

REVENUE ESTIMATING CONFERENCE

TAX: Communication Services Tax

ISSUE: Remedial and Retroactive

BILL NUMBER(S): Proposed amendment 2 to CS/HB809 and CS/CS/SB1060

SPONSOR(S): Senator Bogdanoff

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2012

DATE OF ANALYSIS: February 16, 2012

SECTION 1: NARRATIVE

a. Current Law:

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(5), F.S. Requires communications services dealers to use one or more of the methods specified in subsection (1) for determining the local taxing jurisdiction in which a service address is located, the dealer of communications services may be held liable to the Department for any tax, including interest and penalties, which is due as result of assigning the service address to an incorrect local taxing jurisdiction. However, the dealer of communications services is not liable for any tax, interest, or penalty to the extent that such amount was collected and remitted by the dealer of communications services with respect to a tax imposed by another local taxing jurisdiction. Upon determining that an amount was collected and remitted by a dealer of communications services with respect to a tax imposed by another local taxing jurisdiction, the Department shall adjust the respective amounts of the proceeds paid to each such taxing jurisdiction under s. 202.18 F.S. in the month immediately following such determination.

Section 202.22(6), F.S. reduces the collections allowance available to communications services providers from 0.75 percent of the amount of the tax due and accounted for and remitted to the department to 0.25 percent if the communications services provider does not use one of the approved methods for determining situs for billing addresses.

b. Proposed Change: Excludes from the definition of sales price charges for property or other services, including Internet access services, but excluding any item described in paragraph (a), 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

REVENUE ESTIMATING CONFERENCE

TAX: Communication Services Tax

ISSUE: Remedial and Retroactive

BILL NUMBER(S): Proposed amendment 2 to CS/HB809 and CS/CS/SB1060

SPONSOR(S): Senator Bogdanoff

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2012

DATE OF ANALYSIS: February 16, 2012

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. Each such reasonably identified charge shall be treated as a separately itemized charge for purposes of determining whether such charge is subject to tax under chapter 212.

Changes to s. 202.22, F.S.; 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.

Once the above conditions have been met the dealer may be held liable for the net aggregate underpayment of tax and associated interest and penalties.

The proposed language also provides that dealers, who utilize one of the approved methods, cannot be denied their collection allowance granted under s. 202.28, F.S., as a result of incorrect address assignments.

Section 12 of the proposed language asserts that the changes made to the above listed statutes are intended to be remedial in nature and applied retroactively. The application of such language is not intended to provide a basis for an assessment of any tax not paid nor to create a right to a refund or credit of any tax paid before the general effective date of this act.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

The impact analyses for the the unbundling by books and records, and the changes to the local situs rules were all negative.

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	(6.0 M)				
Low					

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 2/17/12) The conference adopted an indeterminate negative estimate, with the 2012-13 impact being at least -\$6.0 million (-\$2.5m GR Sales Tax, -\$0.3 Local Sales Tax, -\$1.0 Gross Receipts Tax, and -\$2.2 local Communications Services Tax).

	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)

REVENUE ESTIMATING CONFERENCE

TAX: Corporate

ISSUE: Renewable Energy Investment and Production Tax Credits

BILL NUMBER(S): HB 7117 CS

SPONSOR(S):

MONTH/YEAR COLLECTION IMPACT BEGINS: January 1, 2013

DATE OF ANALYSIS: 2/17/2012

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 30th, 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 30th, 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 30th, 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 taxpayer's 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. The total amount per state fiscal year is capped at \$5 million and for amounts that exceed the cap; applicants are awarded a prorated amount based on each applicant's increased production and sales and the increased production and sales of all applicants.

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 30th, 2016. Applicants are individually capped at \$1 million. Renewable energy is added to the end of the 3rd section referring to bio fuel. Renewable energy 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 31st, 2016 the credits may be used. Carry forwards last until December 31, 2018.

Florida renewable energy production credit:

The bill defines a "new facility" as also including Florida renewable energy facility that has had an expansion operationally placed in service after May 1, 2006 and whose cost exceeded 50% of the assessed value of the facility immediately before the expansion.

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. Each applicant is individually capped at \$500,000. The dates as to when the credit may be earned changed from January 1, 2007 to January 1, 2013 beginning and from June 30th 2010 to 2016.

The proration is changed that the priority of proration shall be given to those applicants who place a facility in operation after May 1, 2012 and claiming \$100,000 or less and then \$50,000 or less. All other applicants will be subject to the availability of funds.

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.

REVENUE ESTIMATING CONFERENCE

TAX: Corporate

ISSUE: Renewable Energy Investment and Production Tax Credits

BILL NUMBER(S): HB 7117 CS

SPONSOR(S):

MONTH/YEAR COLLECTION IMPACT BEGINS: January 1, 2013

DATE OF ANALYSIS: 2/17/2012

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.

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	(\$1m)	(\$4m)	(\$4.2m)	(\$4.6m)	(\$4.9m)
Low	(\$0.5m)	(\$2m)	(\$2.1m)	(\$2.3m)	(\$2.5m)

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 2/17/12) For the Renewable Energy Technologies Investment Tax Credit, the conference adopted the middle cash figures for 2012-13 and 2013-14, trending up to a recurring figure of -\$10.0 million in 2016-17. For the Florida Renewable Energy Production credit, 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
GR: Renewable Energy Technologies Investment	(1.0)	(10.0)	(4.2)	(6.3)	(8.4)
GR: Renewable Energy Production Credit	0	(5.0)	(1.3)	(5.0)	(5.0)
State Trust	0	0	0	0	0
Total State Impact	(1.0)	(15.0)	(5.5)	(11.3)	(13.4)
Total Local Impact	0	0	0	0	0
Total Impact	(1.0)	(15.0)	(5.5)	(11.3)	(13.4)

REVENUE ESTIMATING CONFERENCE

TAX: AD VALOREM

ISSUE: Low Income Tenure Based Senior Exemption

BILL NUMBER(S): HJR 169 C1

SPONSOR(S): Rep. Oliva

MONTH/YEAR COLLECTION IMPACT BEGINS: 2014

DATE OF ANALYSIS: February 15, 2012

SECTION 1: NARRATIVE

- a. **Current Law:** Counties and municipalities are allowed to grant seniors aged 65 or older an additional homestead exemption up to \$50,000, whose household income is less than \$20,000.
- b. **Proposed Change:** Allows counties or municipalities by general law passed by the legislature to grant seniors whose household income is less than \$20,000 an additional homestead exemption. The exemption applies to assessed value of the property provided that the just value of the property is less than \$250,000 and permanent residence has been established by the owner for at least 25 years.

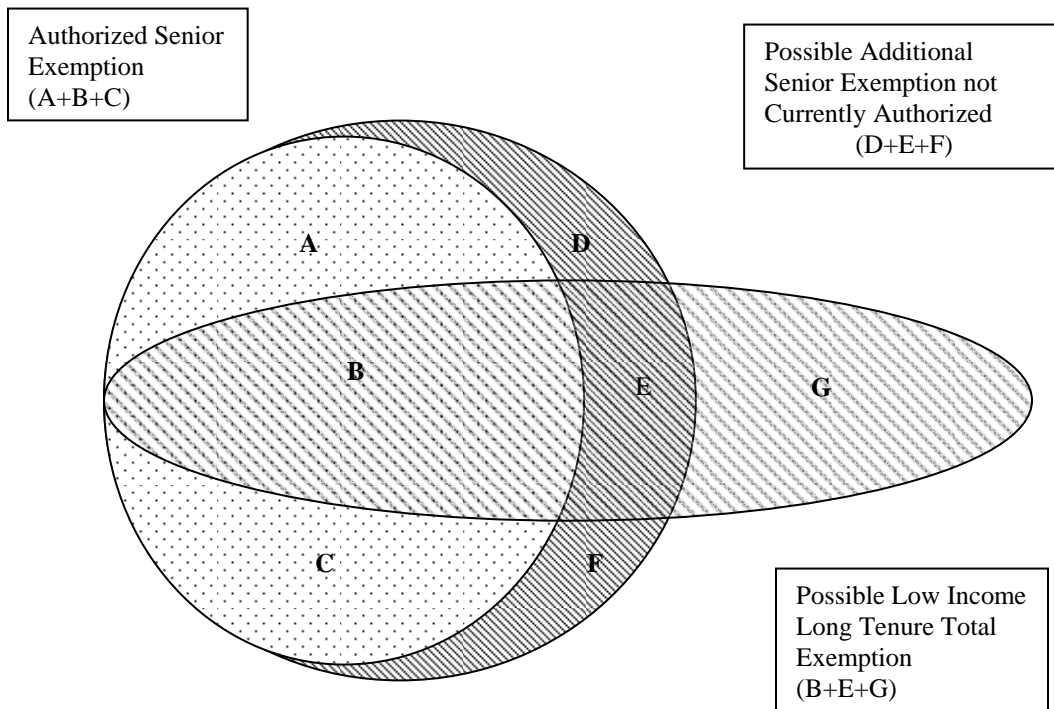
SECTION 2: DESCRIPTION OF DATA AND SOURCES

Data sources used were the current Ad valorem forecast for just value, assessed value and growth rates for homestead property. NAHB study was also used.

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

Using the 2011 NAL records for properties currently receiving the additional homestead exemption for persons 65 years and older with household incomes of 20,000 or less, a baseline estimate of taxable value is established from a model developed by EDR. Next, a modification is made to capture the changes outlined in the legislation pertaining to assessed value exemption for seniors. The impact is the difference in taxable values between the baseline and the modification. The NAHB study on duration of home ownership showed that around 27% of homeowners have been in their homes for at least 20 years.

As an aide to the analysis, please see the diagram below:



REVENUE ESTIMATING CONFERENCE

TAX: AD VALOREM

ISSUE: Low Income Tenure Based Senior Exemption

BILL NUMBER(S): HJR 169 C1

SPONSOR(S): Rep. Oliva

MONTH/YEAR COLLECTION IMPACT BEGINS: 2014

DATE OF ANALYSIS: February 15, 2012

Due to the overlapping nature of this exemption compared to what is already authorized under the current low income senior exemption, there are several possibilities for measuring the impact. Below are the three scenarios for measuring the impact:

1. Measure the impact as if the current low income senior exemption did not exist. The impact then would be the total impact of the low income long term senior exemption to taxable value (B+E+G)
2. Measure the impact as the additional exemption that could be authorized beyond what is currently in place. The impact would then be E+G. As some cities and counties have no senior exemption, for those counties, the impact of granting this exemption would be greater than for those counties that have some or all of the current local option low income senior exemption in place.
3. Measure the impact as only the new capacity that previously could not be exempted under the low income senior exemption. The impact would then be area G. Because all cities and counties can currently offer up to \$50,000 in senior exemption, the impact would be only for those low-income long tenure seniors with homestead properties that have Assessed Value > \$100,000 and Just Value less than \$250,000.

Three estimates are provided for each of the three scenarios with the impact beginning in 2014, assuming the legislature passes the implementing law during the 2013 legislative session.

- The high estimate is based on the assumption that 30% of seniors have been in their homes for at least 25 years or more.
- The middle estimate is based on the assumption that 20% of seniors have been in their homes for at least 25 years or more.
- The low estimate is based on the assumption that 10% of seniors have been in their homes for at least 25 years or more.

<u>Scenario 1</u>				
Non-School Taxable Value				
		2014	2015	2016
		\$ (9,284,657,912)	\$ (9,400,651,940)	\$ (9,475,672,429)
Revenue Impact @ 10.9 mils				
		2014	2015	2016
% of seniors in homes >= 25 years				
High	30%	\$ (30,360,831)	\$ (30,740,132)	\$ (30,985,449)
Middle	20%	\$ (20,240,554)	\$ (20,493,421)	\$ (20,656,966)
Low	10%	\$ (10,120,277)	\$ (10,246,711)	\$ (10,328,483)

<u>Scenario 2</u>				
Non-School Taxable Value				
		2014	2015	2016
		\$ (4,189,703,985)	\$ (4,302,291,084)	\$ (4,388,442,826)
Revenue Impact @ 10.9 mils				
		2014	2015	2016
% of seniors in homes >= 25 years				
High	30%	\$ (13,700,332)	\$ (14,068,492)	\$ (14,350,208)
Middle	20%	\$ (9,133,555)	\$ (9,378,995)	\$ (9,566,805)
Low	10%	\$ (4,566,777)	\$ (4,689,497)	\$ (4,783,403)

REVENUE ESTIMATING CONFERENCE

TAX: AD VALOREM

ISSUE: Low Income Tenure Based Senior Exemption

BILL NUMBER(S): HJR 169 C1

SPONSOR(S): Rep. Oliva

MONTH/YEAR COLLECTION IMPACT BEGINS: 2014

DATE OF ANALYSIS: February 15, 2012

<u>Scenario 3</u>						
Non-School Taxable Value						
		2014	2015	2016		
		\$ (2,201,741,456)	\$ (2,249,889,135)	\$ (2,289,036,930)		
Revenue Impact @ 10.9 mils						
		2014	2015	2016		
		\$ (7,199,695)	\$ (7,357,137)	\$ (7,485,151)		
		\$ (4,799,796)	\$ (4,904,758)	\$ (4,990,101)		
		\$ (2,399,898)	\$ (2,452,379)	\$ (2,495,050)		

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 Non-School Taxable Value	0	0	0	(\$13.7 M)	(\$14.1 M)
Middle Non-School Taxable Value	0	0	0	(\$9.1 M)	(\$9.4 M)
Low Non-School Taxable Value	0	0	0	(\$4.6 M)	(\$4.7 M)

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 2/17/12) The conference adopted an indeterminate negative impact. Should the electorate approve the proposal and all the individual jurisdictions pass the necessary ordinances, the middle estimate value of \$4.2 billion in FY 14-15 in scenario 2 reflects the potential loss in taxable value above what is currently authorized by the counties and the municipalities that currently grant the additional homestead exemptions for low-income seniors. The revenue impact to those local jurisdictions due to the loss in taxable value is \$9.1 million in FY 14-15 and \$9.4 million in FY 15-16.

	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	0	(indeterminate)	0	(indeterminate)	(indeterminate)
Total Impact	0	(indeterminate)	0	(indeterminate)	(indeterminate)

REVENUE ESTIMATING CONFERENCE

TAX: Ad Valorem

ISSUE: Housing Authorities

BILL NUMBER(S): Proposed strike-all amendment for SB 1182

SPONSOR(S): MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2012

DATE OF ANALYSIS: February 15, 2012

SECTION 1: NARRATIVE

- a. Current Law:** Section 423.02, F.S., provides tax exemptions for housing authorities from all taxes and special assessments levied by the state or any city, town, county, or political subdivision of the state. There is currently no provision for housing authorities to include as a part of housing projects property or facilities that provide access to essential commercial goods and services for the benefit of the residents of the housing authority
- b. Proposed Change:**
Amends Section 421.02 to provide that an important public purpose is served by providing access to essential commercial goods and services necessary for daily living for persons served by public housing authorities as those persons often have limited transportation capacity and significant family demands. Issues such as limited transportation capacity and significant family demands complicate daily living and make access to essential commercial goods and services difficult.

Amends section 421.03 to:

1. define "Essential commercial goods and services" to be: goods, such as groceries and clothing, and services, such as child care, K-12 education, financial services, job training and placement, and laundry facilities, that are necessary for daily living and that may be difficult for persons of low income to access unless collocated with the housing project where they live and substantially serving persons of low income.
2. modify the current definition of "Housing Project" to mean any work or undertaking to provide access to essential commercial goods and services

Amends 421.08 Powers of the Authority - to state that a power of the Authority is to organize for the purpose of creating a for-profit or not-for-profit corporation, limited liability company, or other similar business entity pursuant to all applicable laws of this state in which the housing authority may hold an ownership interest or participate in its governance in order to develop, acquire, lease, construct, rehabilitate, manage, or operate commercial projects that allow access to essential goods and services for persons of low income residing in such residential projects.

Amends Section 423.02 Housing projects exempted from taxes and assessments – to provide that this section does not provide a tax exemption for the activities or property of a person that provides essential commercial goods and services, except that the real property of a housing authority used to provide access to essential goods and services shall be exempt from all taxes and special assessments.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

Florida Department of Economic Opportunity, Special District Information Program, Customized Special District List 2011 Final Property Tax Rolls

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

Extracted all retail properties on the 2011 tax rolls

Usecodes 11- Stores One story

12 – Mixed use – store and office, store and residence, or residential combination

13 – Department Stores

14 – Supermarkets

15 – Regional Shopping Centers

16 – Community Shopping Centers

Stratified the retail properties based on total square footage of the property. (See attached analysis for square footage ranges.) Calculated an average taxable value for each strata of retail property. Used average taxable values and assumed numbers of each type of property for the 93 housing authorities. Applied 7.69169 mills for school purposes and 10.73562 for nonschool purposes. Assumed that affected property would not have an impact until 2014-15 due to new construction lag. Used REC Ad Valorem growth rates for non-homestead non-residential properties to get out year impacts.

REVENUE ESTIMATING CONFERENCE

TAX: Ad Valorem

ISSUE: Housing Authorities

BILL NUMBER(S): Proposed strike-all amendment for SB 1182

SPONSOR(S): MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2012

DATE OF ANALYSIS: February 15, 2012

SECTION 4: PROPOSED FISCAL IMPACT SCHOOL

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				(0.7 M)	(0.7 M)
Middle				(0.4 M)	(0.4 M)
Low				(0.1 M)	(0.1 M)

SECTION 4: PROPOSED FISCAL IMPACT NON-SCHOOL

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				(1.0 M)	(1.0 M)
Middle				(0.6 M)	(0.6 M)
Low				(0.1 M)	(0.1 M)

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 2/17/12) 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		0		0	0
State Trust		0		0	0
Total State Impact		0		0	0
Total Local Impact		(.2)		(.2)	(.2)
Total Impact	0	(.2)	0	(.2)	(.2)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O		
1							93 Housing authorities										
2																	
3							High			Middle			Low				
4			Count	Maximum TV	Mean TV		Number	Taxable Value		Number	Taxable Value		Number	Taxable Value			
5		JV	20104	3,867,317	124,343												
6	< 2,000 SQFT	TV_SD	20104	3,867,317	120,447		18	2,168,051		18	\$2,168,051		9	\$1,084,025			
7																	
8		JV	17950	3,643,701	245,024												
9	2,001 to 4,000 sqft	TV_SD	17950	3,643,701	239,673		15	3,595,092		15	\$3,595,092		8	\$1,917,382			
10																	
11		JV	9198	9,061,922	383,661												
12	4,001 to 6,000 sqft	TV_SD	9198	9,061,922	375,703		12	4,508,438		12	\$4,508,438		6	\$2,254,219			
13																	
14		JV	5489	7,800,000	543,011												
15	6,001 to 8,000 sqft	TV_SD	5489	7,800,000	536,457		10	5,364,573		10	\$5,364,573		5	\$2,682,287			
16																	
17		JV	3497	7,500,000	682,536												
18	8,001 to 10,000 sqft	TV_SD	3497	7,500,000	675,608		8	5,404,864		8	\$5,404,864		4	\$2,702,432			
19																	
20		JV	2468	10,964,080	873,481												
21	10,001 to 12,000 sqft	TV_SD	2468	10,964,080	862,504		6	5,175,023		6	\$5,175,023			\$0			
22																	
23		JV	1720	8,200,000	1,072,233												
24	12,001 to 14,000 sqft	TV_SD	1720	8,200,000	1,059,008		5	5,295,040		5	\$5,295,040			\$0			
25																	
26		JV	1728	11,200,206	1,441,578												
27	14,001 to 16,000 sqft	TV_SD	1728	11,200,206	1,434,309		4	5,737,237		4	\$5,737,237			\$0			
28																	
29		JV	1006	13,300,000	1,413,207												
30	16,001 to 18,000 sqft	TV_SD	1006	13,300,000	1,400,526		3	4,201,579		3	\$4,201,579			\$0			
31																	
32		JV	729	18,300,000	1,451,042												
33	18,001 to 20,000 sqft	TV_SD	729	18,300,000	1,439,739		2	2,879,477		2	\$2,879,477			\$0			
34																	
35		JV	2004	23,000,000	1,900,049												
36	20,001 to 30,000 sqft	TV_SD	2004	23,000,000	1,869,275		2	3,738,549		2	\$3,738,549			\$0			
37																	
38		JV	999	19,600,000	2,573,171												
39	30,001 to 40,000 sqft	TV_SD	999	19,600,000	2,539,152		1	2,539,152		1	\$2,539,152			\$0			
40																	
41		JV	781	26,300,000	3,292,119												
42	40,001 to 50,000 sqft	TV_SD	781	26,300,000	3,262,472		1	3,262,472		1	\$3,262,472			\$0			
43																	
44		JV	578	34,200,000	3,917,236												
45	50,001 to 60,000 sqft	TV_SD	578	34,200,000	3,880,490		1	3,880,490									
46																	
47		JV	503	26,251,730	4,488,261												
48	60,001 to 70,000 sqft	TV_SD	503	26,251,730	4,487,031		1	4,487,031									
49																	
50		JV	386	16,200,000	5,095,512												
51	70,001 to 80,000 sqft	TV_SD	386	16,200,000	5,084,569		1	5,084,569									
52																	
53		JV	375	32,576,017	5,792,655												
54	80,001 to 90,000 sqft	TV_SD	375	32,576,017	5,758,412		1	5,758,412									
55																	
56		JV	317	24,160,662	6,272,491												
57	90,001 to 100,000 sqft	TV_SD	317	24,160,662	6,246,089		1	6,246,089									
58																	
59		JV	2092	325,000,000	12,615,636												
60	> 100,000 sqft	TV_SD	2092	325,000,000	12,587,200		1	12,587,200									
61																	
62		JV	1270	27,500,000	294,474												
63	No square footage provided	TV_SD	1270	27,500,000	290,151												
64							93	91,913,341		87	53,869,549		32	10,640,346			
65																	
66	School Millage	7.691679															
67	Non-School Millage	10.73562															
68								\$706,968			\$414,347			\$81,842			
69	School	2012-13	2013-14	2014-15	2015-16			\$986,747			\$578,323			\$114,231			
70	High			\$706,968	\$716,300												
71	Middle			\$414,347	\$419,817												
72	Low			\$81,842	\$82,922												
73																	
74																	
75	Non School	2012-13	2013-14	2014-15	2015-16												
76	High			\$986,747	\$999,772												
77	Middle			\$578,323	\$585,957												
78	Low			\$114,231	\$115,739												
79																	

REVENUE ESTIMATING CONFERENCE

TAX: Article V Fees & Transfers

ISSUE: Redirect Redirected Fees GR to SCRTF- Revenues Excess/Shortfalls-1/12th July 1 GR Transfer-Quarterly GR Transfers

BILL NUMBER(S): SB 7066

SPONSOR(S): Senate Committee on Budget

MONTH/YEAR COLLECTION IMPACT BEGINS: August 2012 (Revenue Impact)

DATE OF ANALYSIS: 2/14/12

SECTION 1: NARRATIVE

- a. Current Law:** A portion of Supreme Court and District Courts of Appeal filing fees provided in sections 25.241 (3)(a) and 35.22 (3)(b) and (6), F.S., are deposited into the General Revenue Fund.

Currently all revenues resulting from collections provided in the manual of court-related filing fees, service charges, costs, and fines prepared pursuant to s. 28.42, F.S., are remitted by the Clerks of Court to the Department of Revenue (DOR) for monthly distribution directly into the State Courts Revenue Trust Fund (SCRTF), Clerks of Court Trust Fund (COCTF), Court Education Trust Fund (CETF), other trust funds, and the General Revenue Fund as prescribed by law.

- b. Proposed Change:** The portion of Supreme Court and District Courts of Appeal filing fees provided in sections 25.241 (3)(a) and 35.22 (3)(b) and (6), F.S., are redirected to the State Courts Revenue Trust Fund (SCRTF).

The bill provides for all court-related revenues resulting from collections provided in the manual of court-related filing fees, service charges, costs and fines prepared pursuant to s. 28.42, F.S., remitted by the Clerks of Court to DOR to be transferred to the Core Court System Clearing Trust Fund (CCSCTF - currently proposed in SB 7074, by the Senate Budget Committee).

The Chief Financial Officer (CFO) is directed to deposit prescribed amounts, based on each year's appropriation into the SCRTF, COCTF, and CETF from the General Revenue Fund by July 1, 2012 and replenish the cash to the prescribed level on the first day of each fiscal year.

In addition, the CFO is directed to make prescribed distributions, based on appropriations and GR service charge amounts, from the CCSCTF to the SCRTF, COCTF, CETF (monthly) and then to make distributions to the other trust funds (monthly) on a collections basis. Any remaining revenues (excess from SCRTF, COCTF, CETF above the prescribed amount) and statutory amounts due from collections is deposited into the General Revenue Fund on a quarterly basis.

In the event that revenues are insufficient after the prescribed monthly distributions from the CCSCTF to the SCRTF, COCTF, CETF and the other trust funds and the General Revenue Fund are unable to receive the amount of court-related revenue, the remaining revenue shall be allocated on a pro rata basis to the other trust funds and the General Revenue Fund based on the portion of fees, service charges, court costs, and fines designated for those funds by law.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

Redirected Fees GR to SCRTF

Used amount identified in the 12/5/11 Article V Fees and Transfers REC Detailed Forecast Spreadsheet for s. 25.241 and 35.22, F.S., supreme court and DCA filing fees and service charges for the annualized amount for FY 2012-13 through FY 2015-16.

Revenues Excess/Shortfalls

Used the 12/5/11 Article V Fees and Transfers REC Forecast as the base for appropriations and GR service charge amounts for the SCRTF, COCTF, CETF.

1/12th July 1 GR Transfer

Used FY 2012-13 REC adopted forecast, less the 8 percent service charge amount, for the SCRTF, COCTF, and CETF appropriation amount to project the July 1, 2012 CFO required deposit of 1/12th of the budget authority for those funds from the General Revenue Fund.

Quarterly GR Transfers

Applied the proportion of projected revenues to be received in the 4th quarter of FY 2011-12 to the total Article V revenues forecast for the General Revenue Fund for FY 2011-12 from the Article V revenue forecasters monthly actual revenue report to the revenues forecast for the General Revenue Fund for FY 2012-13 by the REC to establish the one time amount that would shift from FY 2012-13 into FY 2013-14 as a result of the change from monthly deposits into the General Revenue Fund to quarterly deposits.

REVENUE ESTIMATING CONFERENCE

TAX: Article V Fees & Transfers

ISSUE: Redirect Redirected Fees GR to SCRTF- Revenues Excess/Shortfalls-1/12th July 1 GR Transfer-Quarterly GR Transfers

BILL NUMBER(S): SB 7066

SPONSOR(S): Senate Committee on Budget

MONTH/YEAR COLLECTION IMPACT BEGINS: August 2012 (Revenue Impact)

DATE OF ANALYSIS: 2/14/12

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

Redirected Fees GR to SCRTF

As a result of the July 1, 2012 effective date of the bill and the provision in s. 28.245, F.S., that states "All moneys collected by the clerks of court for remittance to any entity must be distributed pursuant to the law in effect at the time of collection," assumed eleven-twelfths of the annualized amount for the FY 2012-13 cash amount.

Revenue Excess/Shortfalls

It was assumed that the term "remaining revenues" provided in the bill equals excess statutory amounts due to the SCRTF, COCTF, & CETF that are retained in the CCSCTF until quarterly distribution to GR.

It was assumed that annual legislative trust fund appropriations will equal the revenue forecast for the SCRTF, COCTF, and CETF inclusive of the amounts required for general revenue service charge transfers based on the revenue forecast adopted in the spring each year. Accordingly, there would be no resulting revenue impact from the Core Court System Clearing Trust Fund provisions of the bill. However, because of the linkage to the Monthlies (GR), it is recommended that the impact be shown as +/- indeterminate for GR and state trust.

In practice, the General Revenue Fund would benefit to the extent that revenues prescribed for deposit into the SCRTF, COCTF, and CETF exceed the revenue forecast adopted in the Spring REC for those funds and the SCRTF, COCTF, and CETF would lose revenue that they would have otherwise received. Similarly, if revenues come in under forecast, GR and the other trust funds would lose revenue greater than they would have otherwise lost and the SCRTF, COCTF, and CETF will gain by not losing revenue that they would have otherwise.

1/12th July 1 GR Transfer

Assumed FY 2012-13 Appropriations for the SCRTF, COCTF, and CETF would equal the REC revenue forecast for FY 2012-13, less the GR service charge amount.

Quarterly GR Transfers

Assumed the 4th quarter proportion of revenues to total revenues would be the same as projected to occur in FY 2011-12 (26.15%).

Notes:

Because the bill links various aspects of the distributions to appropriations, there is significant uncertainty associated with the actual outcomes.

Also, because the SCRTF, COCTF, and CETF are held harmless from future revenue losses, the remaining trust funds that receive distributions are disproportionately affected, negating the statutory relationships among the revenue amounts prescribed by statute.

REVENUE ESTIMATING CONFERENCE

TAX: Article V Fees & Transfers

ISSUE: Redirect Redirected Fees GR to SCRTF- Revenues Excess/Shortfalls-1/12th July 1 GR Transfer-Quarterly GR Transfers

BILL NUMBER(S): SB 7066

SPONSOR(S): Senate Committee on Budget

MONTH/YEAR COLLECTION IMPACT BEGINS: August 2012 (Revenue Impact)

DATE OF ANALYSIS: 2/14/12

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					
Redirect					
GR					
GR Service Charge	(1.9)	(2.1)	(2.1)	(2.1)	(2.1)
SCRTF	.2	.2	.2	.2	.2
Revenue Excess/ Shortfalls	1.7	1.9	1.9	1.9	1.9
GR					
SCR, COC, CE	+/-	+/-	+/-	+/-	+/-
TF's	+/-	+/-	+/-	+/-	+/-
Other State TF's	+/-	+/-	+/-	+/-	+/-
1/12 7/1/12 Transfer					
GR	(55.6)	(55.6)	0/-	0/-	0/-
SCR, COC, CE	55.6	55.6	0/+	0/+	0/+
TF's					
Quarterly GR Transfers	(41.7)	(41.7)	0	0	0
GR	41.7	41.7	0	0	0
CCSCTF					
Low					

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 2/17/12) For the redirect of revenues, the conference adopted the proposed estimate. For the revenue/excess shortfalls provisions, the conference adopted an estimate of 0. For the 7/1/12 transfer, the conference adopted the proposed cash estimate for 2012-13, and 0 in the subsequent fiscal years, assuming that the SCR, COC, and CE trust funds are budgeted to the level of the forecast for those trust funds. For the quarterly GR transfers, the conference adopted the proposed cash estimate for 2012-13, and zero thereafter.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
Redirect revenues:					
GR	(1.7)	(1.9)	(1.9)	(1.9)	(1.9)
Trust	1.7	1.9	1.9	1.9	1.9
Revenue Excess/Shortfalls:					
GR	0	0	0	0	0
Trust	0	0	0	0	0
1/12 7/1/12 Transfer:					
GR	(55.6)	0	0	0	0
Trust	55.6	0	0	0	0
Quarterly GR Transfers:					
GR	(41.7)	0	0	0	0
Trust	41.7	0	0	0	0

SB 7066 Impact Summary

Redirect Fees GR to SCRTF

	FY 2012-13		FY 2013-14	FY 2014-15	FY 2015-16
	Annual	Cash 11/12			
GR	(2.1)	(1.9)	(2.1)	(2.1)	(2.1)
GR Ser. Ch.	0.2	0.2	0.2	0.2	0.2
SCRTF	1.9	1.7	1.9	1.9	1.9

Note:

As a result of the July 1, 2012 effective date of the bill and the provision in s. 28.245, F.S., that states "All moneys collected by the clerks of court for remittance to any entity must be distributed pursuant to the law in effect at the time of collection," assumed eleven-twelfths of the annualized amount for the FY 2012-13 cash amount.

Revenue Excess/Shortfalls

	GR	SCRTF, COCTF, CETF	Other TF's
Revenues = Spring Forecast plus GR Monthlies	0	0	0
Revenues > Spring Forecast plus GR Monthlies	+	-	0
Revenues < Spring Forecast plus GR Monthlies	-	+	-

Assumptions

It was assumed that the term "remaining revenues" provided in the bill equals excess statutory amounts due to the SCRTF, COCTF, & CETF.

Note:

Because of the linkage to the Monthlies (GR), it is recommended that the impact be shown as +/- indeterminate for GR and state trust.

1/12th July 1 GR Transfer

	FY 2012-13		FY 2013-14		FY 2014-15		FY 2015-16	
	GR	SCRTF, COCTF, CETF	GR	SCRTF, COCTF, CETF	GR	SCRTF, COCTF, CETF	GR	SCRTF, COCTF, CETF
1/12 FY 2011-12 Budget Authority	(55.6)	55.6						
Replenish Amount			0/-	0/+	0/-	0/+	0/-	0/+

Assumptions

	SCRTF	COCTF	CETF	Total
FY 2012-13 Projected Budget Authority	274.8	389.7	2.7	667.2

Note:

Projected Budget Authority = FY 2012-13 forecast less GR service charge amount.

Quarterly GR Transfers

	FY 2012-13		FY 2013-14	FY 2014-15	FY 2015-16
	GR	CCSCTF	GR/CCSCTF	GR/CCSCTF	GR/CCSCTF
FY 2011-12 4th Qtr. Proportion FY 2012-13 Fcst.	(41.7)	41.7	0	0	0

Assumptions

FY 2011-12 Proportion 4th Qtr. Revenue	26.15%
FY 2012-13 GR Revenue Forecast (less \$1.9m)	159.6

Impact Summary

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Total GR Impact	(99.2)	(1.9)	(1.9)	(1.9)

Note:

- = negative indeterminate, + = positive indeterminate.

REVENUE ESTIMATING CONFERENCE

TAX: Slot Tax

ISSUE: Slot Licensees

BILL NUMBER(S): CS/SB 382

SPONSOR(S): Committee on Regulated Industries; Senators Sachs and Gaetz

MONTH/YEAR COLLECTION IMPACT BEGINS: July 7, 2015

DATE OF ANALYSIS: 02/10/2012

SECTION 1: NARRATIVE

a. Current Law:

Section 551.102, Florida Statutes, governs the operation of slot machines at certain pari-mutuel facilities. The section defines an “eligible facility” as any one of the following: (1) any licensed pari-mutuel facility located in Miami-Dade County or Broward County existing at the time of adoption of s. 23, Art. X of the State Constitution that has conducted live racing or games during calendar years 2002 and 2003 and which has been approved by a majority of votes in a countywide referendum to have slot machines at such facility; (2) any licensed pari-mutuel facility located in a county as defined in s. 125.011, Florida Statutes, provided such facility has conducted live racing for 2 consecutive calendar years immediately preceding its application for a slot machine license and meets the other requirements of Chapter 551, Florida Statutes; or (3) any licensed pari-mutuel facility in any other county in which a majority of voters have approved slot machines at such facilities in a countywide referendum held pursuant to a statutory or constitutional authorization after the effective date of Section 551.102, Florida Statutes, provided such facility as conducted a full schedule of live racing for 2 consecutive calendar years immediately preceding its application for a slot machine license and meets the other requirements of Chapter 551, Florida Statutes. Under the auspices of (1) above, six pari-mutuel facilities currently operate slot machines (Dania Jai Alai would also qualify, but has not engaged in the operation of slot machines). Under the statutory framework laid out in (2) above, Hialeah Park became eligible for slot machine gaming—bringing the total to seven facilities that will operate in FY 2012-13.

b. Proposed Change:

CS/SB 382 amends the definition of an eligible facility for slot machine activity. Under the new language, permitholders in other counties [counties other than those referenced in (1) and (2) above] may become eligible for slot machine gaming if the respective county held or takes action to place the question on a countywide referendum on or before January 31, 2012. The bill defines “county takes action” to mean that the county: (a) adopts an ordinance or resolution setting a countywide referendum; (b) approves a countywide referendum and directs county staff to prepare a resolution or ordinance to implement the approval; or (c) places a resolution or ordinance on the agenda for the county’s next scheduled meeting of its governing body. Conceivably, the language would also allow facilities in Miami-Dade and Broward Counties to deem that their counties had previously complied with these provisions, and thereby opens up slots to the permitholders in those areas who had previously not qualified under (1) and (2). Finally, the language provides that although a license may be issued to an eligible facility outside of Miami-Dade or Broward Counties, such license does not authorize slot machine gaming before July 7, 2015.

The proposed statutory change would affect the expected Compact Payments from the Seminole Tribe. The revenue sharing authorized under the Compact is based on exclusivity of casino-style and Class III gaming – with specific acknowledgement of locations and certain conditions existing at the time the agreement was reached. By expanding the locations authorized for slot machine gaming outside of Miami-Dade and Broward counties, the Compact would be breached and *all* revenue-sharing payments from the Tribe would cease in their entirety once that gaming begins. Alternatively, if no facilities in counties outside Broward and Miami-Dade commence slot machine play, but at least one of the three currently non-qualifying Miami-Dade and Broward permitholders begins slots activity (and assuming none of the facilities counties outside Miami-Dade and Broward commence play), the following provision applies:

REVENUE ESTIMATING CONFERENCE

TAX: Slot Tax

ISSUE: Slot Licensees

BILL NUMBER(S): CS/SB 382

SPONSOR(S): Committee on Regulated Industries; Senators Sachs and Gaetz

MONTH/YEAR COLLECTION IMPACT BEGINS: July 7, 2015

DATE OF ANALYSIS: 02/10/2012

If any new casino-style gaming is authorized at any other place in Miami-Dade or Broward Counties then:

The Tribe's payments to the state will be reduced after the new games begin to be played by excluding the payments based on the Net Win from the Tribe's Broward facilities.

This analysis assumes the second case in fiscal years 2012-13 through 2014-15 --- and the first case in 2015-16, ceasing all revenue sharing at that point.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

December 2011 Slot Machine Revenues Conference

December 2011 Indian Gaming Revenues Conference

Compact Agreement between the Governor and Seminole Tribe of Florida, April 7, 2010

2010 Florida Visitor Study published by VISIT FLORIDA

2011 State of the States: The AGA Survey of Casino Entertainment published by the American Gaming Association

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

According to the Department of Business and Professional Regulation, as many as seven counties may have taken the required action to place the approval of slot machines on a countywide referendum by the January 31, 2012 deadline specified in CS/SB 382. Those counties are Brevard, Gadsden, Lee, Palm Beach, St. Johns, Volusia, and Washington. Approximately 12 permits could become eligible to conduct slot machine gaming should each of their counties hold a countywide referendum in which a majority of voters approve slot machines at such facilities and provided the permitholder meets the other requirements of Chapter 551, Florida Statutes. Nine of the twelve permitholders are currently operating although two share a facility with someone else. The remaining three could comply with the bill as drafted. In addition, the Senate Committee on Regulated Industries has identified Hamilton County as potentially meeting the requirements. Hamilton County has a currently operating permitholder and one that is not. In total, the following breakdown is created:

Counties	Permitholders	Operating	Shared	Not Operating
8	14	10	2 of the 10	4

The Senate staff analysis makes the following observation: "The CS does not appear to require any countywide referendum vote or approval of slot machine gaming." This analysis assumes that whatever action is needed by each of the eight counties to commence slot machine gaming is successfully undertaken.

For the eight counties outside Miami-Dade and Broward, Fiscal Year 2015-16 will be the first year of permissible operation. While there are four permitholders in addition to the ten that are currently operating and two counties have shared facilities, it is assumed for the purpose of this analysis that multiple sites will not open in a single county within the first year. The alternative assumption would be that multiple sites within a county split the totals for that county, although there would be additional license fees associated with this assumption.

REVENUE ESTIMATING CONFERENCE

TAX: Slot Tax

ISSUE: Slot Licensees

BILL NUMBER(S): CS/SB 382

SPONSOR(S): Committee on Regulated Industries; Senators Sachs and Gaetz

MONTH/YEAR COLLECTION IMPACT BEGINS: July 7, 2015

DATE OF ANALYSIS: 02/10/2012

A modified version of the model developed by EDR to analyze the impact of destination resorts was used for this analysis. The key assumptions were:

- No new visitors would be attracted to Florida as a result of the new slots facilities.
- The four counties (Brevard, Lee, Palm Beach and Volusia) that are among the state's Top Ten Destination Counties for Visitors would attract some of their current domestic visitors (no international; no Canadian) to the new slots facilities; the other four counties would not have this activity. For the four that do, the total projected slots activity is proportional to the number of hotel rooms they have. The expenditures are related to two nights (instead of 4.7 nights for the Destination Resorts).
- In-state travelers would follow the same pattern and have the same assumptions as the domestic visitors described above.
- There would be no detectable feedback effect on the Indian Gaming facilities or the existing pari-mutuels with slots facilities due to their distance from the new slots facilities or, in the case of Palm Beach, due to the size of its tourist market and market area to the north for local visitors.
- Day-trippers (Florida residents for local visits) would make an average of 9.9 visits per year.
- A composite population was developed for the local market area, using population data (adults, 21 years or older) for each county.

It is likely that the four North Florida sites (St. Johns, Hamilton, Gadsden and Washington) will draw some residents from neighboring states for day trips. While Louisiana and Mississippi both have extensive in-state gaming opportunities, Alabama, Georgia and South Carolina do not. The following mileages are noted:

- Mileage from Hilton Head SC to St. Augustine FL --- 210 miles
- Mileage from Savannah GA to St. Augustine, FL --- 178 miles
- Mileage from Atlanta GA to Jasper FL --- 259 miles
- Mileage from Atlanta GA to Gretna FL --- 255 miles
- Mileage from Atlanta GA to Chipley FL ---241 miles
- Mileage from Montgomery AL to Gretna FL --- 178 miles
- Mileage from Montgomery AL to Chipley FL --- 137 miles

To take account of the effect of out-of-state visitors for day trips, the four North Florida counties have been given a "No Casino Border State Kicker" of 3 times the county's population.

Finally, the language appears to allow facilities in Miami-Dade and Broward Counties to deem that the counties had previously complied with the new provisions, and thereby opens up slots to the permitholders who had previously not qualified under the current law. Sales tax displacement and gross receipts gains are calculated assuming one additional facility opens, with an impact that could begin as early as FY 2012-13. These permitholders are clearly not bound by the July 7, 2015 operational date, but there are some legal questions. For the numbers related to the three potentially affected permitholders:

- The Low essentially assumes no more capacity.
- The Middle essentially assumes very limited capacity.
- The High essentially assumes room for one more facility.

REVENUE ESTIMATING CONFERENCE

TAX: Slot Tax

ISSUE: Slot Licensees

BILL NUMBER(S): CS/SB 382

SPONSOR(S): Committee on Regulated Industries; Senators Sachs and Gaetz

MONTH/YEAR COLLECTION IMPACT BEGINS: July 7, 2015

DATE OF ANALYSIS: 02/10/2012

SECTION 4: PROPOSED FISCAL IMPACT

All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High					
Sales Tax	(3.6)		(3.8)	(3.9)	(35.9)
Slots Machine Tax	21.2		21.9	22.7	199.8
Compact Loss	(111.5)		(114.9)	(115.4)	(110.6)
Slots Licenses	2.0		2.0	2.0	18.0
Middle					
Sales Tax	(0.2)		(0.2)	(.2)	(29.7)
Slots Machine Tax	1.3		1.4	1.4	162.9
Compact Loss	(111.5)		(114.9)	(115.4)	(110.6)
Slots Licenses	2.0		2.0	2.0	18.0
Low					
Sales Tax	0		0	0	(27.6)
Slots Machine Tax	0		0	0	150.0
Compact Loss	(111.5)		(114.9)	(115.4)	(110.6)
Slots Licenses	2.0		2.0	2.0	18.0

NOTE: The impact in FY's 2012-13, 2013-14, and 2014-15 is associated with the introduction of one additional slots facility in Miami-Dade or Broward County. The FY 2015-16 impact incorporates the effect of adding eight additional facilities in counties outside of Miami-Dade and Broward.

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 2/17/12) The conference adopted a +/- indeterminate estimate.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue	+/-	+/-	+/-	+/-	+/-
State Trust – DOE	+/-	+/-	+/-	+/-	+/-
Total State Impact	+/-	+/-	+/-	+/-	+/-
Total Local Impact	+/-	+/-	+/-	+/-	+/-
Total Impact	+/-	+/-	+/-	+/-	+/-

CS/SB 382

1. For new areas, assumes eight new locations, one per county (or alternatively that multiple sites within a county split the total for that county).
2. For Miami-Dade and Broward, assumes one additional facility opens (or alternatively that multiple sites split the total).

NOTE: If assume alternative multiple sites in #1 or #2, increase slot license revenue

FY 2015-16 SUMMARY DATA

	Low	Middle	High
Total Slots Visitors in Other Counties (Unduplicated)	995,799	1,287,635	1,625,251
Gambling Expenditure at New Facilities (other counties)	467,605,405	503,109,955	549,958,384
Net Sales Tax Adjustment Related To Displacement (other counties)	(27,595,802)	(29,419,061)	(31,884,575)
Broward / Dade Net New Gambling Expenditures	-	4,164,631	66,849,105
Broward / Dade Net Sales Tax Adjustment To Displacement	-	(249,878)	(4,010,946)

FY 2015-16 FINANCIAL IMPACT

	Low	Middle	High	
Net Sales Tax Adjustment Related To Displacement (other counties)	(27.6)	(29.4)	(31.9)	General Revenue
Broward / Dade Net Sales Tax Adjustment To Displacement	-	(0.2)	(4.0)	General Revenue
Indian Gaming Compact Loss to State (100% loss)	(104.3)	(104.3)	(104.3)	General Revenue
	(131.9)	(134.0)	(140.2)	Total GR
35% Tax Rate on Slot Machine Revenues for Other Counties (at 11/12's)	150.0	161.4	176.4	State Trust (EETF)
35% Tax Rate on Slot Machine Revenues for Miami-Dade / Broward (at 11/12's)	-	1.5	23.4	State Trust (EETF)
Slots Licenses (9 facilities)	18.0	18.0	18.0	State Trust (DBPR)
	168.0	180.9	217.8	
Indian Gaming Compact Local Loss	(6.3)	(6.3)	(6.3)	Local
	29.8	40.6	71.3	TOTAL

										No Casino Border State Kicker (3X Population)	
Active Permits	Affected Counties	Pool of Facilities	Cardroom	Type	Operating	Hotel Rooms	State Share	Top Destination	Adi Pop	Share	
	Brevard	Melbourne Greyhound Park	Yes	Greyhound	Yes	9,528	2.4%	2.1%	415,888	14.4%	
	Gadsden	Creek Entertainment Gretna	Yes	Quarter Horse	Yes	467	0.1%		100,047	3.5%	
		Gadsden Jai Alai		Jai Alai	No						
	Hamilton	Hamilton Jai Alai	Yes	Jai Alai	Yes	368	0.1%		33,396	1.2%	
		Hamilton Downs Horsetrack, LLC		Jai Alai	No						
	Lee	Naples Ft. Myers Greyhound	Yes	Greyhound	Yes	11,481	2.8%	3.1%	476,500	16.5%	
	Palm Beach	Palm Beach Kennel Club	Yes	Greyhound	Yes	16,685	4.1%	3.9%	1,004,920	34.8%	
		Palm Beach Greyhound Racing			Shares Facility						
	St. Johns	St. Johns Greyhound Park	Yes	Greyhound	Yes	5,484	1.4%		417,861	14.5%	
		St. Johns Racing, Inc Qhorse	No	Quarter Horse	No						
	Volusia	Daytona Beach Kennel Club	Yes	Greyhound	Yes	11,730	2.9%	3.8%	380,444	13.2%	
		West Volusia Racing, Inc.	No	Greyhound	Shares Facility						
		Debary Real Estate Holding, LLC Q Horse	No	Quarterhorse	No						
	Washington	Ebro Greyhound Park	Yes	Greyhound	Yes	261	0.1%		56,043	1.9%	
						405,348	13.8%	12.9%	2,885,099	100.0%	
						(state total)					

2010 Tourist Counts and Local Visitors

TOTAL FOR NEW VISITORS ("But for the existence...")

	2010 Current	0.0000 New at +0%	0.0000 New at +0%	0.0000 New at +0%
BASE:	82,315,000			
Domestic / National Percentage:	0.865	71,202,475	-	-
Canadian	0	-	-	-
Overseas / International Percentage	0	-	-	-

NOTES: No substitution of current spending

EXPENSE: One Day Taxable Expense of \$150.70 times 4.7 nights

SALES TAX EFFECT: new expenditures not otherwise expected

GAMBLING EXPENDITURE: Nevada Per Trip Expenditure (on top*)

*assumes expanded budget by gambling expenditure

	2010 Current	0.60% Curr At 0.6%	1.00% Curr At 1.0%	1.45% Curr At 1.45%
PP: \$	708.29	-	-	-
RATE: \$	0.06	-	-	-
PP: \$	466.20	-	-	-

WITHOUT CHILDREN FOR CURRENT VISITORS ("Incidental...")

	2010 Current	0.60% Curr At 0.6%	1.00% Curr At 1.0%	1.45% Curr At 1.45%
Domestic / National Percentage: (Brevard, Lee, Palm Beach and Volusia)	0.780	64,205,700	385,234	642,057
Canadian	0.720	-	-	930,983
Overseas / International Percentage	0.843	-	-	-

NOTES: 100% Substitution of Entertainment & Misc for Gambling

EXPENSE: -\$26.60 Taxable Expenses times 2.0 nights

SALES TAX EFFECT: diverted from current expenditure:

INDIAN GAMING EFFECT (not tax adjusted)

GAMBLING EXPENDITURE: \$26.60 times 2.0 nights

	2010 Current	0.60% Curr At 0.6%	1.00% Curr At 1.0%	1.45% Curr At 1.45%
PP: \$	(53.20)	(20,494,459)	(34,157,432)	(49,528,277)
1 \$	0.06	(1,229,668)	(2,049,446)	(2,971,697)
PP: \$	53.20	20,494,459	34,157,432	49,528,277

TOTAL HOUSEHOLDS FOR FL RESIDENT TRAVELERS

Percentage Taking Pleasure Trips (1 trip per Household): (Brevard, Lee, Palm Beach and Volusia)

	2010 Current	0.60% Curr At 0.6%	1.00% Curr At 1.0%	1.45% Curr At 1.45%
#1 In Florida (multiplied by 2 adults per household)	0.383	488,853	5,866	9,777
#2 Outside Florida (multiplied by 2 adults per household)	0.617	787,525	9,450	15,751

NOTES: 0% Substitution for Outside FL; 100% Ent & Misc for In-FL

EXPENSE #1: -\$26.60 times 2.0 nights

EXPENSE #2: One Day Taxable Expense of \$150.70 times 2.0 nights

EXPENSE TOTAL:

SALES TAX EFFECT: net new expenditures not otherwise expected

GAMBLING EXPENDITURE: Blended Rate to Reflect Mix (on top*)

*assumes expanded budget by gambling expenditure

	2010 Current	0.60% Curr At 0.6%	1.00% Curr At 1.0%	1.45% Curr At 1.45%
PP: \$	(53.20)	(312,084)	(520,139)	(754,202)
PP: \$	301.40	2,848,321	4,747,202	6,883,443
RATE: \$	0.06	2,536,238	4,227,063	6,129,241
PP: \$	335.53	5,139,127	8,565,212	12,419,558

FLORIDA RESIDENTS (21+) FOR LOCAL VISITS (County Pop)

Local Residents Who Will Visit

Number of Visits Per Year (9.9 Total Visits to Nearby Casinos)

GAMBLING EXPENDITURE:

FULL INDIAN GAMING EFFECT (not tax-adjusted)

PARI-MUTUEL SLOTS TAX EFFECT

SALES DISPLACEMENT (not tax-adjusted)

SALES TAX EFFECT: diverted from other expenditures

	2010 Current	0.24 Curr At 24%	0.25 Curr At 25%	0.265 Curr At 26.5%
BASE:	2,480,201	595,248	620,050	657,253
SCALAR: 9.9		5,892,958	6,138,497	6,506,807
PP: \$	75.00	441,971,818	460,387,311	488,010,549
0.000	0.000	0.000	-	-
0.000	0.000	0.000	-	-
1.000	1.000	(441,971,818)	(460,387,311)	(488,010,549)
RATE: \$	0.06	(26,518,309)	(27,623,239)	(29,280,633)

Total Casino Visitors (Unduplicated)

Net Sales Tax Adjustment Related To Displacement

Gambling Expenditure at New Facilities

Gambling Tax Collections on Gross Receipts

	LOW	MIDDLE	HIGH
Total Casino Visitors (Unduplicated)	995,799	1,287,635	1,625,251
Net Sales Tax Adjustment Related To Displacement	(27,595,802)	(29,419,061)	(31,884,575)
Gambling Expenditure at New Facilities	467,605,405	503,109,955	549,958,384
Gambling Tax Collections on Gross Receipts	163,661,892	176,088,484	192,485,434

	Brevard	Gadsden	Hamilton	Lee	Palm Beach	St. Johns	Volusia	Washington	TOTAL
4-County Top Destination Percentages based on Hotel Rooms	19.3%			23.2%	33.8%		23.7%		100.0%
All County Population Percentages	14.4%	3.5%	1.2%	16.5%	34.8%	14.5%	13.2%	1.9%	100.0%

Total Casino Visitors (Unduplicated)									
WITHOUT CHILDREN FOR CURRENT VISITORS ("Incidental...")									
Low	74,266			89,488	130,051		91,429		385,234
Middle	123,776			149,147	216,751		152,382		642,057
High	179,476			216,264	314,290		220,954		930,983
TOTAL HOUSEHOLDS FOR FL RESIDENT TRAVELERS									
Low	2,953			3,558	5,171		3,635		15,317
Middle	4,921			5,930	8,618		6,059		25,528
High	7,136			8,598	12,496		8,785		37,015
FLORIDA RESIDENTS (21+) FOR LOCAL VISITS (County Pop)									
Low	85,805	20,642	6,890	98,311	207,333	86,212	78,492	11,563	595,248
Middle	89,380	21,502	7,177	102,407	215,972	89,804	81,763	12,044	620,050
High	94,743	22,792	7,608	108,551	228,930	95,193	86,669	12,767	657,253
TOTAL LOW	163,024	20,642	6,890	191,357	342,555	86,212	173,557	11,563	995,799
TOTAL MIDDLE	218,078	21,502	7,177	257,484	441,341	89,804	240,204	12,044	1,287,635
TOTAL HIGH	281,355	22,792	7,608	333,413	555,716	95,193	316,408	12,767	1,625,251

Net Sales Tax Adjustment Related To Displacement									
WITHOUT CHILDREN FOR CURRENT VISITORS ("Incidental...")									
Low	(237,056)			(285,647)	(415,122)		(291,842)		(1,229,668)
Middle	(395,094)			(476,078)	(691,870)		(486,403)		(2,049,446)
High	(572,886)			(690,313)	(1,003,212)		(705,285)		(2,971,697)
TOTAL HOUSEHOLDS FOR FL RESIDENT TRAVELERS									
Low	29,336			35,349	51,372		36,116		152,174
Middle	48,894			58,916	85,621		60,194		253,624
High	70,896			85,428	124,150		87,281		367,754
FLORIDA RESIDENTS (21+) FOR LOCAL VISITS (County Pop)									
Low	(3,822,623)	(919,579)	(306,958)	(4,379,737)	(9,236,695)	(3,840,758)	(3,496,841)	(515,118)	(26,518,309)
Middle	(3,981,899)	(957,895)	(319,748)	(4,562,226)	(9,621,557)	(4,000,790)	(3,642,542)	(536,581)	(27,623,239)
High	(4,220,813)	(1,015,369)	(338,933)	(4,835,959)	(10,198,851)	(4,240,837)	(3,861,095)	(568,776)	(29,280,633)
TOTAL LOW	(4,030,343)	(919,579)	(306,958)	(4,630,034)	(9,600,445)	(3,840,758)	(3,752,567)	(515,118)	(27,595,802)
TOTAL MIDDLE	(4,328,099)	(957,895)	(319,748)	(4,979,388)	(10,227,807)	(4,000,790)	(4,068,752)	(536,581)	(29,419,061)
TOTAL HIGH	(4,722,803)	(1,015,369)	(338,933)	(5,440,845)	(11,077,913)	(4,240,837)	(4,479,099)	(568,776)	(31,884,575)

Gambling Expenditure at New Facilities									
WITHOUT CHILDREN FOR CURRENT VISITORS ("Incidental...")									
Low	3,950,939			4,760,782	6,918,705		4,864,034		20,494,459
Middle	6,584,898			7,934,637	11,531,174		8,106,723		34,157,432
High	9,548,103			11,505,223	16,720,203		11,754,748		49,528,277
TOTAL HOUSEHOLDS FOR FL RESIDENT TRAVELERS									
Low	990,725			1,193,799	1,734,913		1,219,690		5,139,127
Middle	1,651,209			1,989,665	2,891,522		2,032,817		8,565,212
High	2,394,253			2,885,014	4,192,706		2,947,584		12,419,558
FLORIDA RESIDENTS (21+) FOR LOCAL VISITS (County Pop)									
Low	63,710,388	15,326,321	5,115,974	72,995,613	153,944,915	64,012,634	58,280,678	8,585,295	441,971,818
Middle	66,364,987	15,964,918	5,329,139	76,037,097	160,359,286	66,679,827	60,709,040	8,943,016	460,387,311
High	70,346,886	16,922,813	5,648,888	80,599,323	169,980,843	70,680,617	64,351,582	9,479,597	488,010,549
TOTAL LOW	68,652,052	15,326,321	5,115,974	78,950,194	162,598,532	64,012,634	64,364,402	8,585,295	467,605,405
TOTAL MIDDLE	74,601,094	15,964,918	5,329,139	85,961,399	174,781,982	66,679,827	70,848,580	8,943,016	503,109,955
TOTAL HIGH	82,289,242	16,922,813	5,648,888	94,989,561	190,893,753	70,680,617	79,053,915	9,479,597	549,958,384

Gambling Tax Collections on Gross Receipts									
WITHOUT CHILDREN FOR CURRENT VISITORS ("Incidental...")									
Low	1,382,829			1,666,274	2,421,547		1,702,412		7,173,061
Middle	2,304,714			2,777,123	4,035,911		2,837,353		11,955,101
High	3,341,836			4,026,828	5,852,071		4,114,162		17,334,897
TOTAL HOUSEHOLDS FOR FL RESIDENT TRAVELERS									
Low	346,754			417,830	607,220		426,892		1,798,695
Middle	577,923			696,383	1,012,033		711,486		2,997,824
High	837,988			1,009,755	1,467,447		1,031,655		4,346,845
FLORIDA RESIDENTS (21+) FOR LOCAL VISITS (County Pop)									
Low	22,298,636	5,364,212	1,790,591	25,548,465	53,880,720	22,404,422	20,398,237	3,004,853	154,690,136
Middle	23,227,745	5,587,721	1,865,199	26,612,984	56,125,750	23,337,939	21,248,164	3,130,056	161,135,559
High	24,621,410	5,922,985	1,977,111	28,209,763	59,493,295	24,738,216	22,523,054	3,317,859	170,803,692
TOTAL LOW	24,028,218	5,364,212	1,790,591	27,632,568	56,909,486	22,404,422	22,527,541	3,004,853	163,661,892
TOTAL MIDDLE	26,110,383	5,587,721	1,865,199	30,086,490	61,173,694	23,337,939	24,797,003	3,130,056	176,088,484
TOTAL HIGH	28,801,235	5,922,985	1,977,111	33,246,346	66,812,813	24,738,216	27,668,870	3,317,859	192,485,434

Pool of Facilities

Broward

Pompano Park Racing (Quarter Horse)

Gulfstream Park Thoroughbred after Racing Program, Inc (Quarter Horse)

Miami-Dade

Magic City Jai Alai (Miami)

Year 1	Low	Middle	High
Receipts	0	3.8	60.7
Sales Tax	0	-0.2	-3.6
Slots Tax	0	1.3	21.2

Low = Complete Substitution

Middle = Maintain 2014-15 Per Capita Growth Change

High = Revert to 2013-14 Growth Change Per Capita After New Facilities Intro

For this type of facility:

Low essentially assumes no more capacity.

Middle essentially assumes very limited capacity.

High essentially assumes room for one more facility.

	<u>Broward</u>	Taxes	Tax Rate	Receipts	Pop	Per Capita	Change
	2007-08	122.3	0.50	244.6	1,739,708	140.59831	
	2008-09	104.4	0.50	208.8	1,738,093	120.13166	-20.4666
	2009-10	101.1	0.50	202.2	1,748,066	115.67069	-4.46097
	2010-11	74.9	0.35	214.0	1,753,162	122.06516	6.39447
	2011-12	80.9	0.35	231.1	1,757,650	131.50676	9.4416
	2012-13	77.3	0.35	220.9	1,766,582	125.01947	-6.48729
	2013-14	85.2	0.35	243.4	1,777,481	136.95143	11.93197
0.035211	2014-15	88.2	0.35	252.0	1,788,172	140.92604	3.974607
0.030612	2015-16	90.9	0.35	259.7	1,798,464	144.40894	3.482903 Max

Year 2	Low	Middle	High	Growth
Receipts	0	3.9	62.7	1.032912
Sales Tax	0	-0.2	-3.8	
Slots Tax	0	1.4	21.9	

	<u>Miami</u>	Taxes	Tax Rate	Receipts	Pop	Per Capita	Change
Partial	2009-10	37.1	0.50	74.2	2,496,435	29.722384	29.72238
	2010-11	50.2	0.35	143.4	2,516,515	56.99492	27.27254
Partial	2011-12	63.8	0.35	182.3	2,536,404	71.867776	14.87286
Partial	2012-13	76.5	0.35	218.6	2,557,672	85.457177	13.5894
	2013-14	94.8	0.35	270.9	2,579,365	105.00923	19.55206
	2014-15	98.6	0.35	281.7	2,600,932	108.31282	3.303588
	2015-16	101.5	0.35	290.0	2,623,864	110.52402	2.211199 Max

Year 3	Low	Middle	High	Growth
Receipts	0	4.0	64.7	1.032912
Sales Tax	0	-0.2	-3.9	
Slots Tax	0	1.4	22.7	

Year 4	Low	Middle	High	Growth
Receipts	0	4.2	66.8	1.032912
Sales Tax	0	-0.2	-4.0	
Slots Tax	0	1.5	23.4	

	<u>Region</u>	Taxes	Tax Rate	Receipts	Pop	Per Capita	Change
	2007-08	122.3	0.50	244.6	4,212,095	58.070865	
	2008-09	104.4	0.50	208.8	4,218,630	49.494741	-8.6
	2009-10	138.2	0.50	276.4	4,244,501	65.119551	15.6 New Facilities
	2010-11	125.1	0.35	357.4	4,269,677	83.713258	18.6
	2011-12	144.7	0.35	413.4	4,294,054	96.279314	12.6 New Facilities
	2012-13	153.8	0.35	439.4	4,324,254	101.61951	5.3 New Facilities
	2013-14	180.0	0.35	514.3	4,356,846	118.04083	16.4
	2014-15	186.8	0.35	533.7	4,389,104	121.59983	3.6
	2015-16	192.4	0.35	549.7	4,422,328	124.30428	2.7

Effectively Slowed Per Capita Growth Due to New Facilities?
Effectively Slowed Per Capita Growth Due to New Facilities?

125.2 Maintain 2014-15 Growth Change Per Capita

553.5 Projected Revenues

3.8 Additional Receipts

138.0 Revert to 2013-14 Growth Change Per Capita After New Facilities Introduction

610.4 Projected Revenues

60.7 Additional Receipts

1 Current Estimate: Table Games sunset in FY 2015-16

**Penalty: Lose all of Broward County Revenues (49.3% of total)
Lose table game revenues (16.2% of total) for non-Broward facilities**

	Revenue Share with Table Games	Loss From Broward	Remainder	% of remainder from table games	\$ loss from table games	Net remaining revenues	GR	Local
2010-11	140.4	0.0	140.4			140.4	139.65	0.8
2011-12	150.0	0.0	150.0			150.0	145.5	4.5
2012-13	226.1	0.0	226.1			226.1	221.2	4.9
2013-14	233.0	0.0	233.0			233.0	226.0	7.0
2014-15	233.9	0.0	233.9			233.9	226.9	7.0
2015-16	234.0	-105.8	128.2	0.162	17.6	110.6	104.3	6.3
2016-17	234.0	-115.4	118.6	0.162	19.2	99.4	96.4	3.0
2017-18	234.0	-115.4	118.6	0.162	19.2	99.4	96.4	3.0
2018-19	234.0	-115.4	118.6	0.162	19.2	99.4	96.4	3.0
2019-20	234.0	-115.4	118.6	0.162	19.2	99.4	96.4	3.0
2020-21	234.0	-115.4	118.6	0.162	19.2	99.4	96.4	3.0

2 CS/SB 382: New Casino-Style Gaming authorized by Legislature outside Broward or Miami-Dade

Penalty: Lose all remaining Compact Payments

	Revenue Share with Table Games	Loss From Broward	Remainder	% of remainder from table games	\$ loss from table games	Net remaining revenues	CS/SB 382 Loss
2010-11	140.4	0.0	140.4			140.4	
2011-12	150.0	0.0	150.0			150.0	
2012-13	226.1	0.0	226.1			226.1	
2013-14	233.0	0.0	233.0			233.0	
2014-15	233.9	0.0	233.9			233.9	
2015-16	234.0	-105.8	128.2	0.162	17.6	110.6	-110.6
2016-17	234.0	-115.4	118.6	0.162	19.2	99.4	-99.4
2017-18	234.0	-115.4	118.6	0.162	19.2	99.4	-99.4
2018-19	234.0	-115.4	118.6	0.162	19.2	99.4	-99.4
2019-20	234.0	-115.4	118.6	0.162	19.2	99.4	-99.4
2020-21	234.0	-115.4	118.6	0.162	19.2	99.4	-99.4

3 CS/SB 382: Additional Casino-Style Gaming authorized by Legislature in Broward or Miami-Dade only

Penalty: Lose all of Broward County Revenues (49.3% of total) --- But already removed due to loss of table game exclusivity in out years

	Revenue Share with Table Games	Loss From Broward	Remainder	% of remainder from table games	\$ loss from table games	Net remaining revenues	CS/SB 382 Loss
2010-11	140.4	0.0	140.4			140.4	
2011-12	150.0	0.0	150.0			150.0	
2012-13	226.1	-111.5	114.6			114.6	-111.5
2013-14	233.0	-114.9	118.1			118.1	-114.9
2014-15	233.9	-115.4	118.5			118.5	-115.4
2015-16	234.0	-115.4	118.6	0.162	17.6	101.0	-9.6 Superceded by Above
2016-17	234.0	-115.4	118.6	0.162	19.2	99.4	0.0
2017-18	234.0	-115.4	118.6	0.162	19.2	99.4	0.0
2018-19	234.0	-115.4	118.6	0.162	19.2	99.4	0.0
2019-20	234.0	-115.4	118.6	0.162	19.2	99.4	0.0
2020-21	234.0	-115.4	118.6	0.162	19.2	99.4	0.0

Top Domestic Origin States for Visitors

State	2008	2009	2010	pp* change '10/'09
Georgia	11.5%	11.7%	11.3%	-0.4 pp
New York	9.2%	9.3%	7.7%	-1.6 pp
Illinois	4.5%	5.7%	6.4%	+0.7 pp
North Carolina	4.7%	4.1%	5.5%	+1.4 pp
New Jersey	6.0%	4.4%	5.5%	+1.1 pp
Texas	4.7%	4.8%	4.8%	+/-0 pp
Michigan	3.5%	3.1%	4.6%	+1.5 pp
Pennsylvania	3.4%	4.1%	4.2%	+0.1 pp
Ohio	4.7%	4.0%	4.2%	+0.2 pp
Alabama	4.0%	5.6%	4.2%	-1.4 pp
California	3.8%	3.6%	4.0%	+0.4 pp
South Carolina	3.7%	3.4%	3.5%	+0.1 pp
Virginia	3.1%	3.6%	3.5%	-0.1 pp
Tennessee	3.7%	2.3%	2.9%	+0.6 pp
Massachusetts	3.1%	2.6%	2.5%	-0.1 pp

Top Destination Florida Counties for Visitors

County	2008	2009	2010	pp* change '10/'09
Orange	29.6%	29.3%	28.9%	-0.4 pp
Hillsborough	7.4%	7.9%	8.1%	+0.2 pp
Broward	6.0%	5.7%	6.4%	+0.7 pp
Miami-Dade	7.7%	6.6%	5.9%	-0.7 pp
Duval	4.5%	4.9%	4.2%	-0.7 pp
Bay	3.7%	3.4%	4.2%	+0.8 pp
Pinellas	3.1%	2.9%	3.9%	+1.0 pp
Lee	3.1%	3.3%	3.6%	+0.3 pp
Palm Beach	3.9%	3.9%	3.3%	-0.6 pp
Volusia	3.8%	4.4%	3.3%	-1.1 pp
Okaloosa	4.6%	3.7%	3.0%	-0.7 pp
Collier	1.4%	1.8%	2.6%	+0.8 pp
Brevard	2.1%	2.6%	2.5%	-0.1 pp
Sarasota	2.2%	2.5%	2.3%	-0.2 pp
Monroe	2.1%	2.1%	1.9%	-0.2 pp

*Percentage point

*Note: County names are determined based on the main destination city reported by the respondents.

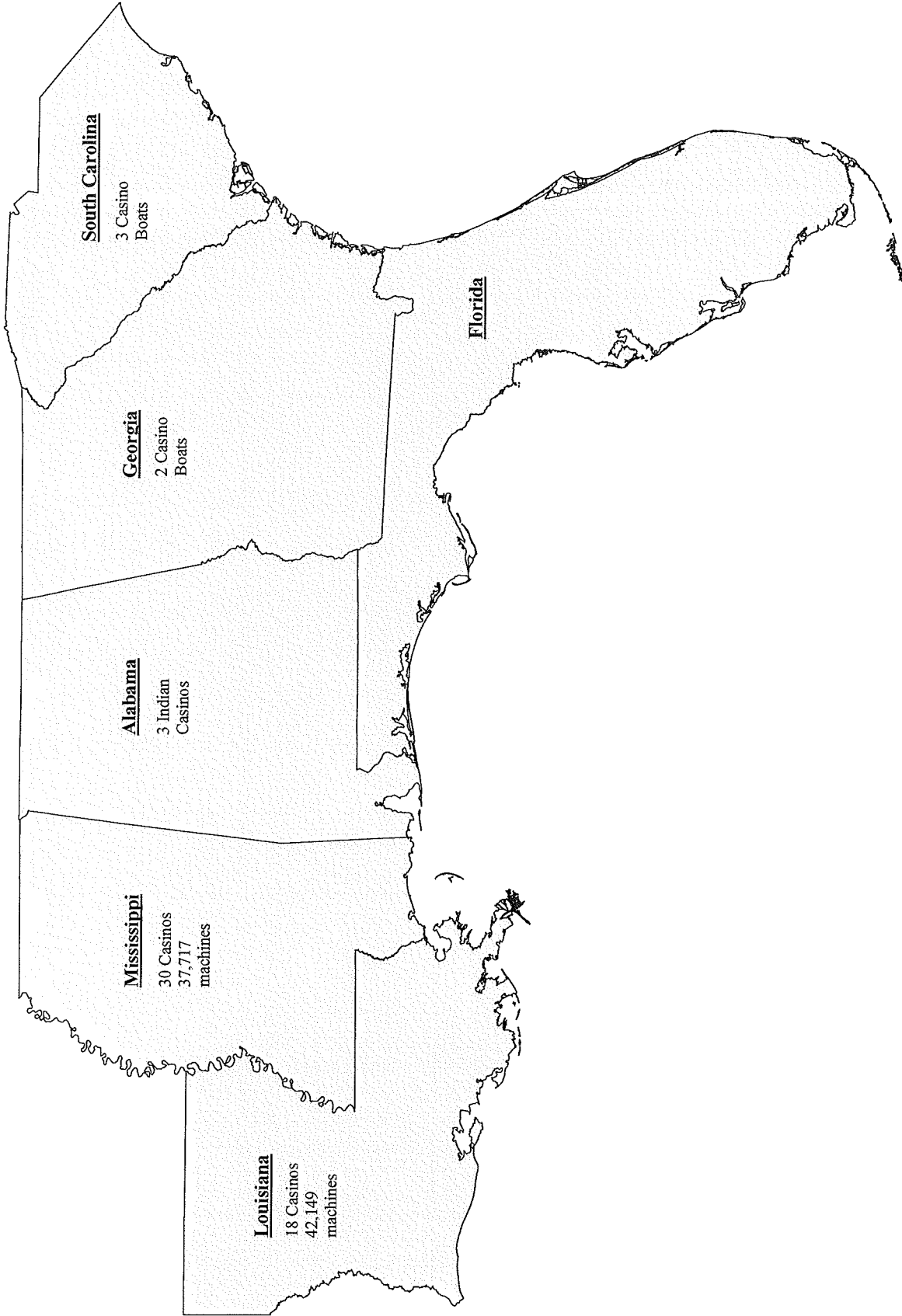
Source: D.K. Shifflet and Associates


Hotel/Motel Facilities in Florida by County (as of April 2011)

Number of Hotels/Motels		
County	Properties	Rooms
Alachua	61	4,702
Baker	3	147
Bay	134	7,836
Bradford	12	455
Brevard	115	9,528
Broward	420	31,094
Calhoun	2	24
Charlotte	26	1,511
Citrus	24	1,200
Clay	13	1,206
Collier	76	6,880
Columbia	32	1,968
DeSoto	5	187
Dixie	8	121
Duval	163	18,071
Escambia	83	7,085
Flagler	17	935
Franklin	15	429
Gadsden	14	467
Gilchrist	4	67
Glades	8	99
Gulf	6	139
Hamilton	9	368
Hardee	5	112
Hendry	14	431
Hernando	19	983
Highlands	26	1,414
Hillsborough	200	21,962
Holmes	6	257
Indian River	37	1,928
Jackson	16	812
Jefferson	5	181
Lafayette	2	27
Lake	50	3,046

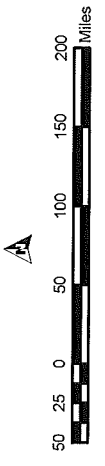
Number of Hotels/Motels		
County	Properties	Rooms
Lee	181	11,481
Leon	66	6,000
Levy	21	371
Liberty	1	13
Madison	4	198
Manatee	67	3,478
Marion	77	4,455
Martin	25	1,312
Miami-Dade	443	46,946
Monroe	179	7,548
Nassau	24	1,869
Okaloosa	62	4,932
Okeechobee	13	564
Orange	275	83,776
Osceola	122	25,785
Palm Beach	184	16,685
Pasco	43	2,531
Pinellas	321	19,212
Polk	116	6,974
Putnam	23	626
Santa Rosa	11	701
Sarasota	81	4,741
Seminole	45	5,013
St. Johns	82	5,484
St. Lucie	43	3,218
Sumter	12	770
Suwanee	12	380
Taylor	19	557
Union	0	0
Volusia	222	11,730
Wakulla	5	198
Walton	20	1,867
Washington	7	261
Total State	4,436	405,348

Source: Florida Department of Business and Professional Regulation, Master File Statistics





 Florida Legislature Office of
 Economic & Demographic Research
 111 W. Madison St., Rm. 574
 Tallahassee, FL 32399-1400
 Phone: 850.487.1402
 URL: edr.state.fl.us
 February 2012



REVENUE ESTIMATING CONFERENCE

TAX: Intangibles

ISSUE: Government Leaseholds---All

BILL NUMBER(S): CS/CS/SB 1108 section 1

SPONSOR(S): Sen. Altman

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2012

DATE OF ANALYSIS: February 14, 2012

SECTION 1: NARRATIVE

a. Current Law:

Section 196.199(2), F.S., provides conditions for exemptions related to property owned by governmental units but used by nongovernmental lessees.

Section 196.199(2)(a), F.S., provides an exemption for the following:

leasehold interests in property of the United States, of the state or any of its several political subdivisions, or of municipalities, agencies, authorities, and other public bodies corporate of the state shall be exempt from ad valorem taxation only when the lessee serves or performs a governmental, municipal, or public purpose or function, as defined in s. 196.012(6). In all such cases, all other interests in the leased property shall also be exempt from ad valorem taxation. However, a leasehold interest in property of the state may not be exempted from ad valorem taxation when a nongovernmental lessee uses such property for the operation of a multipurpose hazardous waste treatment facility.

Section 196.199(2)(b), F.S., provides the following exception:

except as provided in paragraph (c), the exemption provided by this subsection shall not apply to those portions of a leasehold or other interest defined by s. 199.023(1)(d), Florida Statutes 2005, subject to the provisions of subsection (7). Such leasehold or other interest shall be taxed only as intangible personal property pursuant to chapter 199, Florida Statutes 2005, if rental payments are due in consideration of such leasehold or other interest. All applicable collection, administration, and enforcement provisions of chapter 199, Florida Statutes 2005, shall apply to taxation of such leaseholds. If no rental payments are due pursuant to the agreement creating such leasehold or other interest, the leasehold or other interest shall be taxed as real property. Nothing in this paragraph shall be deemed to exempt personal property, buildings, or other real property improvements owned by the lessee from ad valorem taxation.

Section 196.012(6), F.S., provides that:

governmental, municipal, or public purpose or function shall be deemed to be served or performed when the lessee under any leasehold interest created in property of the United States, the state or any of its political subdivisions, or any municipality, agency, special district, authority, or other public body corporate of the state is demonstrated to perform a function or serve a governmental purpose which could properly be performed or served by an appropriate governmental unit or which is demonstrated to perform a function or serve a purpose which would otherwise be a valid subject for the allocation of public funds. For purposes of the preceding sentence, an activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as an aviation area on an airport layout plan which has been approved by the Federal Aviation Administration and which real property is used for the administration, operation, business offices and activities related specifically thereto in connection with the conduct of an aircraft full service fixed base operation which provides goods and services to the general aviation public in the promotion of air commerce shall be deemed an activity which serves a governmental, municipal, or public purpose or function. Any activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as a public airport as defined in s. 332.004(14) by municipalities, agencies, special districts, authorities, or other public bodies corporate and public bodies politic of the state, a spaceport as defined in s. 331.303, or which is located in a deepwater port identified in s. 403.021(9)(b) and owned by one of the foregoing governmental units, subject to a leasehold or other possessory interest of a nongovernmental lessee that is deemed to perform an aviation, airport, aerospace, maritime, or port purpose or operation shall be deemed an activity that serves a governmental, municipal, or public purpose. **The use by a lessee, licensee, or management company of real property or a portion thereof as a convention center, visitor center, sports facility with permanent seating, concert hall, arena, stadium, park, or beach is deemed a use that serves a governmental, municipal, or public purpose or function when access to the property is open to the general public with or without a charge for admission.** If property deeded to a municipality by the United States is subject to a requirement that the Federal Government, through a schedule established by the Secretary of the Interior, determine that the property is being maintained for public historic preservation, park, or recreational purposes and if those conditions are not met the property will revert back to the Federal Government, then such

REVENUE ESTIMATING CONFERENCE

TAX: Intangibles

ISSUE: Government Leaseholds---All

BILL NUMBER(S): CS/CS/SB 1108 section 1

SPONSOR(S): Sen. Altman

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2012

DATE OF ANALYSIS: February 14, 2012

property shall be deemed to serve a municipal or public purpose. The term “governmental purpose” also includes a direct use of property on federal lands in connection with the Federal Government’s Space Exploration Program or spaceport activities as defined in s. 212.02(22). Real property and tangible personal property owned by the Federal Government or Space Florida and used for defense and space exploration purposes or which is put to a use in support thereof shall be deemed to perform an essential national governmental purpose and shall be exempt. “Owned by the lessee” as used in this chapter does not include personal property, buildings, or other real property improvements used for the administration, operation, business offices and activities related specifically thereto in connection with the conduct of an aircraft full service fixed based operation which provides goods and services to the general aviation public in the promotion of air commerce provided that the real property is designated as an aviation area on an airport layout plan approved by the Federal Aviation Administration. For purposes of determination of “ownership,” buildings and other real property improvements which will revert to the airport authority or other governmental unit upon expiration of the term of the lease shall be deemed “owned” by the governmental unit and not the lessee. Providing two-way telecommunications services to the public for hire by the use of a telecommunications facility, as defined in s. 364.02(14), and for which a certificate is required under chapter 364 does not constitute an exempt use for purposes of s. 196.199, unless the telecommunications services are provided by the operator of a public-use airport, as defined in s. 332.004, for the operator’s provision of telecommunications services for the airport or its tenants, concessionaires, or licensees, or unless the telecommunications services are provided by a public hospital.

- b. Proposed Change:** in addition to the current ad valorem exemption, this amendment provides an intangible tax exemption when the lessee serves or performs a governmental, municipal, or public purpose or function, as defined in s. 196.012(6), F.S.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

Florida Department of Revenue, Revenue Accounting Section, Intangible Governmental Leasehold Distributions

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

The statewide historical amounts of intangible tax collections for governmental leaseholds since FY 2000-01 are as follows:

<u>FISCAL YEAR</u>	<u>AMOUNT</u>
2000-2001	\$1,542,607
2001-2002	\$1,209,926
2002-2003	\$1,551,606
2003-2004	\$1,108,175
2004-2005	\$1,526,028
2005-2006	\$858,968
2006-2007	\$463,930
2007-2008	\$514,881
2008-2009	\$720,433
2009-2010	\$942,316
2010-2011	\$949,364
Average	\$1,035,294

- For the high, 100% of the average was used throughout the forecast period;
- For the middle, 90% of the average was used throughout the forecast period; and
- For the low, 80% of the average was used throughout the forecast period.

REVENUE ESTIMATING CONFERENCE

TAX: Intangibles

ISSUE: Government Leaseholds---All

BILL NUMBER(S): CS/CS/SB 1108 section 1

SPONSOR(S): Sen. Altman

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2012

DATE OF ANALYSIS: February 14, 2012

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	(1.0 m)	(1.0 m)	(1.0 m)	(1.0 m)	(1.0 m)
Middle	(0.9 m)	(0.9 m)	(0.9 m)	(0.9 m)	(0.9 m)
Low	(0.8 m)	(0.8 m)	(0.8 m)	(0.8 m)	(0.8 m)

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 2/17/12) 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	(0.9 m)	(0.9 m)	(0.9 m)	(0.9 m)	(0.9 m)
Total Impact	(0.9 m)	(0.9 m)	(0.9 m)	(0.9 m)	(0.9 m)

REVENUE ESTIMATING CONFERENCE

TAX: Intangibles

ISSUE: Government Leaseholds--Fixed Base Operators

BILL NUMBER(S): Proposed amendment

SPONSOR(S):

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2012

DATE OF ANALYSIS: February 14, 2012

SECTION 1: NARRATIVE

a. Current Law:

Section 196.199(2), F.S., provides conditions for exemptions related to property owned by governmental units but used by nongovernmental lessees.

Section 196.199(2)(a), F.S., provides an exemption for the following:

leasehold interests in property of the United States, of the state or any of its several political subdivisions, or of municipalities, agencies, authorities, and other public bodies corporate of the state shall be exempt from ad valorem taxation only when the lessee serves or performs a governmental, municipal, or public purpose or function, as defined in s. 196.012(6). In all such cases, all other interests in the leased property shall also be exempt from ad valorem taxation. However, a leasehold interest in property of the state may not be exempted from ad valorem taxation when a nongovernmental lessee uses such property for the operation of a multipurpose hazardous waste treatment facility.

Section 196.199(2)(b), F.S., provides the following exception:

except as provided in paragraph (c), the exemption provided by this subsection shall not apply to those portions of a leasehold or other interest defined by s. 199.023(1)(d), Florida Statutes 2005, subject to the provisions of subsection (7). Such leasehold or other interest shall be taxed only as intangible personal property pursuant to chapter 199, Florida Statutes 2005, if rental payments are due in consideration of such leasehold or other interest. All applicable collection, administration, and enforcement provisions of chapter 199, Florida Statutes 2005, shall apply to taxation of such leaseholds. If no rental payments are due pursuant to the agreement creating such leasehold or other interest, the leasehold or other interest shall be taxed as real property. Nothing in this paragraph shall be deemed to exempt personal property, buildings, or other real property improvements owned by the lessee from ad valorem taxation.

Section 196.012(6), F.S., provides that:

governmental, municipal, or public purpose or function shall be deemed to be served or performed when the lessee under any leasehold interest created in property of the United States, the state or any of its political subdivisions, or any municipality, agency, special district, authority, or other public body corporate of the state is demonstrated to perform a function or serve a governmental purpose which could properly be performed or served by an appropriate governmental unit or which is demonstrated to perform a function or serve a purpose which would otherwise be a valid subject for the allocation of public funds. **For purposes of the preceding sentence, an activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as an aviation area on an airport layout plan which has been approved by the Federal Aviation Administration and which real property is used for the administration, operation, business offices and activities related specifically thereto in connection with the conduct of an aircraft full service fixed base operation which provides goods and services to the general aviation public in the promotion of air commerce shall be deemed an activity which serves a governmental, municipal, or public purpose or function. Any activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as a public airport as defined in s. 332.004(14) by municipalities, agencies, special districts, authorities, or other public bodies corporate and public bodies politic of the state, a spaceport as defined in s. 331.303, or which is located in a deepwater port identified in s. 403.021(9)(b) and owned by one of the foregoing governmental units, subject to a leasehold or other possessory interest of a nongovernmental lessee that is deemed to perform an aviation, airport, aerospace, maritime, or port purpose or operation shall be deemed an activity that serves a governmental, municipal, or public purpose.** The use by a lessee, licensee, or management company of real property or a portion thereof as a convention center, visitor center, sports facility with permanent seating, concert hall, arena, stadium, park, or beach is deemed a use that serves a governmental, municipal, or public purpose or function when access to the property is open to the general public with or without a charge for admission. If property deeded to a municipality by the United States is subject to a requirement that the Federal Government, through a schedule established by the Secretary of the Interior, determine that the property is being maintained for public historic

REVENUE ESTIMATING CONFERENCE

TAX: Intangibles

ISSUE: Government Leaseholds--Fixed Base Operators

BILL NUMBER(S): Proposed amendment

SPONSOR(S):

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2012

DATE OF ANALYSIS: February 14, 2012

preservation, park, or recreational purposes and if those conditions are not met the property will revert back to the Federal Government, then such property shall be deemed to serve a municipal or public purpose. The term "governmental purpose" also includes a direct use of property on federal lands in connection with the Federal Government's Space Exploration Program or spaceport activities as defined in s. 212.02(22). Real property and tangible personal property owned by the Federal Government or Space Florida and used for defense and space exploration purposes or which is put to a use in support thereof shall be deemed to perform an essential national governmental purpose and shall be exempt. **"Owned by the lessee" as used in this chapter does not include personal property, buildings, or other real property improvements used for the administration, operation, business offices and activities related specifically thereto in connection with the conduct of an aircraft full service fixed based operation which provides goods and services to the general aviation public in the promotion of air commerce provided that the real property is designated as an aviation area on an airport layout plan approved by the Federal Aviation Administration. For purposes of determination of "ownership," buildings and other real property improvements which will revert to the airport authority or other governmental unit upon expiration of the term of the lease shall be deemed "owned" by the governmental unit and not the lessee.** Providing two-way telecommunications services to the public for hire by the use of a telecommunications facility, as defined in s. 364.02(14), and for which a certificate is required under chapter 364 does not constitute an exempt use for purposes of s. 196.199, unless the telecommunications services are provided by the operator of a public-use airport, as defined in s. 332.004, for the operator's provision of telecommunications services for the airport or its tenants, concessionaires, or licensees, or unless the telecommunications services are provided by a public hospital.

On March 16, 2011, the Florida Fourth District Court of Appeal decided the *Boca Airport, Inc., Galaxy Aviation, Inc., and Aviation Center, Inc. v. Florida Department of Revenue* case (Case Nos. 4D10-30, 10-31 and 10-32), in which the court affirmed the Department of Revenue's (DOR) position that fixed base operators (FBOs) are not exempt from the intangible tax imposed by ch. 199, F.S.

In its decision, the court defined FBOs as entities "that lease government-owned airport properties. FBOs provide goods and services to the general aviation public by offering hangar space for private and commercial aircraft, aviation fuel, aircraft repairs, tie-down services, pilot briefing and weather information services, and amenities for pilots and the general public in the form of food, beverages, ground transportation, and reservations for rental cars and lodging."

The court based its ruling on the finding that DOR properly issued intangible personal property tax assessments under s. 199.023(1)(d), F.S., because appellants paid rent for their leasehold interests in real property owned by government entities, and because DOR found that appellants used that real property predominantly for commercial purposes – a finding that was not challenged by appellants.

- b. Proposed Change:** this amendment adds language to s. 196.199(2)(b), F.S., to provide that the intangible tax as defined in s. 199.023(1)(d), F.S. 2005, does not apply to FBO leaseholds. Specifically, an activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as an aviation area on an airport layout plan which has been approved by the Federal Aviation Administration and which real property is used for the administration, operation, business offices and activities related specifically thereto in connection with the conduct of an aircraft full service fixed base operation which provides goods and services to the general aviation public in the promotion of air commerce shall not be deemed a leasehold subject to such intangible tax.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

Florida Department of Revenue, Tax Return Information

REVENUE ESTIMATING CONFERENCE

TAX: Intangibles

ISSUE: Government Leaseholds---Fixed Base Operators

BILL NUMBER(S): Proposed amendment

SPONSOR(S):

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2012

DATE OF ANALYSIS: February 14, 2012

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

The statewide historical amounts of intangible tax collections for governmental leaseholds since FY 2000-01 are as follows:

<u>FISCAL YEAR</u>	<u>AMOUNT</u>
2000-2001	\$1,542,607
2001-2002	\$1,209,926
2002-2003	\$1,551,606
2003-2004	\$1,108,175
2004-2005	\$1,526,028
2005-2006	\$858,968
2006-2007	\$463,930
2007-2008	\$514,881
2008-2009	\$720,433
2009-2010	\$942,316
2010-2011	\$949,364
Average	\$1,035,294

Because the most recent statewide data indicates that FBOs comprise approximately 43% of total governmental leasehold tax collections, the following assumptions were made to obtain FBO impacts:

- For the high, 65% of the average total governmental leasehold tax collections listed above was used throughout the forecast period; and
- For the low, 45% of the average total governmental leasehold tax collections listed above was used throughout the forecast period.

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	(0.7 m)	(0.7 m)	(0.7 m)	(0.7 m)	(0.7 m)
Middle	(0.6 m)	(0.6 m)	(0.6 m)	(0.6 m)	(0.6 m)
Low	(0.5 m)	(0.5 m)	(0.5 m)	(0.5 m)	(0.5 m)

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 2/17/12) 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	(.6)	(.6)	(.6)	(.6)	(.6)
Total Impact	(.6)	(.6)	(.6)	(.6)	(.6)

REVENUE ESTIMATING CONFERENCE

TAX: Sales and Use Tax

ISSUE: Urban High-Crimes Jobs Credit

BILL NUMBER(S): Proposed amendment

SPONSOR(S):

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2012

DATE OF ANALYSIS: 02/16/2012

SECTION 1: NARRATIVE

- a. **Current Law:** “To be eligible for the urban high crime area tax credit program, the number of qualified employees employed one year before the application date must be no lower than the number of qualified employees on the application date on which this section was based for any previous application.”
- b. **Proposed Change:** The bill adds a January 1, 2009 as the earliest comparison date to measure the number of qualified employees. Any eligible business that filed an application for the tax credit on or after January 1, 2009 and was denied may now refile the application before Dec 31, 2012 under the new eligibility determinations.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

DOR Refunds data for the High Crime Area Tax Program
DEO Urban High Crime Area Data

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

From FY 08/09 to FY 10/11 the credit has fluctuated from \$500,000 annually to \$1.5 million. Given the difficulty in maintaining qualified employees throughout the recession and that this bill places the earliest “starting point” post-recession, it is possible that the rest of the cap could be taken.

Currently the amount denied due to an insufficient number of employees since 2009 is \$1.2 million. The estimate is based upon assuming the cap is fully utilized plus the additional amount that was denied caused by a lack of qualified employees.

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	(\$4.3m)	(\$3.5m)	(\$3.5m)	(\$3.5m)	(\$3.5m)
Low					

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 2/17/12) 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	(3.6)	(2.8)	(2.8)	(2.8)	(2.8)
State Trust	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
Total State Impact	(3.6)	(2.8)	(2.8)	(2.8)	(2.8)
Revenue Sharing	(.1)	(.1)	(.1)	(.1)	(.1)
Local Gov’t Half Cent	(.3)	(.3)	(.3)	(.3)	(.3)
Local Option	(.3)	(.3)	(.3)	(.3)	(.3)
Total Local Impact	(.7)	(.7)	(.7)	(.7)	(.7)
Total Impact	(4.3)	(3.5)	(3.5)	(3.5)	(3.5)

REVENUE ESTIMATING CONFERENCE

TAX: Communication Services Tax

ISSUE: Unbundling and exclusion from sales price of any property or services except those specifically enumerated as part of sales price

BILL NUMBER(S): Proposed amendment 2 to CS/HB809 and CS/CS/SB1060

SPONSOR(S): Senator Bogdanoff

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2012

DATE OF ANALYSIS: February 16, 2012

SECTION 1: NARRATIVE

- a. Current Law:** No definition is provided for Internet Access Services.

The federal 2007 Internet Tax Freedom Act defines Internet access as follows:

The term 'Internet access'--

(A) means a service that enables users to connect to the Internet to access content, information, or other services offered over the Internet;

(B) includes the purchase, use or sale of telecommunications by a provider of a service described in subparagraph (A) to the extent such telecommunications are purchased, used or sold--

(i) to provide such service; or

(ii) to otherwise enable users to access content, information or other services offered over the Internet;

(C) includes services that are incidental to the provision of the service described in subparagraph (A) when furnished to users as part of such service, such as a home page, electronic mail and instant messaging (including voice- and video-capable electronic mail and instant messaging), video clips, and personal electronic storage capacity;

(D) does not include voice, audio or video programming, or other products and services (except services described in subparagraph (A), (B), (C), or (E)) that utilize Internet protocol or any successor protocol and for which there is a charge, regardless of whether such charge is separately stated or aggregated with the charge for services described in subparagraph (A), (B), (C), or (E); and

(E) includes a homepage, electronic mail and instant messaging (including voice- and video-capable electronic mail and instant messaging), video clips, and personal electronic storage capacity, that are provided independently or not packaged with Internet access.'

Section 202.11(2) (h) excludes internet access service from the definition of Communication Services.

Section 202.11 (13) (b) 8. provides: 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 202.11 (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.

REVENUE ESTIMATING CONFERENCE

TAX: Communication Services Tax

ISSUE: Unbundling and exclusion from sales price of any property or services except those specifically enumerated as part of sales price

BILL NUMBER(S): Proposed amendment 2 to CS/HB809 and CS/CS/SB1060

SPONSOR(S): Senator Bogdanoff

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2012

DATE OF ANALYSIS: February 16, 2012

(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.

- b. Proposed Change:** Excludes from the definition of sales price charges for property or other services, including Internet access services, but excluding any item described in paragraph (a), 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. Each such reasonably identified charge shall be treated as a separately itemized charge for purposes of determining whether such charge is subject to tax under chapter 212.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

FCC wireless handset numbers 12/11

REC Demographic Conference data for Florida Households 11/11

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

It is assumed that the discounted prices on wireless handsets represent a dollar value that may be recovered over the course of the communication services provider's contract period. Price differences between phones with and without contracts were compared to estimate the amount of recoverable costs that might be attributed to each bill. Assumed that the phones prices will be taxed under sales tax once unbundled.

SECTION 4: PROPOSED FISCAL IMPACT

REVENUE ESTIMATING CONFERENCE

TAX: Communication Services Tax

ISSUE: Unbundling and exclusion from sales price of any property or services except those specifically enumerated as part of sales price

BILL NUMBER(S): Proposed amendment 2 to CS/HB809 and CS/CS/SB1060

SPONSOR(S): Senator Bogdanoff

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2012

DATE OF ANALYSIS: February 16, 2012

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	(\$ 47.04 M)	(\$ 51.32 M)	(\$ 51.91 M)	(\$ 52.65 M)	(\$ 53.47 M)
Middle	(\$ 31.64 M)	(\$ 34.52 M)	(\$ 34.92 M)	(\$ 35.42 M)	(\$ 35.97 M)
Low	(\$ 16.25 M)	(\$ 17.73 M)	(\$ 17.93 M)	(\$ 18.19 M)	(\$ 18.47 M)

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 2/17/12) The conference adopted an indeterminate negative impact with respect to Gross Receipts Utilities Tax, Sales and Use Tax, and local government communications services taxes. The conference agreed that, though the full scope of the impacts is indeterminate, the recurring annual impacts would be at least -\$11.3 million for Gross Receipts Tax, -\$2.9 million for state Sales and Use Tax, and -\$21.3 million for local government communications services tax. The speed with which the minimum recurring impacts will be reached is unknown, so the cash impacts in FY 2012-13 are unknown.

	FY 2011-12 Cash	FY 2011-12 Annualized	FY 2012-13 Cash	FY 2013-14 Cash	FY 2014-15 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)

CS/CS/SB 1060 Sales Price Definition Unbundling Example

Table A

	A	B	C	D	E
1	Subsidized Handset prices				
2					
3	Verizon				
4		subsidized	unsubsidized	difference	2 year contract monthly recovery
5	high	\$ 399.99	\$ 849.99	\$ 450.00	\$ 18.75
6	low	\$ -	\$ 169.99	\$ 169.99	\$ 7.08
7					
8					
9	AT&T	*AT&T did not offer unsubsidized plans. The early termination fees			
10		subsidized	unsubsidized	difference	2 year contract monthly recovery
11	high	\$ 399.99	\$ 724.99	\$ 325.00	\$ 13.54
12	low	\$ -	\$ 150.00	\$ 150.00	\$ 6.25
13					
14	T-mobile	* Used retail list price from T-mobile for Unsubsidized price			
15		subsidized	unsubsidized	difference	2 year contract monthly recovery
16	high	\$ 299.99	\$ 649.99	\$ 350.00	\$ 14.58
17	low	\$ -	\$ 349.00	\$ 349.00	\$ 14.54
18					
19	Sprint				
20		subsidized	unsubsidized	difference	2 year contract monthly recovery
21	high	\$ 549.99	\$ 899.99	\$ 350.00	\$ 14.58
22	low	\$ -	\$ 349.99	\$ 349.99	\$ 14.58
23					
24	averages				
25		subsidized	unsubsidized	difference	2 year contract monthly recovery
26	high	\$ 412.49	\$ 781.24	\$ 368.75	\$ 15.36
27	low	\$ -	\$ 254.75	\$ 254.75	\$ 10.61

CS/CS/SB 1060 Sales Price Definition Unbundling Example

Table B

	A	B	C	D	E	F	G	H
1	Demographic and Wireless handset information							
2	source: EDR Florida Demographic estimating conference							
3	Florida households							
4		2010	2011	2012	2013	2014	2015	2016
5		7,420,802	7,462,769	7,511,843	7,587,086	7,687,603	7,804,770	7,927,662
6	hh growth rate		0.57%	0.66%	1.00%	1.32%	1.52%	1.57%
7								
8	Wireless handsets FCC 12/10	17,251,000	17,348,560	17,462,641	17,637,557	17,871,227	18,143,603	18,429,288
9								
10		total number of bills in Florida per year						
11			2011	2012	2013	2014	2015	2016
12			208,182,719	209,551,696	211,650,688	214,454,728	217,723,239	221,151,456
13				2011-12	2012-13	2013-14	2014-15	2015-16
14		cy to fy		208,867,207	210,601,192	213,052,708	216,088,983	219,437,347
15		in Millions		208.87	210.60	213.05	216.09	219.44
16								
17	Monthly handset recovery prices			Number of bills by % in contract (millions)				
18	high	\$ 15.36		2011-12	2012-13	2013-14	2014-15	2015-16
19	low	\$ 10.61		41.77	42.12	42.61	43.22	43.89
20				31.33	31.59	31.96	32.41	32.92
21				20.89	21.06	21.31	21.61	21.94
22								
23	Annual expense by participation rate with High value for monthly phone recovery					high	\$ 15.36	
24				Annual phone recoup using the High value for phone price (millions)				
25	% two-year contract phone			2011-12	2012-13	2013-14	2014-15	2015-16
26	20%			\$ 641.8	\$ 647.2	\$ 654.7	\$ 664.0	\$ 674.3
27	15%			\$ 481.4	\$ 485.4	\$ 491.0	\$ 498.0	\$ 505.7
28	10%			\$ 320.9	\$ 323.6	\$ 327.3	\$ 332.0	\$ 337.2
29								
30	Annual expense by participation rate with low value for monthly phone recovery					low	\$ 10.61	
31				Annual phone recoup using the High value for phone price (millions)				
32	% two-year contract phone			2011-12	2012-13	2013-14	2014-15	2015-16
33	20%			\$ 443.4	\$ 447.1	\$ 452.3	\$ 458.7	\$ 465.8
34	15%			\$ 332.5	\$ 335.3	\$ 339.2	\$ 344.0	\$ 349.4
35	10%			\$ 221.7	\$ 223.5	\$ 226.1	\$ 229.4	\$ 232.9

CS/CS/SB 1060 Sales Price Definition Unbundling Example

Table C

	A	B	C	D	E	F	G	H
1	Impacts by % of Wireless handset population in 2 year contracted plans							
2								
3	Impact to Gross receipts under High value monthly phone recovery							
4	% two-year contract phone			2011-12	2012-13	2013-14	2014-15	2015-16
5	20%			\$ (16.2)	\$ (16.3)	\$ (16.5)	\$ (16.7)	\$ (17.0)
6	15%			\$ (12.1)	\$ (12.2)	\$ (12.4)	\$ (12.6)	\$ (12.7)
7	10%			\$ (8.1)	\$ (8.2)	\$ (8.2)	\$ (8.4)	\$ (8.5)
8								
9	Impact to Transfer from CST under High value monthly phone recovery							
10	% two-year contract phone			2011-12	2012-13	2013-14	2014-15	2015-16
11	20%			\$ (4.2)	\$ (4.2)	\$ (4.3)	\$ (4.3)	\$ (4.4)
12	15%			\$ (3.1)	\$ (3.2)	\$ (3.2)	\$ (3.2)	\$ (3.3)
13	10%			\$ (2.1)	\$ (2.1)	\$ (2.1)	\$ (2.2)	\$ (2.2)
14								
15	Impact to Local CST under High value monthly phone recovery							
16	% two-year contract phone			2011-12	2012-13	2013-14	2014-15	2015-16
17	20%			\$ (30.5)	\$ (30.8)	\$ (31.2)	\$ (31.6)	\$ (32.1)
18	15%			\$ (22.9)	\$ (23.1)	\$ (23.4)	\$ (23.7)	\$ (24.1)
19	10%			\$ (15.3)	\$ (15.4)	\$ (15.6)	\$ (15.8)	\$ (16.0)
20								
21	Impact to Gross receipts under Low value monthly phone recovery							
22	% two-year contract phone			2011-12	2012-13	2013-14	2014-15	2015-16
23	20%			\$ (11.2)	\$ (11.3)	\$ (11.4)	\$ (11.6)	\$ (11.7)
24	15%			\$ (8.4)	\$ (8.4)	\$ (8.5)	\$ (8.7)	\$ (8.8)
25	10%			\$ (5.6)	\$ (5.6)	\$ (5.7)	\$ (5.8)	\$ (5.9)
26								
27	Impact to Transfer from CST under Low value monthly phone recovery							
28	% two-year contract phone			2011-12	2012-13	2013-14	2014-15	2015-16
29	20%			\$ (2.9)	\$ (2.9)	\$ (2.9)	\$ (3.0)	\$ (3.0)
30	15%			\$ (2.2)	\$ (2.2)	\$ (2.2)	\$ (2.2)	\$ (2.3)
31	10%			\$ (1.4)	\$ (1.5)	\$ (1.5)	\$ (1.5)	\$ (1.5)
32								
33	Impact to Local CST under Low value monthly phone recovery							
34	% two-year contract phone			2011-12	2012-13	2013-14	2014-15	2015-16
35	20%			\$ (21.1)	\$ (21.3)	\$ (21.5)	\$ (21.8)	\$ (22.2)
36	15%			\$ (15.8)	\$ (16.0)	\$ (16.1)	\$ (16.4)	\$ (16.6)
37	10%			\$ (10.6)	\$ (10.6)	\$ (10.8)	\$ (10.9)	\$ (11.1)
38								
39	Total impacts			2012-13 cash	2012-13	2013-14	2014-15	2015-16
40	High (Price and %)			(\$ 47.04 M)	(\$ 51.32 M)	(\$ 51.91 M)	(\$ 52.65 M)	(\$ 53.47 M)
41	Middle (average)			(\$ 31.64 M)	(\$ 34.52 M)	(\$ 34.92 M)	(\$ 35.42 M)	(\$ 35.97 M)
42	Low (price and %)			(\$ 16.25 M)	(\$ 17.73 M)	(\$ 17.93 M)	(\$ 18.19 M)	(\$ 18.47 M)