBOURNE	0.144%	
2011	Brevard	COCOA	0.125%	\$ 520,000
2011	Manatee	BRADENTON	0.104%	\$ 1,500,000
2011	Pinellas	LARGO	0.098%	\$ 1,940,600
2011	Lake	MOUNT DORA	0.096%	\$ 24,760
2011	Palm Beach	BOYNTON BEACH	0.081%	\$ 3,200,000
2011	Lake	EUSTIS	0.072%	\$ 313,000
2011	Seminole	LAKE MARY	0.071%	\$ 242,500
2011	Pinellas	SAFETY HARBOR	0.063%	\$ 561,000
2011	Hillsborough	TAMPA	0.062%	\$ 6,902,089
2011	Brevard	ROCKLEDGE	0.061%	\$ 905,000
2011	Palm Beach	RIVIERA BEACH	0.054%	\$ 1,500,000
2011	Martin	STUART	0.054%	\$ 535,000
2011	Lake	CLERMONT	0.050%	\$ 733,000
2011	Broward	PEMBROKE PARK	0.049%	
2011	Miami-Dade	MIAMI GARDENS	0.047%	\$ 3,500,000
2011	Hendry	ATLANTIC BEACH	0.029%	\$ 482,000
2011	Brevard	TITUSVILLE	0.024%	\$ 1,800,000
2011	Palm Beach	LAKE WORTH	0.021%	\$ 2,717,000
2011	Pinellas	DUNEDIN	0.014%	\$ 1,618,880
2011	Broward	TAMARAC	0.014%	\$ 4,498,587
2011	Volusia	SOUTH DAYTONA	0.013%	
2011	Miami-Dade	SOUTH MIAMI	0.012%	
2011	Miami-Dade	SWEETWATER	0.010%	
2011	Palm Beach	DELRAY BEACH	0.009%	\$ 2,200,000
2011	Miami-Dade	CORAL GABLES	0.006%	
2011	Palm Beach	WEST PALM BEAC	0.003%	\$ 8,000,000
2011	Palm Beach	JUPITER	0.002%	

Total \$ 161,575,515  
Avg \$ 2,648,779  
Total with avg for missing respondents \$ 238,390,104  
62% of respondents exempt ag land \$ 90,588,240

2011 survey of counties done for HJR 7103 impact shows that, on average, .75% of county stormwater revenues were on ag land.

2009  
Stormwater Fees on Municipalities with Ag Land \$ 90,588,240  
0.75% \$ 679,412

FSA survey respondents

2001	2009 growth/yr
\$ 89,695,301	\$ 166,891,296 8.1%
2010	
\$ 734,245	

<i>millions</i>	FY 12/13	FY 12/13 - cash	FY 13/14	FY 14/15
	\$ 0.9	\$ 0.8	\$ 1.0	\$ 1.0

County	Drainage Water Control, Water Management and Watershed Improvement Districts	Total Revenue FY 2009*
Multi	Barron Water Control District	\$ 1,362,294
Charlotte	Bermont Drainage District	\$ 3,719
Collier	Big Cypress Stewardship District	\$ 30,540
Hendry	Bolles Drainage District	\$ 128,175
Broward	<a href="#">Central Broward Water Control District</a>	\$ 3,171,607
Charlotte	Central Charlotte Drainage District	\$ 15,284
Hendry	Central County Water Control District	\$ 1,949,629
Hendry	Clewiston Drainage District	\$ 308,664
Hendry	Collins Slough Water Control District	\$ 221,366
Hendry	Cooperative Producers Water Control	\$ 10,837
Okeechobee	Coquina Water Management District	\$ 824,017
Broward	Coral Springs Improvement District	\$ 12,909,006
Lee	County Line Drainage District	\$ 221,173
Multi	Cow Slough Water Control District	\$ 42,925
Indian River	Delta Farms Water Control District	\$ 415,296
Hendry	Devils Garden Water Control District	\$ 190,772
Multi	Disston Island Conservancy District	\$ 353,159
Palm Beach	East Beach Water Control District	\$ 283,536
Charlotte	East Charlotte Drainage District	\$ 326,340
Multi	<a href="#">East County Water Control District</a>	\$ 11,008,444
Lee	East Mulloch Drainage District	\$ 72,538
Palm Beach	East Shore Water Control District	\$ 256,333
Indian River	Fellsmere Water Control District	\$ 361,156
Multi	Flaghole Drainage District	\$ 132,552
St. Johns	Flagler Estates Road and Water Control	\$ 2,541,729
St. Lucie	Fort Pierce Farms Water Control District	\$ 267,201
Hendry	Gerber Groves Water Control District	\$ 543,994
Palm Beach	Gladeview Water Control District	\$ 434,035
Polk	Haines City Water Control District	\$ 15,129
Multi	Hastings Drainage District	\$ 28,207
Hendry	Hendry-Hilliard Water Control District	\$ 314,211
Palm Beach	Highland Glades Water Control District	\$ 23,516
Martin	Hobe-Saint Lucie Conservancy District	\$ 1,034,604
Indian River	Indian River Farms Water Control District	\$ 1,127,781
Palm Beach	Indian Trail Improvement District	\$ 13,096,209
Desoto	Joshua Water Control District	\$ 1,256,400
Palm Beach	Lake Worth Drainage District	\$ 12,992,638
Broward	Lauderdale Isles Water Management	\$ 8,752
Palm Beach	Loxahatchee Groves Water Control	\$ 1,294,623
Palm Beach	North Palm Beach Heights Water Control	\$ 2,515,297
Broward	North Springs Improvement District	\$ 21,334,063
St. Lucie	North St. Lucie River Water Control	\$ 5,635,226
Palm Beach	<a href="#">Northern Palm Beach County Improvement District</a>	\$ 34,360,108
Broward	Old Plantation Water Control District	\$ 991,876
Palm Beach	Pahokee Water Control District	\$ 401,723
Multi	Pal-Mar Water Control District	\$ 62,399
Palm Beach	Pelican Lake Water Control District	\$ 7,006,312
Broward	Pine Tree Water Control District	\$ 433,540
Palm Beach	Pine Tree Water Control District	\$ 223,850
Pinellas	Pinellas Park Water Management District	\$ 6,061,432

Broward	<a href="#">Plantation Acres Improvement District</a>	\$	811,363
Orange	<a href="#">Ranger Drainage District</a>	\$	1,630,021
Multi	<a href="#">Reedy Creek Improvement District</a>	\$	275,527,853
Highlands	Ridge Water Control District	\$	2,000
Multi	Ritta Drainage District	\$	74,118
Lee	<a href="#">San Carlos Estates Water Control District</a>	\$	1,637,221
Indian River	Sebastian River Improvement District	\$	233,596
Palm Beach	Seminole Improvement District	\$	1,928,403
Palm Beach	Shawano Water Control District	\$	811,554
Broward	<a href="#">South Broward Drainage District</a>	\$	3,326,123
Multi	South Florida Conservancy District	\$	1,057,116
Palm Beach	<a href="#">South Indian River Water Control District</a>	\$	8,644,198
Palm Beach	South Shore Drainage District	\$	194,762
Highlands	<a href="#">Spring Lake Improvement District</a>	\$	1,752,580
Indian River	St. Johns Improvement District	\$	10,653,053
Multi	Sugarland Drainage District	\$	98,919
Broward	Sunshine Water Control District	\$	2,343,948
Multi	Telegraph Cypress Water Management	\$	3,902
Broward	Tindall Hammock Irrigation and Soil	\$	4,179,619
Martin	Troup-Indiantown Water Control District	\$	266,992
Orange	Valencia Water Control District	\$	437,594
Indian River	Vero Lakes Water Control District	\$	5,886
Polk	West Lakeland Water Control District	\$	34,854
Sarasota	West Villages Improvement District	\$	6,354,452
	Total	\$	470,614,344

\* Highlighted areas predominantly Ag districts

			<b>Ag Total</b>	<b>total less ag</b>
		\$	35,810,267	\$ 434,804,077
	8.10%			
		AG lands	0.75% Total	
FY 09	\$	35,810,267	\$ 3,261,031	\$ 39,071,298
FY 10	\$	38,710,899	\$ 3,525,174	\$ 42,236,073
FY 11	\$	41,846,481	\$ 3,810,713	\$ 45,657,195
FY 12	\$	45,236,046	\$ 4,119,381	\$ 49,355,427
FY 13	\$	48,900,166	\$ 4,453,051	\$ 53,353,217
FY 14	\$	52,861,080	\$ 4,813,748	\$ 57,674,828
FY 15	\$	57,142,827	\$ 5,203,661	\$ 62,346,489
FY 16	\$	61,771,396	\$ 5,625,158	\$ 67,396,554

Water district	Response	2009 Ad valorem, Fees, Special Assessments and other revenues (doesn't include intragovernmental transfers, interest, grants)
Suwanee River Water Management District (Steve Minnis)	Does not get revenue from stormwater fees, but from non-ad valorem fees. Doesn't believe Southwest Florida collects from stormwater fees either.	\$ 6,629,174
Northwest Florida Water Management District (Doug Barron)	Doesn't collect stormwater fees from agricultural land, not much ag land.	\$ 554,515,323
St. Johns River Water Management District (Cathy Foerster)	Doesn't collect revenue from stormwater fees. Funded through ad valorem taxes.	\$ 140,069,097
South Florida Water Management District	Doesn't collect revenue from stormwater fees. Funded through ad valorem taxes.	\$ 554,028,999
Southwest Florida Water Management District	Doesn't collect revenue from stormwater fees. Funded through ad valorem taxes.	\$ 218,928,625
	No impact	

**REVENUE ESTIMATING CONFERENCE**

**TAX:** Sales and Use Tax

**ISSUE:** exemption on equipment, machinery, and other materials for renewable energy technologies

**BILL NUMBER(S):**

**SPONSOR(S):**

**MONTH/YEAR COLLECTION IMPACT BEGINS:** July 1, 2012

**DATE OF ANALYSIS:** 1/20/2012

**SECTION 1: NARRATIVE**

a. **Current Law:** similar exemption expired July 1, 2010

b. **Proposed Change:** add 212.08(7)(hhh) to allow exemptions for equipment, machinery, and other materials for renewable energy technologies. Materials used in the distribution of biodiesel (B10-B100) and ethanol (E10-E100) and other renewable fuels, including fueling infrastructure, transportation, and storage, up to a limit of \$1 million in tax each state fiscal year of all taxpayers.

**SECTION 2: DESCRIPTION OF DATA AND SOURCES**

DOR SALES TAX refunds under 212.08(7)(ccc).

CY 2009 \$0.95m

FY 2010 \$1.00 m

**SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)**

**SECTION 4: PROPOSED FISCAL IMPACT**

State Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High					
Middle	(\$1.0m)	(\$1.0m)	(\$1.0m)	(\$1.0m)	(\$1.0m)
Low					

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 1/20/12)** The conference adopted the proposed estimate.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue	(.8)	(.8)	(.8)	(.8)	(.8)
State Trust	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
Total State Impact	(.8)	(.8)	(.8)	(.8)	(.8)
Revenue Sharing	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
Local Gov't Half Cent	(.1)	(.1)	(.1)	(.1)	(.1)
Local Option	(.1)	(.1)	(.1)	(.1)	(.1)
Total Local Impact	(.2)	(.2)	(.2)	(.2)	(.2)
Total Impact	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)

**REVENUE ESTIMATING CONFERENCE**

**TAX:** SUT / tourist development tax  
**ISSUE:** definition issues  
**BILL NUMBER(S):** HB 1393 / SB 1888  
**SPONSOR(S):** Rep. Brodeur / Senator Gardiner  
**MONTH/YEAR COLLECTION IMPACT BEGINS:** July 1, 2012  
**DATE OF ANALYSIS:** 1/20/2012

**SECTION 1: NARRATIVE**

**a. Current Law:**

1. 125.0104 F.S. provides for the imposition of tourist development tax on the transit rentals; the tax is due on the total consideration charged for the rental and must be collected from the lessee at the time of the consideration is paid;
2. 125.0108 F.S. defines the imposition of the tourist impact tax is due on the consideration paid for occupancy and must be collected at the time of payment of the considerations.
3. 212.03 F.S. provides for the imposition of sales and used tax which is due and payable at the time of receipt of the rental payment by the lessor or person who received the rental or payment;
4. 212.0305 F.S. imposition of convention development tax on transient rentals
5. chapter 67-930 Law of Florida provides for the imposition of municipal resort tax;
6. no subsection (8) in section 212.03, Florida Statutes

- b. Proposed Change:** add subsection (8) to 212.03, Florida Statutes as “The terms ‘total rental charged’ as used in this section, ‘total consideration’ as used in ss. 125.0104 and 125.0108, ‘consideration’ as used in s. 212.0305, and ‘rent’ as used in chapter 67-930, Laws of Florida, as amended, have the same meaning and include the total amount that a person licensed pursuant to ss. 509.241 and 509.242 or regulated by the Department of Business and Professional Regulation receives for the right to occupy the person’s transient accommodations.”

**SECTION 2: DESCRIPTION OF DATA AND SOURCES**

DOR tourist development tax data, taxable transient rental data  
 eBusiness Consulting services for the hospitality industry  
 Smith Travel Research

**SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)**

Assuming total online booking is about 45 to 48%; Online Travel Agents’ (OTAs’) share of online booking is 30%; and 25% markup rate.  
 Assuming the percentage of hotels and motels online reservation utilizing the same strategy as OTAs in 2012-13 is half of the OTA rate; 80% of OTA rate in FY 2013-14; 90% of OTA rate in FY 2014-15 and 100% of OTA rate in FY 2015-16  
 Assuming occasional taxable transient rental below \$6,000 as low and below \$10,000 as high  
 Note: reservations made through management companies and payment received by the management companies are not addressed in this analysis, which could have a large impact, as well.

**SECTION 4: PROPOSED FISCAL IMPACT**

State Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
Markup: Sales Tourist Devel. Tax	0 (Indet)	0 (32.0)	0 (Indet)	0 (36.6)	0 (39.3)
Changing Business Practices: Sales Tourist Devel. Tax	(18.4) (16.0)	(36.9) (32.0)	(31.3) (27.2)	(37.9) (33.0)	(45.1) (39.3)
DBPR Licensing: Sales (High/Low) Tourist Devel. Tax (High/Low)	(5.4)/(2.2) (4.6)/(1.9)	(5.9)/(2.4) (5.1)/(2.1)	(6.1)/(2.5) (5.3)/(2.2)	(6.5)/(2.7) (5.6)/(2.3)	(6.9)/(2.8) (5.9)/(2.4)

**REVENUE ESTIMATING CONFERENCE**

**TAX:** SUT / tourist development tax

**ISSUE:** definition issues

**BILL NUMBER(S):** HB 1393 / SB 1888

**SPONSOR(S):** Rep. Brodeur / Senator Gardiner

**MONTH/YEAR COLLECTION IMPACT BEGINS:** July 1, 2012

**DATE OF ANALYSIS:** 1/20/2012

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 1/20/12)** The conference adopted the proposed estimates for the markup and changing business practices issue, and the high estimate for occasional rentals (DPBR licensure language). For purposes of this analysis, the conference assumed that the word "include" on line 22 of the bill would be changed to the word "mean." If this assumption is not correct, the analysis is not valid. The conference also noted that it is unclear what person is being referred to by the use of the word "person's" on line 25.

Markup	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue	0	0	0	0	0
State Trust	0	0	0	0	0
Total State Impact	0	0	0	0	0
Tourist Development Tax	(Indeterminate)	(32.0)	(Indeterminate)	(36.6)	(39.3)
Total Impact	(Indeterminate)	(32.0)	(Indeterminate)	(36.6)	(39.3)

Changing Business Practices	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue	(16.3)	(32.7)	(27.7)	(33.6)	(40.0)
State Trust	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
Total State Impact	(16.3)	(32.7)	(27.7)	(33.6)	(40.0)
Revenue Sharing	(.5)	(1.1)	(.9)	(1.1)	(1.3)
Local Gov't Half Cent	(1.6)	(3.1)	(2.6)	(3.2)	(3.8)
Local Option	(1.6)	(3.2)	(2.7)	(3.3)	(3.9)
Tourist Development Tax	(16.0)	(32.0)	(27.2)	(33.0)	(39.3)
Total Local Impact	(19.7)	(39.4)	(33.4)	(40.6)	(48.3)
Total Impact	(36.0)	(72.1)	(61.1)	(74.2)	(88.3)

DBPR Licensure	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue	(4.8)	(5.2)	(5.4)	(5.8)	(6.1)
State Trust	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
Total State Impact	(4.8)	(5.2)	(5.4)	(5.8)	(6.1)
Revenue Sharing	(.2)	(.2)	(.2)	(.2)	(.2)
Local Gov't Half Cent	(.5)	(.5)	(.5)	(.5)	(.6)
Local Option	(.5)	(.5)	(.5)	(.6)	(.6)
Tourist Development Tax	(4.6)	(5.1)	(5.3)	(5.6)	(5.9)
Total Local Impact	(5.8)	(6.3)	(6.5)	(6.9)	(7.3)
Total Impact	(10.6)	(11.5)	(11.9)	(12.7)	(13.4)

e-business Consulting Services for the Hospitality Industry website  
 2008 Benchmark Survey on Hotel Internet Marketing Budget Planning and Best Practice in Hospitality  
 3rd party online OTA's account for 20.4% of hotel's business

Mastering Internet Marketing in 2009: Results of the 3rd Benchmark Survey on Hotel Internet Marketing  
 In 2009 40% of all hotel bookings generated from the internet (double digit growth from 2008)

However, 2009 survey results also show that bookings made via Online Travel Agencies (OTAs) have increased for hoteliers – from 19% in 08 to 21% in 09. This is in large part due to the dire economic situation many hoteliers are going through. Hoteliers seem to be worried about lower occupancy rates and are providing more and more inventory to the OTAs. What hoteliers are not realizing however is that the OTAs are also affected by the overall decline in travel demand (Expedia reported 7% decline in revenue in Q4 2008) and can help only so much.

Mastering Internet Marketing in 2010: Results of the 4th Benchmark Survey on Hotel Internet Marketing  
 In 2010 45% of all hotel bookings will be via the internet.

OTA % of market  
 comscore June 2008

Q12008	
supplier	72%
OTA	28%
cheap tickets	0.80%
expedia	9.10%
hotels.com	6.80%
hotwire.com	1.50%
orbitz.com	3%
travelocity	6.40%

Markup	
America's best franchising	Markup
Priceline	33.33%
Packages	varies
Name your price	15%
Orbitz	33.33%
packages	varies
Travelocity	33.33%
packages	varies
last minute deals	varies
Hotwire	15%

eBusiness Consulting services for the hospitality industry  
 Getting Back to the Basics: The Hotelier's Internet Marketing Action Plan for a Difficult Economy  
 In 2008, 37%-38% of all hotel bookings will be generated from the Internet (one-third in 2007, 29% in 2006).  
 All major hotel brands are already generating an excess of 40% of the CRS bookings via their brand websites.  
 By the end of 2010, over 45% of all hotel bookings will be completed online (Merrill Lynch).

	2008	2009	2010
online bookings	38%	39%	45%
OTA's % online	30%	30%	30%
OTA % bookings	11.4%	11.7%	13.5%

Markup 25% average 33% & 15%

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
21	Taxes lost on mark up													
22	<b><i>In millions</i></b>	<b><i>FY 11</i></b>	<b><i>FY 10</i></b>	FY 09	FY 08	FY 07	FY 06	FY 05	FY 04	FY 03	FY 02	FY 01	FY 00	
23	FY TDT collections all counties	\$581.6	\$523.9	\$513.5	\$583.7	\$546.2	\$490.4	\$454.2	\$397.0	\$353.5	\$342.0	\$381.1	\$359.3	
24	TDT rate	5.18%	5.2%	5.2%	5.0%	4.9%	4.6%	4.5%	4.4%	4.1%	4.1%	4.1%	4.1%	
25														
26	Revenue from hotels	\$11,228.4	\$10,074.9	\$9,840.5	\$ 11,628.3	\$ 11,288.6	\$ 10,873.9	\$ 10,295.4	\$ 9,202.5	\$ 8,904.1	\$ 8,614.1	\$ 9,597.3	\$ 9,047.8	
27														
28	Online Booking % of all bookings	48%	45%	39%	38%	35%	30%	28%	25%	20%	15%	12%	10%	
29	Online Bookings through OTA	30%	30%	30%	30%	35%	40%	50%	60%	70%	80%	85%	85%	
30	Percentage OTA's	14.4%	13.5%	11.7%	11.4%	12.3%	12.0%	14.0%	15.0%	14.0%	12.0%	10.2%	8.5%	
31	Revenue from bookings through OTA's	\$1,616.9	\$1,360.1	\$1,151.3	\$ 1,325.6	\$ 1,382.9	\$ 1,304.9	\$ 1,441.4	\$ 1,380.4	\$ 1,246.6	\$ 1,033.7	\$ 978.9	\$ 769.1	
32														
33	Estimated online markups by OTA's	25%	25%	25%	25%	25%	25%	25%	20%	19%	19%	19%	19%	
34														
35														
36	Estimated gross online bookings including markup	\$ 2,155.9	\$ 1,813.5	\$ 1,535.1	\$ 1,767.5	\$ 1,843.8	\$ 1,739.8	\$ 1,921.8	\$ 1,725.5	\$ 1,537.1	\$ 1,274.6	\$ 1,207.1	\$ 948.3	
37														
38														
39	Estimated FY underreported markup	\$ 539.0	\$ 453.4	\$ 383.8	\$ 441.9	\$ 461.0	\$ 435.0	\$ 480.5	\$ 345.1	\$ 290.5	\$ 240.9	\$ 228.1	\$ 179.2	
40														
41	Weighted TDT rate	5.18%	5.2%	5.2%	5.0%	4.9%	4.6%	4.5%	4.4%	4.1%	4.1%	4.1%	4.1%	
42														
43	Estimated Underreported TDT	27.92	23.58	20.03	22.18	22.75	20.01	21.62	15.18	11.77	9.76	9.24	7.26	
44														
45	State underreported	32.34	27.20	23.03	26.51	27.66	26.10	28.83	20.71	17.43	14.45	13.69	10.75	
46														
47	Total unreported	60.26	50.78	43.05	48.69	50.41	46.11	50.45	35.89	29.20	24.21	22.93	18.01	
48														

	A	B	C	D	E	F	G	H	I
1	DOR CY 2010 taxable sales on transient rental								
2				State		local			
3	taxable transient rental	#	taxable	6%	average	5.18%			
4	0	5,995	\$0	\$0	\$0	\$0			
5	> 0 and <=\$5k	8,196	\$22,923,546	\$1,375,413	\$167.82	\$1,187,440			
6	\$5k to \$6k	2,083	\$11,639,652	\$698,379	\$335.28	\$602,934			
7	\$6k to \$7k	1,777	\$11,648,491	\$698,909	\$393.31	\$603,392			
8	\$7k to \$8k	1,759	\$13,256,938	\$795,416	\$452.20	\$686,709			
9	\$8k to \$9k	1,499	\$12,795,521	\$767,731	\$512.16	\$662,808			
10	\$9k to \$10k	1,274	\$12,156,777	\$729,407	\$572.53	\$629,721			
11	\$10k to \$15k	4,330	\$53,287,194	\$3,197,232	\$738.39	\$2,760,277			
12	\$15k to \$20k	2,523	\$43,743,972	\$2,624,638	\$1,040.28	\$2,265,938			
13	\$20k & above	12,657	\$10,527,605,426	\$631,656,326	\$49,905.69	\$545,329,961			
14	total	42,093	\$10,709,057,516	\$642,543,451		\$554,729,179			
15									
16	assuming occasional taxable transient rental below \$6,000 as low; below \$10,000 as high								
17	using REC Jan 2012 growth rates for tourism								
18			state low	state high	local low	local high			
19	FY 2012		\$2,314,750	\$5,653,798	\$1,998,401	\$4,881,112			
20	FY 2013	3.60%	\$2,398,081	\$5,857,334	\$2,070,343	\$5,056,832			
21	FY 2014	4.70%	\$2,510,791	\$6,132,629	\$2,167,649	\$5,294,503			
22	FY 2015	5.80%	\$2,656,417	\$6,488,322	\$2,293,373	\$5,601,584			
23	FY 1016	5.60%	\$2,805,176	\$6,851,668	\$2,421,802	\$5,915,273			
24									
25	assuming about 50% hotels and motels utilizing the same strategy as OTA								
26									
27		Taxable Base	hotel & motel booking	Avg. Mark up	Revenue on markup	State Revenue magnitude	Local Rate	Local Revenue magnitude	
28	FY 11	\$11,228	14.40%	25.00%	539.0	32.3	5.18%	27.9	
29	FY 12	\$11,868	14.50%	25.00%	\$ 573.6	\$ 34.4	5.19%	\$ 29.8	
30	FY 13	\$12,296	15.00%	25.00%	\$ 614.8	\$ 36.9	5.20%	\$ 32.0	
31	FY 14	\$12,874	15.20%	25.00%	\$ 652.3	\$ 39.1	5.21%	\$ 34.0	
32	FY 15	\$13,582	15.50%	25.00%	\$ 701.7	\$ 42.1	5.22%	\$ 36.6	
33	FY 16	\$14,369	15.70%	25.00%	\$ 752.0	\$ 45.1	5.22%	\$ 39.3	
34									
35			low			high			
36	magnitude state	OTA	hotels/motels	occasional	total	OTA	hotels/motels	occasional	total
37	FY 13	\$ (36.9)	-18.4	-2.4	\$ (57.7)	\$ (36.9)	\$ (18.4)	-\$5.9	\$ (61.2)
38	FY 14	\$ (39.1)	-31.3	-2.5	\$ (73.0)	\$ (39.1)	\$ (31.3)	-\$6.1	\$ (76.6)
39	FY 15	\$ (42.1)	-37.9	-2.7	\$ (82.7)	\$ (42.1)	\$ (37.9)	-\$6.5	\$ (86.5)
40	FY 16	\$ (45.1)	-45.1	-2.8	\$ (93.0)	\$ (45.1)	\$ (45.1)	-\$6.9	\$ (97.1)
41									
42	magnitude local								
43	FY 13	\$ (32.0)	-\$16	-2.1	\$ (50.0)	-\$32.0	-\$16.0	-\$5.1	-\$53.0
44	FY 14	\$ (34.0)	-\$27	-2.2	\$ (63.3)	-\$34.0	-\$27.2	-\$5.3	-\$66.5
45	FY 15	\$ (36.6)	-\$33	-2.3	\$ (71.9)	-\$36.6	-\$33.0	-\$5.6	-\$75.2
46	FY 16	\$ (39.3)	-\$39	-2.4	\$ (80.9)	-\$39.3	-\$39.3	-\$5.9	-\$84.4

**REVENUE ESTIMATING CONFERENCE**

**TAX:** Sales and Use Tax

**ISSUE:** Enterprise Zone Business Property

**BILL NUMBER(S):**

**SPONSOR(S):**

**MONTH/YEAR COLLECTION IMPACT BEGINS:**

**DATE OF ANALYSIS:** 01/19/2012

**SECTION 1: NARRATIVE**

- a. **Current Law:** Under current law business property purchased for use by businesses located in an enterprise zone which is subsequently used in an enterprise zone is exempt from sales tax. The exemption does not apply to business property having a sales price of under \$5,000.
  
- b. **Proposed Change:** The bill proposes to remove the \$5,000 requirement to be eligible for the business property sales tax refund.

**SECTION 2: DESCRIPTION OF DATA AND SOURCES**

DOR refunds data for Business Property

**SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)**

During the 2001 session a law was passed to include the \$5,000 requirement. As a result the data shows a large level change that is understood to be the effect of that law. The analysis takes the level change and simulates what refunds would have looked like had that level change not taken place to determine the impact. The impact was grown going forward at 3% annually.

See Attached

**SECTION 4: PROPOSED FISCAL IMPACT**

State Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High	0	0	(\$1.9m)	(\$2.0m)	(\$2.0m)
Middle	0	0	(\$0.7m)	(\$0.7m)	(\$0.7m)
Low	0	0	(\$0.5m)	(\$0.5m)	(\$0.5m)

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 1/20/12)** The conference adopted the middle estimate.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue	0	0	(.6)	(.6)	(.6)
State Trust	0	0	(Insignificant)	(Insignificant)	(Insignificant)
Total State Impact	0	0	(.6)	(.6)	(.6)
Revenue Sharing	0	0	(Insignificant)	(Insignificant)	(Insignificant)
Local Gov't Half Cent	0	0	(.1)	(.1)	(.1)
Local Option	0	0	(.1)	(.1)	(.1)
Total Local Impact	0	0	(.2)	(.2)	(.2)
Total Impact	0	0	(.8)	(.8)	(.8)

Fiscal Year	Business Property Refunds	Y/Y Growth Rate	Low Impact	Middle	High Impact
99-00	\$2,235,743				
00-01	\$1,942,090	-13.1%			
01-02	<b>\$3,211,011</b>	<b>65.3%</b>			
02-03	<b>\$2,076,534</b>	<b>-35.3%</b>			
03-04	<b>\$1,180,788</b>	<b>-43.1%</b>	\$761,302	\$761,302	\$2,030,223
04-05	\$1,618,721	37.1%	\$1,043,655	\$1,043,655	\$2,783,197
05-06	\$2,940,864	81.7%	\$1,896,095	\$1,896,095	\$5,056,462
06-07	\$1,772,081	-39.7%	\$1,142,532	\$1,142,532	\$3,046,880
07-08	\$1,269,955	-28.3%	\$818,792	\$818,792	\$2,183,535
08-09	\$1,139,066	-10.3%	\$734,402	\$734,402	\$1,958,487
09-10	\$1,035,562	-9.1%	\$667,669	\$667,669	\$1,780,524
10-11	\$679,440	-34.4%	\$438,062	\$438,062	\$1,168,215
11-12			\$451,204	\$687,699	\$1,833,939
12-13			\$464,740	\$708,330	\$1,888,957
13-14			\$478,683	\$708,330	\$1,945,626
14-15			\$493,043	\$729,579	\$2,003,995
15-16			\$507,834	\$729,579	\$2,064,115

## REVENUE ESTIMATING CONFERENCE

**TAX:** Corporate

**ISSUE:** Renewable Energy Investment and Production Tax Credits

**BILL NUMBER(S):**

**SPONSOR(S):**

**MONTH/YEAR COLLECTION IMPACT BEGINS:** January 1, 2013

**DATE OF ANALYSIS:** 1/18/2012

### SECTION 1: NARRATIVE

- a. Current Law:** Currently there exists a renewable energy technologies investment tax credit that is either:
1. Equal to 75% of all capital costs, operation and maintenance costs, and research and development costs incurred between July 1, 2006 and June 30<sup>th</sup>, 2010, up to a limit of \$3 million per state fiscal year for all tax payers, in connection with an investment in hydrogen powered vehicles and hydrogen vehicle fueling stations in the state, including, but not limited to, the costs of constructing, installing, and equipping such technologies in the state.
  2. Equal to 75% of all capital costs, operation and maintenance costs, and research and development costs incurred between July 1, 2006 and June 30<sup>th</sup>, 2010, up to a limit of \$1.5 million per state fiscal year for all tax payers, and limited to a maximum of \$12,000 per fuel cell, in connection with an investment in commercial stationary hydrogen fuel cells in the state: including, but not limited to, the costs of constructing, installing, and equipping such technologies in the state.
  3. Equal to 75% of all capital costs, operation and maintenance costs, and research and development costs incurred between July 1, 2006 and June 30<sup>th</sup>, 2010, up to a limit of \$6.5 million per state fiscal year for all tax payers, in connection with an investment in the production, storage, and distribution of biodiesel and ethanol in the state, including the costs of constructing, installing, and equipping such technologies in the state.

There is also a Florida renewable energy production tax credit that is an annual credit against the tax imposed equal to \$0.01 for each kilowatt hour of electricity produced and sold by the tax payer to an unrelated party during a given tax year. The credit is designed to encourage expansion and development of facilities that produce renewable energy. For a new facility the credit is based on a taxpayers sale of the entire electrical production. For an expanded facility, the credit is based on the increases in the facility's electrical production achieved after May 1, 2006.

**b. Proposed Change:**

Renewable energy technologies investment tax credit:

Sections referring to hydrogen are removed. The \$6.5 million dollar cap for biodiesel is increased to \$10 million per state fiscal years for costs incurred between July 1, 2012 and June 30<sup>th</sup>, 2016. Renewable energies is added to the end of the 3<sup>rd</sup> section referring to bio fuel. Renewable energies is defined as: "fuel that has been approved by the US Environment Protection Agency, that is produced from biomass as defined and is used to replace or reduce the quantity of fossil fuel present in a transportation fuel.

For Tax years beginning on or after January 1, 2013 and ending December 31<sup>st</sup>, 2016 the credits may be used. Carry forwards last until December 31, 2018.

Florida renewable energy production credit:

The definition of "expanded facility" is changed so that a Florida renewable energy facility that increases its electricity for sale by more than 5% above the facility's electrical production and sale during 2011 instead of 2005. The definition of "new facility" means an energy facility placed in service after May 1, 2012 instead of 2006. The dates as to when the credit may be earned changed from January 1, 2007 to January 1, 2013 beginning and from June 30<sup>th</sup> 2010 to 2016.

Beginning in 2014 and continuing to 2017, each taxpayer claiming a credit under this section must first apply to the department February 1 of each year for an allocation of the available credit.

### SECTION 2: DESCRIPTION OF DATA AND SOURCES

DOR data on Renewable Energy Tax Credits

### SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

Currently the credits available for both energy investment and production do not meet their respective caps. Therefore it's not expected that with a cap increase, the amount of the credit currently being taken will change. The impact is solely based around historical amounts that have been taken grown forward at 5% annually.

**REVENUE ESTIMATING CONFERENCE**

**TAX:** Corporate

**ISSUE:** Renewable Energy Investment and Production Tax Credits

**BILL NUMBER(S):**

**SPONSOR(S):**

**MONTH/YEAR COLLECTION IMPACT BEGINS:** January 1, 2013

**DATE OF ANALYSIS:** 1/18/2012

**SECTION 4: PROPOSED FISCAL IMPACT FOR RENEWABLE ENERGY TECHNOLOGIES INVESTMENT TAX CREDIT**

State Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High	(\$2.5m)	(\$10m)	(\$10m)	(\$10m)	(\$10m)
Middle	(\$1.8m)	(\$7m)	(\$7.1m)	(\$7.3m)	(\$7.5m)
Low	(\$1m)	(\$4m)	(\$4.2m)	(\$4.6m)	(\$4.9m)

**SECTION 4: PROPOSED FISCAL IMPACT FOR FLORIDA RENEWABLE ENERGY PRODUCTION CREDIT**

State Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High	(\$0m)	(\$5m)	(\$1.3m)	(\$5m)	(\$5m)
Middle	(\$0m)	(\$2.5m)	(\$0.7m)	(\$2.5m)	(\$2.5m)
Low	(\$0m)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 1/20/12)** The conference adopted the high estimate for both issues.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
GR: Renewable Energy Technologies Investment	(2.5)	(10.0)	(10.0)	(10.0)	(10.0)
GR: Florida Renewable Energy Production Credit	0	(5.0)	(1.3)	(5.0)	(5.0)
State Trust	0	0	0	0	0
Total State Impact	(2.5)	(15.0)	(11.3)	(15.0)	(15.0)
Total Local Impact	0	0	0	0	0
Total Impact	(2.5)	(15.0)	(11.3)	(15.0)	(15.0)

**REVENUE ESTIMATING CONFERENCE**

**TAX:** Sales & Use Tax

**ISSUE:** Certified Audits

**BILL NUMBER(S):**

**SPONSOR(S):**

**MONTH/YEAR COLLECTION IMPACT BEGINS:** July 1, 2012

**DATE OF ANALYSIS:** January 18, 2012

**SECTION 1: NARRATIVE**

- a. **Current Law:** Currently under 213.285 FS, taxpayers are allowed to become participating taxpayers prior to a notice of intent to audit being issued and the participating taxpayer has entered into an engagement with a qualified practitioner for tax compliance and are approved by the Department of Revenue under the certified audits project. For further incentive in participating in the certified audit program, 213.21(8) FS abates penalties and the first \$25,000 of interest liability in addition to 25% of total interest liability less the initial \$25,000.
  
- b. **Proposed Change:** Allows for taxpayers to participate in the certified audit program after the taxpayer has received the notice of intent to audit. 213.21FS is modified to allow abatement of all penalties and the first \$15,000 in interest liability and additionally 15% of total interest liability over the initial \$15,000. May also broaden the scope of the certified audit program to include sources that are not currently part of the certified audit program.

**SECTION 2: DESCRIPTION OF DATA AND SOURCES**

DOR Audit Collections

**SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)**

The impacts were determined by examining all current auditing data and assuming those taxpayers with an interest liability greater than \$15,000 would become a participating taxpayer. The formula specified in the proposed language was applied to the interest assessments made on the identified population. Then an adjustment for possible differences in the amount assessed by the Certified Audit process and the amount that would be assessed under the Department’s normal audit process was made. We further reduced the tax assessment by 2.7% and then 40 months of interest at 7% annualized to account for the loss of statutory period due to delays introduced via the certified audit application process. Assumed back-fill of approximately 88% of the number of audits transferred to the certified audit program with Department audits. Some of the information failed to meet certain confidentiality requirements and is therefore presented as totals per NOPA (Notice of Proposed Assessment) category and grand total for all categories.

This analysis assumes that there is no change in compliance behavior due to the proposed language. It is also assumed that participation in this program will be limited to Sales and Use Tax audit activity only. For the annualized column the high and middle estimates each assume that 100% of the reduction due to loss of statutory period is realized within the fiscal year and that the Department successfully replaces the audit and then can complete the replacement audit within the fiscal year. The high assumes 10% of the tax assessment value is lost and that 100% of the interest is subject to the abatement adjustments. The middle assumes that 5% of the tax assessment is lost and 100% of the interest is subject to the abatement adjustments. The low assumes that there is no change in the tax assessments and that only 75% of the interest payments are subject to the abatement adjustments and the reduction due to loss of statutory period and Department audit replacement numbers are reduced similarly. Any reductions to the penalty amounts are not considered. The cash values do not include the Department’s replacement audits.

Section 4: Proposed Fiscal Impact

State Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High	(\$34.9m)	(\$28.9m)	(\$29.5)	(\$30.1)	(\$30.7)
Middle	(\$27.1m)	(\$21.1m)	(\$21.5)	(\$22.0)	(\$22.4)
Low	(\$16.4m)	(\$12.0m)	(\$12.2m)	(\$12.5)	(\$12.7)

**REVENUE ESTIMATING CONFERENCE**

**TAX:** Sales & Use Tax

**ISSUE:** Certified Audits

**BILL NUMBER(S):**

**SPONSOR(S):**

**MONTH/YEAR COLLECTION IMPACT BEGINS:** July 1, 2012

**DATE OF ANALYSIS:** January 18, 2012

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 1/20/12)** The conference adopted the high estimate.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue	(28.5)	(23.6)	(24.1)	(24.6)	(25.1)
State Trust	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
Total State Impact	(28.5)	(23.6)	(24.1)	(24.6)	(25.1)
Revenue Sharing	(.9)	(.8)	(.8)	(.8)	(.8)
Local Gov't Half Cent	(2.7)	(2.2)	(2.3)	(2.3)	(2.4)
Local Option	(2.9)	(2.3)	(2.3)	(2.4)	(2.4)
Total Local Impact	(6.5)	(5.3)	(5.4)	(5.5)	(5.6)
Total Impact	(35.0)	(28.9)	(29.5)	(30.1)	(30.7)

	A	B	C	D	E	F	G	H	I	J	K
1											
2											
3	<b>Data (Taxpayers with an Interest Liability &gt; \$15k)</b>										
4	Sales and Use Tax		Int> \$15k								
5	Date (FY Ending)	Total	10.0%	5.0%							
6	2009	\$153,725,070	\$15.37	\$7.69							
7	2010	\$154,539,717	\$15.45	\$7.73							
8	2011	\$160,891,571	\$16.09	\$8.04							
9	SUT Interest (15000* count)+(interest value-15000*count)*0.15		Int> \$15k								
10			100%	100%	75%	Count	100%	75%			
11	2009	\$56,475,110	\$14.25	\$14.25	\$12.80	2009	453	340			
12	2010	\$50,771,970	\$14.45	\$14.45	\$12.74	2010	536	402			
13	2011	\$51,595,592	\$13.08	\$13.08	\$11.75	2011	419	314			
14	Reduction due to loss of statutory period		Int> \$15k								
15			Loss to Tax	Loss to interest	Total						
16			1/36	40 months @ .58%	100%	75%					
17	2009	\$153,725,070	\$4.27	\$1.00	\$5.27	\$3.95					0.58%
18	2010	\$154,539,717	\$4.29	\$1.00	\$5.29	\$3.97					0.58%
19	2011	\$160,891,571	\$4.47	\$1.04	\$5.51	\$4.13					0.58%
20											
21	assumed audit activity generated by certified audit in audits with interest <= \$15,000										
22		Per audit average	100%	100%	75%	Count	100%	75%			
23	2009	\$13,836.39	\$5.60	\$5.60	\$4.20	2009	405	304			
24	2010	\$13,891.33	\$6.65	\$6.65	\$4.99	2010	479	359			
25	2011	\$15,273.96	\$5.68	\$5.68	\$4.26	2011	372	279			
26		3 year average		\$5.98							
27											
28	Total Impact		High	Middle	Low						
29	2009		\$29.3	\$21.6	\$12.6						
30	2010		\$28.5	\$20.8	\$11.7						
31	2011		\$29.0	\$21.0	\$11.6						
32	3 Year Average		\$28.9	\$21.1	\$12.0						
33		Cash	\$34.9	\$27.1	\$16.4						

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1															
2	Compliance Audits With Additional Tax Liability At NOPA: Breakdown Based On NOPA Interest Component														
3	NOPA		1 SUT				2 CIT				16 IPT				
4	Component	FYE													
5			Int=\$0	Int<=\$15k	Int>\$15k	Total	Int=\$0	Int<=\$15k	Int>\$15k	Total	Int=\$0	Int<=\$15k	Int>\$15k	Total	Int=\$0
6	Tax	2007	72,674	26,638,301	79,314,260	106,025,235		3,310,288	57,271,848	60,582,136					
7		2008		24,356,791	87,245,805	111,611,769		4,247,593	144,250,463	148,498,056					
8		2009		24,610,099	153,725,070	178,340,981	3,607,620	4,302,130	83,382,406	91,292,156		308,523	7,658,319	7,966,842	
9		2010		29,129,347	154,539,717	183,845,117	1,057,506	4,749,217	330,160,054	335,966,777		646,541	4,110,648	4,783,946	
10		2011	18,900	40,244,295	160,891,571	201,154,766		9,625,940	234,171,082	253,569,075		1,019,462	5,616,001	6,635,463	
11		Total	282,611	144,978,833	635,716,424	780,977,868	14,437,179	26,235,167	849,235,854	889,908,200		1,974,526	17,384,968	19,386,251	
12	Penalty	2007	0	817,626	5,835,464	6,653,090		44,048	1,394,858	1,438,906					
13		2008		642,556	6,670,758	7,313,314		64,703	236,505	301,207					
14		2009		600,805	19,046,132	19,646,937	0	62,928	17,272,033	17,334,961		4,264	454,103	458,367	
15		2010		665,206	18,697,044	19,379,507	0	47,044	155,642	202,686		21,629	87,409	109,039	
16		2011	0	678,197	11,391,369	12,069,566	0	112,754	10,279,591	10,392,345		25,915	94,260	120,176	
17		Total	17,258	3,404,390	61,640,766	65,062,414	0	331,477	29,338,628	29,670,105		51,809	635,773	687,581	
18	Interest	2007	0	5,854,843	28,940,478	34,795,322		870,479	19,922,731	20,793,209					
19		2008		6,143,605	29,421,843	35,565,448		1,105,015	52,629,120	53,734,135					
20		2009		6,391,402	56,475,110	62,866,512	0	1,157,317	37,574,663	38,731,980		76,159	2,077,481	2,153,640	
21		2010		7,073,038	50,771,970	57,845,008	0	1,252,728	175,719,179	176,971,907		141,318	1,245,305	1,383,237	
22		2011	0	7,602,895	51,595,592	59,198,487	0	1,671,281	76,148,896	77,820,177		138,013	1,103,448	1,241,461	
23		Total	0	33,065,783	217,204,993	250,270,777	0	6,056,820	361,994,588	368,051,409		355,490	4,426,234	4,778,338	
24	Total	2007	72,674	33,310,771	114,090,202	147,473,647		4,224,814	78,589,437	82,814,251					
25		2008		31,142,952	123,338,406	154,490,531		5,417,311	197,116,087	202,533,398					
26		2009		31,602,306	229,246,312	260,854,430	3,607,620	5,522,375	138,229,102	147,359,096		388,946	10,189,903	10,578,849	
27		2010		36,867,591	224,008,731	261,069,632	1,057,506	6,048,990	506,034,875	513,141,370		809,488	5,443,362	6,276,221	
28		2011	18,900	48,525,387	223,878,532	272,422,819		11,409,975	320,599,569	341,781,597		1,183,390	6,813,710	7,997,100	
29		Total	299,869	181,449,007	914,562,183	1,096,311,059	14,437,179	32,623,465	1,240,569,070	1,287,629,713		2,381,824	22,446,974	24,852,170	
30	Count	2007	16	2,639	247	2,902		353	74	427					
31		2008		2,327	349	2,681		372	117	489					
32		2009		2,284	453	2,741	24	380	105	509		16	17	33	
33		2010		2,654	536	3,194	11	465	137	613		44	22	68	
34		2011	10	3,177	419	3,606		674	142	821		45	22	67	
35		Total	39	13,081	2,004	15,124	40	2,244	575	2,859		105	61	168	
36	Data are as of 11/2011, and exclude taxes with very low activity (Severance and Government Leasehold). Only audits conducted by DOR personnel are reported, i.e. CPA Certified audits are excluded.														

	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF
1																	
2																	
3	19 Doc Stamp			38 Solid Waste		63 CST				68 UCT				Total			
4																	
5	Int<=\$15k	Int>\$15k	Total	Int=\$0	Total	Int=\$0	Int<=\$15k	Int>\$15k	Total	Int=\$0	Int<=\$15k	Int>\$15k	Total	Int=\$0	Int<=\$15k	Int>\$15k	Total
6				24,337	24,337	0	1,275,623	21,110,574	22,386,197					72,675	31,248,549	157,696,682	189,017,906
7				19,088	19,088	0	1,204,459	26,303,955	27,508,414	1,486	1,164		2,649	10,659	29,829,094	257,800,223	287,639,976
8				24,350	24,350	0	698,002	39,960,969	40,658,971	1,854	193,674		269,029	3,615,286	30,136,777	284,800,265	318,552,329
9	10,475,905		12,429,275			0	567,244	66,210,325	66,777,570	12,898	775,601		788,499	1,274,292	46,390,779	556,973,036	604,638,107
10	12,838,264		15,267,156			0	573,416	125,557,706	126,131,123	3,554	685,706		689,260	10,648,081	65,040,708	527,811,679	603,500,468
11	23,314,169		27,696,431			2	4,318,744	279,143,529	283,462,275	19,792	1,656,146		1,749,438	15,620,992	202,645,907	1,785,081,885	2,003,348,785
12				1,014	1,014	0	20,749	1,735,604	1,756,353					0	883,437	8,965,926	9,849,363
13				33	33	0	14,522	1,201,558	1,216,080	0	0		0	0	721,814	8,108,820	8,830,634
14				1,426	1,426	0	37,561	1,906,880	1,944,441	1,927	39,942		48,519	1,927	746,927	38,685,798	39,434,652
15	4,250		213,819			0	12,406	2,908,931	2,921,337	909	127,013		127,922	18,166	877,822	22,058,595	22,954,583
16	13,470		13,470			0	10,125	707,333	717,458	0	0		0	0	840,460	22,472,554	23,313,014
17	17,719		227,288			0	95,363	8,460,307	8,555,670	2,836	166,955		176,441	20,093	4,070,461	100,291,692	104,382,246
18				5,377	5,377	0	315,906	5,504,916	5,820,823					0	7,046,605	54,368,126	61,414,730
19				4,518	4,518	0	348,017	8,565,733	8,913,750	-6	223		217	-6	7,601,379	90,616,696	98,218,068
20				10,799	10,799	0	225,468	17,298,720	17,524,187	-445	39,591		65,621	-445	7,900,736	113,452,448	121,352,739
21	2,678,611		3,413,729			0	190,164	31,694,630	31,884,794	-1,406	144,862		143,455	-4,792	11,491,186	260,166,201	271,652,595
22	2,574,568		3,000,106			0	133,755	74,116,225	74,249,981	-55	122,495		122,439	-55	12,255,124	203,389,700	215,644,768
23	5,253,180		6,413,835			0	1,213,310	137,180,224	138,393,534	-1,912	307,170		331,732	-5,298	46,295,029	721,993,170	768,282,901
24				30,727	30,727	0	1,612,278	28,351,094	29,963,373					72,675	39,178,591	221,030,733	260,281,999
25				23,639	23,639	0	1,566,998	36,071,246	37,638,244	1,480	1,387		2,866	10,653	38,152,287	356,525,739	394,688,679
26				36,576	36,576	0	961,031	59,166,569	60,127,599	3,336	273,207		383,169	3,616,768	38,784,440	436,938,511	479,339,720
27	13,158,766		16,056,823			0	769,815	100,813,886	101,583,701	12,400	1,047,476		1,059,876	1,287,666	58,759,787	839,197,832	899,245,285
28	15,426,302		18,280,732			0	717,297	200,381,265	201,098,562	3,498	808,201		811,699	10,648,026	78,136,293	753,673,932	842,458,251
29	28,585,068		34,337,555			2	5,627,418	424,784,059	430,411,479	20,715	2,130,270		2,257,611	15,635,788	253,011,397	2,607,366,748	2,876,013,932
30				11	11	16	122	39	177					32	3,125	360	3,517
31				12	12	17	100	38	155	18	24		42	40	2,835	504	3,379
32							69	41	119	129	1,109		1,239	166	3,865	617	4,648
33	6,298		6,309			15	73	38	126	102	2,139		2,241	136	11,681	742	12,559
34	7,376		7,387			22	52	27	101	133	2,249		2,382	173	13,583	618	14,374
35	13,674		13,696	44	44	79	416	183	678	382	5,521		5,904	547	35,089	2,841	38,477
36																	

	A	B	C	D	E	F	G	H	I	J
1						FYE				
2			NOPA		2009	2010	2011	Total		3 year Average
3		counts by category		Int=\$0	0	0	10	10		3.33
4				Int<=\$15k	2,284	2,654	3,177	8,115		2,705.00
5				Int>\$15k	453	536	419	1,408		469.33
6				Total	2,737	3,190	3,606	9,533		
7										
8		Total assessments by category		Int=\$0	\$ -	\$ -	\$ 18,900.23	\$ 18,900.23	\$ 6,300.08	
9				Int<=\$15k	\$ 31,602,306.05	\$ 36,867,591.25	\$ 48,525,386.54	\$ 116,995,283.84	\$ 38,998,427.95	
10				Int>\$15k	\$ 229,246,312.49	\$ 224,008,730.64	\$ 223,878,532.10	\$ 677,133,575.23	\$ 225,711,191.74	
11				Total	\$ 260,848,618.54	\$ 260,876,321.89	\$ 272,422,818.87	\$ 794,147,759.30		
12										
13		average assessment by group		Int=\$0			\$1,890.02	\$1,890.02	\$1,890.02	
14				Int<=\$15k	\$13,836.39	\$13,891.33	\$15,273.96	\$14,417.16	\$14,333.89	
15				Int>\$15k	\$506,062.50	\$417,926.74	\$534,316.31	\$480,918.73	\$486,101.85	
16				Total	\$95,304.57	\$81,779.41	\$75,547.09	\$83,305.13		
17										
18		Percent of total count by strata		Int=\$0	0.0%	0.0%	0.3%	0.1%	0.1%	
19				Int<=\$15k	83.4%	83.2%	88.1%	85.1%	84.9%	
20				Int>\$15k	16.6%	16.8%	11.6%	14.8%	15.0%	
21										
22		Percent of total Assessment by strata		Int=\$0	0.0%	0.0%	0.0%	0.0%	0.0%	
23				Int<=\$15k	12.1%	14.1%	17.8%	14.7%	14.7%	
24				Int>\$15k	87.9%	85.9%	82.2%	85.3%	85.3%	
25										
26		audits per auditor		15						
27		auditor per PGM		8						
28		Audit reviews per PGM		120						
29										
30					2009	2010	2011	average		
31		Number of audits available by round NOIA		round 1	453	536	419	469		
32				round 2	396.38	469.00	366.63	410.67		
33				round 3	8.20	9.85	5.33	7.58		
34				round 4	0.17	0.21	0.08	0.14		
35				total	404.75	479.06	372.03	418.39		
36		% recaptured capacity			89.3%	89.4%	88.8%	89.1%		
37										
38					2009	2010	2011	average		
39		Transfer of PGM by round NOIA		round 1	3.78	4.47	3.49	3.91		
40				round 2	0.55	0.66	0.36	0.51		
41				round 3	0.01	0.01	0.01	0.01		
42				round 4	0.00	0.00	0.00	0.00		
43				total	4.33	5.14	3.85	4.43		

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1															
2				counts by category by FYE				Total assessments by category				Average assessment per Audit by Category			
3	NOPA			2009	2010	2011	Total	2009	2010	2011	Total	2009	2010	2011	Total
4			Int=\$0			10	39			18,900	299,869			1,890	7,689
5	1 SUT		Int<=\$15k	2,284	2,654	3,177	13,081	31,602,306	36,867,591	48,525,387	181,449,007	13,836	13,891	15,274	13,871
6			Int>\$15k	453	536	419	2,004	229,246,312	224,008,731	223,878,532	914,562,183	506,062	417,927	534,316	456,368
7			Total	2,741	3,194	3,606	15,124	260,854,430	261,069,632	272,422,819	1,096,311,059	95,168	81,738	75,547	72,488
8	2 CIT		Int=\$0	24	11		40	3,607,620	1,057,506		14,437,179	150,318	96,137		360,929
9			Int<=\$15k	380	465	674	2,244	5,522,375	6,048,990	11,409,975	32,623,465	14,533	13,009	16,929	14,538
10			Int>\$15k	105	137	142	575	138,229,102	506,034,875	320,599,569	1,240,569,070	1,316,468	3,693,685	2,257,743	2,157,511
11		Total	509	613	821	2,859	147,359,096	513,141,370	341,781,597	1,287,629,713	289,507	837,098	416,299	450,378	
12	16 IPT		Int=\$0												
13			Int<=\$15k	16	44	45	105	388,946	809,488	1,183,390	2,381,824	24,309	18,397	26,298	22,684
14			Int>\$15k	17	22	22	61	10,189,903	5,443,362	6,813,710	22,446,974	599,406	247,426	309,714	367,983
15		Total	33	68	67	168	10,578,849	6,276,221	7,997,100	24,852,170	320,571	92,297	119,360	147,930	
16	9 Doc Stam		Int=\$0												
17			Int<=\$15k		6,298	7,376	13,674		13,158,766	15,426,302	28,585,068		2,089	2,091	2,090
18			Int>\$15k												
19		Total		6,309	7,387	13,696		16,056,823	18,280,732	34,337,555		2,545	2,475	2,507	
20	8 Solid Was		Int=\$0				44	36,576							
21			Total				44	36,576							
22	63 CST		Int=\$0		15	22	79	0	0	0	2		0	0	0
23			Int<=\$15k	69	73	52	416	961,031	769,815	717,297	5,627,418	13,928	10,545	13,794	13,527
24			Int>\$15k	41	38	27	183	59,166,569	100,813,886	200,381,265	424,784,059	1,443,087	2,652,997	7,421,528	2,321,224
25		Total	119	126	101	678	60,127,599	101,583,701	201,098,562	430,411,479	505,274	806,220	1,991,075	634,825	
26	68 UCT		Int=\$0	129	102	133	382	3,336	12,400	3,498	20,715	26	122	26	54
27			Int<=\$15k	1,109	2,139	2,249	5,521	273,207	1,047,476	808,201	2,130,270	246	490	359	386
28			Int>\$15k												
29		Total	1,239	2,241	2,382	5,904	383,169	1,059,876	811,699	2,257,611	309	473	341	382	
30	Total		Int=\$0	166	136	173	547	3,616,768	1,287,666	10,648,026	15,635,788	21,788	9,468	61,549	28,585
31			Int<=\$15k	3,865	11,681	13,583	35,089	38,784,440	58,759,787	78,136,293	253,011,397	10,035	5,030	5,753	7,211
32			Int>\$15k	617	742	618	2,841	436,938,511	839,197,832	753,673,932	2,607,366,748	708,166	1,130,994	1,219,537	917,764
33		Total	4,648	12,559	14,374	38,477	479,339,720	899,245,285	842,458,251	2,876,013,932	103,128	71,602	58,610	74,746	

## REVENUE ESTIMATING CONFERENCE

**TAX:** Communications Services Tax

**ISSUE:** Expanded "Prepaid Calling Arrangement" Definition

**BILL NUMBER(S):** Amendment to HB809 & SB1060

**SPONSOR(S):** Representative Grant & Senator Bogdanoff

**MONTH/YEAR COLLECTION IMPACT BEGINS:** July 1, 2012

**DATE OF ANALYSIS:** January 19, 2012

### SECTION 1: NARRATIVE

**a. Current Law** Sales price for the purposes of applying the communication services tax does not include the sale or recharge of a prepaid calling arrangement. Prepaid Calling arrangements are defined to be the separately stated retail sale by advance payment of communications services that consist exclusively of telephone calls originated by using an access number, authorization code, or other means that may be manually, electronically, or otherwise entered, and that are sold in predetermined units or dollars of which the number declines with use in a known amount.

**b. Proposed Change:** Strikes the requirement that the communication service must consist exclusively of telephone calls and replaces it with a requirement that the purchaser may use the communication service to place or receive telephone calls. Replaces the requirement that the predetermined units or dollars must decline "with use" to must decline "on a predetermined basis".

### SECTION 2: DESCRIPTION OF DATA AND SOURCES

FCC information on telecommunications – wireless

Market data – paid in advance market share

### SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

Reviewed information on market share of Paid in advance wireless plans as a percentage of total phone service. Such literature indicated a 20% market share that is expected to grow to 23% by 2014.

Applied percentage of market share for paid in advance service to total wireless lines in Florida indicated by FCC data. Assumed an average monthly service charge of \$45 for the low, \$55 for the middle and \$65 for the high.

See attached spreadsheet for calculations.

### SECTION 4: PROPOSED FISCAL IMPACT

State Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High	( \$ 100.42 M )	( \$ 231.69 M )	( \$ 245.73 M )	( \$ 250.87 M )	( \$ 256.47 M )
Middle	( \$ 84.98 M )	( \$ 196.04 M )	( \$ 207.92 M )	( \$ 212.27 M )	( \$ 217.01 M )
Low	( \$ 69.53 M )	( \$ 160.40 M )	( \$ 170.12 M )	( \$ 173.68 M )	( \$ 177.55 M )

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 1/20/12)** The conference adopted the low estimate. The cash impact adopted by the conference reflects expected reductions to the Gross Receipts, state sales tax, and local portion of the Communication Services Tax primarily due to the actual remittances currently received as Communication Services Taxes that will in the future be remitted as sales tax due to the broader definition of prepaid calling arrangements. There is an additional small amount in the estimate that represents changes in business models that will result in additional migration from Communication Services Tax to sales tax.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue	(5.4)	(11.7)	(12.5)	(12.7)	(13.0)
State Trust—Sales Tax	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
State Trust—Gross Receipts Tax	(23.5)	(51.4)	(54.5)	(55.6)	(56.9)
Total State Impact	(28.9)	(63.1)	(67.0)	(68.3)	(69.9)
Revenue Sharing	(.2)	(.4)	(.4)	(.4)	(.4)
Local Gov't Half Cent	(.5)	(1.1)	(1.2)	(1.2)	(1.2)
Local CST	(39.9)	(95.8)	(101.6)	(103.7)	(106.0)
Total Local Impact	(40.6)	(97.3)	(103.2)	(105.3)	(107.6)
Total Impact	(69.5)	(160.4)	(170.2)	(173.6)	(177.5)

CST Reform Amendment - Prepaid

	A	B	C	D	E	F	G
1							
2							
3							
4							
5							
6		2010	2011-12	2012-13	2013-14	2014-15	2015-16
7	Wireless handsets FCC 6/10	16,900,000	17,009,555	17,155,926	17,404,395	17,768,219	18,165,015
8	Assumed Market Share - Prepaid	20%	21%	22%	23%	23%	23%
9	number of prepaid lines	3,380,000	3,572,007	3,774,304	4,003,011	4,086,690	4,177,953
10	assumed price per month - low	\$45	\$45	\$45	\$45	\$45	\$45
11	assumed price per month - middle	\$55	\$55	\$55	\$55	\$55	\$55
12	assumed price per month - high	\$65	\$65	\$65	\$65	\$65	\$65
13	taxbase - low	\$1,825,200,000	\$1,928,883,571	\$2,038,124,022	\$2,161,625,836	\$2,206,812,770	\$2,256,094,883
14	taxbase - middle	\$2,230,800,000	\$2,357,524,365	\$2,491,040,471	\$2,641,987,132	\$2,697,215,608	\$2,757,449,301
15	taxbase - high	\$2,636,400,000	\$2,786,165,159	\$2,943,956,920	\$3,122,348,429	\$3,187,618,445	\$3,258,803,720
16							
17	revenue						
18	2011-12	Gross Receipts (2.52%)	CST state (6.65%)	CST local(4.7%)	6% sales		
19	low	\$48,607,866	\$128,270,757	\$90,657,528	\$115,733,014		
20	middle	\$59,409,614	\$156,775,370	\$110,803,645	\$141,451,462		
21	high	\$70,211,362	\$185,279,983	\$130,949,762	\$167,169,910		
22							
23	2012-13	Gross Receipts (2.52%)	CST state (6.65%)	CST local(4.7%)	6% sales		
24	low	\$51,360,725	\$135,535,247	\$95,791,829	\$122,287,441		
25	middle	\$62,774,220	\$165,654,191	\$117,078,902	\$149,462,428		
26	high	\$74,187,714	\$195,773,135	\$138,365,975	\$176,637,415		
27							
28	2013-14	Gross Receipts (2.52%)	CST state (6.65%)	CST local(4.7%)	6% sales		
29	low	\$54,472,971	\$143,748,118	\$101,596,414	\$129,697,550		
30	middle	\$66,578,076	\$175,692,144	\$124,173,395	\$158,519,228		
31	high	\$78,683,180	\$207,636,171	\$146,750,376	\$187,340,906		
32							
33	2014-15	Gross Receipts (2.52%)	CST state (6.65%)	CST local(4.7%)	6% sales		
34	low	\$55,611,682	\$146,753,049	\$103,720,200	\$132,408,766		
35	middle	\$67,969,833	\$179,364,838	\$126,769,134	\$161,832,936		
36	high	\$80,327,985	\$211,976,627	\$149,818,067	\$191,257,107		
37							
38	2015-16	Gross Receipts (2.52%)	CST state (6.65%)	CST local(4.7%)	6% sales		
39	low	\$56,853,591	\$150,030,310	\$106,036,459	\$135,365,693		
40	middle	\$69,487,722	\$183,370,379	\$129,600,117	\$165,446,958		
41	high	\$82,121,854	\$216,710,447	\$153,163,775	\$195,528,223		

CST Reform Amendment - Prepaid

	A	B	C	D	E	F	G
42							
43							
44	Impact						
45	2011-12	Gross Receipts (2.52%)	State (CST-Sales)	CST local(4.7%)	total		
46	low	\$48,607,866	\$12,537,743	\$90,657,528	\$151,803,137		
47	middle	\$59,409,614	\$15,323,908	\$110,803,645	\$185,537,168		
48	high	\$70,211,362	\$18,110,074	\$130,949,762	\$219,271,198		
49							
50	2012-13 Cash	Gross Receipts (2.52%)	State (CST-Sales)	CST local(4.7%)	total		
51	low	\$47,080,665	\$12,143,822	\$79,826,524	\$139,051,011		
52	middle	\$57,543,035	\$14,842,449	\$97,565,752	\$169,951,236		
53	high	\$68,005,405	\$17,541,077	\$115,304,979	\$200,851,461		
54							
55	2012-13 Annualized	Gross Receipts (2.52%)	State (CST-Sales)	CST local(4.7%)			
56	low	\$51,360,725	\$13,247,806	\$95,791,829	\$160,400,361		
57	middle	\$62,774,220	\$16,191,763	\$117,078,902	\$196,044,885		
58	high	\$74,187,714	\$19,135,720	\$138,365,975	\$231,689,410		
59							
60	2013-14	Gross Receipts (2.52%)	State (CST-Sales)	CST local(4.7%)			
61	low	\$54,472,971	\$14,050,568	\$101,596,414	\$170,119,953		
62	middle	\$66,578,076	\$17,172,916	\$124,173,395	\$207,924,387		
63	high	\$78,683,180	\$20,295,265	\$146,750,376	\$245,728,821		
64							
65	2014-15	Gross Receipts (2.52%)	State (CST-Sales)	CST local(4.7%)			
66	low	\$55,611,682	\$14,344,283	\$103,720,200	\$173,676,165		
67	middle	\$67,969,833	\$17,531,901	\$126,769,134	\$212,270,868		
68	high	\$80,327,985	\$20,719,520	\$149,818,067	\$250,865,572		
69							
70	2015-16	Gross Receipts (2.52%)	State (CST-Sales)	CST local(4.7%)			
71	low	\$56,853,591	\$14,664,617	\$106,036,459	\$177,554,667		
72	middle	\$69,487,722	\$17,923,420	\$129,600,117	\$217,011,260		
73	high	\$82,121,854	\$21,182,224	\$153,163,775	\$256,467,853		

## REVENUE ESTIMATING CONFERENCE

**TAX:** Communication Services Tax

**ISSUE:** Remedial and Retroactive

**BILL NUMBER(S):** HB809 & SB1060

**SPONSOR(S):** Representative Grant & Senator Bogdanoff

**MONTH/YEAR COLLECTION IMPACT BEGINS:** July 1, 2012

**DATE OF ANALYSIS:** January 23, 2012

### SECTION 1: NARRATIVE

**a. Current Law:** Section 202.11(7) F.S., defines mobile communications services as commercial mobile radio service, as defined in 47 C.F.R. s. 20.3 as in effect on June 1, 1999.

Section 202.11 (9) F.S., defines prepaid calling arrangement as: the separately stated retail sale by advance payment of communication services that consist exclusively of telephone calls originated by using an access number, authorization code, or other means that may be manually, electronically, or otherwise entered and that are sold in predetermined units or dollars whose number declines with use in a known amount.

Section 202.11 (13) defines Sales Price to be: the total amount charged in money or other consideration by a dealer for the sale of the right or privilege of using communications services in this state, including any property or other services that are part of the sale. The sales price of communications services shall not be reduced by any separately identified components of the charge that constitute expenses of the dealer, including, but not limited to, sales taxes on goods or services purchased by the dealer, property taxes, taxes measured by net income, and universal-service fund fees.

(a) The sales price of communications services shall include, whether or not separately stated, charges for any of the following:

1. The connection, movement, change, or termination of communications services.
2. The detailed billing of communications services.
3. The sale of directory listings in connection with a communications service.
4. Central office and custom calling features.
5. Voice mail and other messaging service.
6. Directory assistance.

7. The service of sending or receiving a document commonly referred to as a facsimile or "fax," except when performed during the course of providing professional or advertising services.

(b) The sales price of communications services does not include charges for any of the following:

1. Any excise tax, sales tax, or similar tax levied by the United States or any state or local government on the purchase, sale, use, or consumption of any communications service, including, but not limited to, any tax imposed under this chapter or chapter 203 which is permitted or required to be added to the sales price of such service, if the tax is stated separately.
2. Any fee or assessment levied by the United States or any state or local government, including, but not limited to, regulatory fees and emergency telephone surcharges, which is required to be added to the price of such service if the fee or assessment is separately stated.
3. Communications services paid for by inserting coins into coin-operated communications devices available to the public.
4. The sale or recharge of a prepaid calling arrangement.
5. The provision of air-to-ground communications services, defined as a radio service provided to purchasers while on board an aircraft.
6. A dealer's internal use of communications services in connection with its business of providing communications services.
7. Charges for property or other services that are not part of the sale of communications services, if such charges are stated separately from the charges for communications services.
8. To the extent required by federal law, charges for Internet access services which are not separately itemized on a customer's bill, but which can be reasonably identified from the selling dealer's books and records kept in the regular course of business. The dealer may support the allocation of charges with books and records kept in the regular course of business covering the dealer's entire service area, including territories outside this state.

Section 202.22(1), F.S. Requires communications services dealers to assign each customer's service address, as defined in 201.11, F.S., to a local taxing jurisdiction for purposes of determining the local tax rate applicable to each sale of a communications service. Dealers who use one of the methods outlined in 202.22, F.S., and who exercise due diligence in doing so are held harmless from tax, penalty and interest that may be due as a result of incorrectly assigning a customer serviced address to the incorrect jurisdiction and receive as collection allowance of 0.75 percent as granted under s. 202.28, F.S. When the Department cannot determine where the dealer assigned a customer service address and/or where the dealer allocated or reported to tax the Department is required by statute to use the best information available to make an assessment pursuant to Sections 202.24 and 202.25, F.S. Dealers who do not use one of the approved methods are entitled to a collection allowance of 0.25 percent.