

## REVENUE ESTIMATING CONFERENCE

**Tax:** Ad Valorem

**Issue:** Combat Disabled Vet Discount/Surviving Spouses

**Bill Number(s):** HJR 717/HB 719 and SJR 886/SB888

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Rep. Killebrew, Rep. Sirois

**Month/Year Impact Begins:** January 1, 2021

**Date of Analysis:** February 22, 2019

### Section 1: Narrative

#### a. Current Law:

Article VII section 6 of the state constitution deals with homestead exemptions. Subsection (e) states "Each veteran who is age 65 or older who is partially or totally permanently disabled shall receive a discount from the amount of the ad valorem tax otherwise owed on homestead property the veteran owns and resides in if the disability was combat related and the veteran was honorably discharged upon separation from military service. The discount shall be in a percentage equal to the percentage of the veteran's permanent, service-connected disability as determined by the United States Department of Veterans Affairs. To qualify for the discount granted by this subsection, an applicant must submit to the county property appraiser, by March 1, an official letter from the United States Department of Veterans Affairs stating the percentage of the veteran's service-connected disability and such evidence that reasonably identifies the disability as combat related and a copy of the veteran's honorable discharge. If the property appraiser denies the request for a discount, the appraiser must notify the applicant in writing of the reasons for the denial, and the veteran may reapply. The Legislature may, by general law, waive the annual application requirement in subsequent years. This subsection is self-executing and does not require implementing legislation."

Section 196.082, Florida Statutes, states that a veteran aged 65 or older who is partially or totally permanently disabled shall receive a "discount from the amount of the ad valorem tax otherwise owed on homestead property that the veteran owns and resides in." The disability must be combat-related, and the veteran must have been honorably discharged from the military.

The discount is "in a percentage equal to the percentage of the veteran's permanent, service-connected disability as determined by the United States Department of Veterans Affairs."

The property appraiser must first apply all other applicable exemptions to the parcel's assessed value. The appraiser then subtracts the discount portion attributable to the veteran's disability from the remaining value to yield the discounted taxable value.

#### b. Proposed Change:

HJR 717 would amend subsection (e) by making the current subsection paragraph (1). It would add a second paragraph that states "(2) If a veteran who receives the discount described in paragraph (1) predeceases his or her spouse, and if, upon the death of the veteran, the surviving spouse holds the legal or beneficial title to the homestead property and permanently resides thereon, the discount carries over to the surviving spouse until he or she remarries or sells or otherwise disposes of the homestead property. If the surviving spouse sells the property, a discount not to exceed the dollar amount granted from the most recent ad valorem tax roll may be transferred to the surviving spouse's new homestead property, if used as his or her permanent residence and he or she does not remarry."

The resolution adds an effective date to Article XII, which reads "Ad valorem tax discount for surviving spouses of certain deceased veterans.—The amendment to Section 6 of Article VII, relating to the ad valorem tax discount for spouses of certain deceased veterans who had permanent, combat-related disabilities and this section shall take effect January 1, 2021." Language to be placed on the ballot is also included.

HB 719 adds a new subsection 3 to s. 196.082 and renumbers the succeeding subsections. The new subsection states "(3) If the partially or totally and permanently disabled veteran predeceases his or her spouse and if, upon the death of the veteran, the spouse holds the legal or beneficial title to the homestead and permanently resides thereon as specified in s. 196.031, the discount from ad valorem tax that the veteran received carries over to the benefit of the veteran's spouse until such time as he or she remarries or sells or otherwise disposes of the property. If the spouse sells the property, a discount not to exceed the amount granted from the most recent ad valorem tax roll may be transferred to his or her new residence, as long as it is used as his or her primary residence and he or she does not remarry. Any applicant who is qualified to receive a discount under this section and who fails to file an application by March 1 may file an application for the discount and may file, pursuant to s. 194.011(3), a petition with the value adjustment board requesting that the discount be granted. Such application and petition shall be subject to the same procedures as for exemptions set forth in s. 196.011(8)."

HB 719 goes into effect on the effective date of HJR 717 or a similar resolution. HJR 717's effective date is January 1, 2021.

### Section 2: Description of Data and Sources

2010-2018 Final Real Property Assessment Rolls

2010-2018 Data Books (Florida Ad Valorem Valuation and Tax Data)

2017 American Community Survey 5-Year Estimates, Sex by Marital Status by Age, Report # B12002

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April 1, 2017 Population Projections, Florida Demographic Estimating Conference, December 2017 and the University of Florida, Bureau of Economic and Business Research, Florida Population Studies, Bulletin 181, June 2018

Profile of Vietnam War Veterans, National Center for Veteran Analysis and Statistics

**Section 3: Methodology (Include Assumptions and Attach Details)**

Using the final statewide assessment rolls, we extracted every parcel with a positive value in the exemption field related to this discount (exemption code 80). Each parcel with this discount in any year between 2013 and 2018 was extracted from the rolls and merged into a single dataset. Flags were created to show when each parcel gained or lost the discount.

Statute 196.082 was revised in 2013 to allow veterans who did not live in Florida at the time of their enlistment to be eligible for the discount. This increased the number of parcels and value significantly enough that the pre-2013 data cannot be used as a relevant comparison.

To project the discount value into the future, we use two growth rates under the assumption that there are currently two groups of people becoming eligible for this discount and after 2021 there will be only one group. These two groups are: veterans moving to Florida from somewhere else and veterans already living here who cross the age requirement threshold. The last roll year where a homeowner is 65 or older and was 18 before the end of the Vietnam War draft will be 2021 (born 1955, draft ended January 1973). After 2021, the new applicant cohort will mostly consist of veterans moving to Florida. For the 2019-2021 roll years, the high growth rate is 27%, the low is 13.4%, and the middle is the average of the high and low (20.2%). After that, the high growth rate is 17.8%, the low is 6.4%, and the middle is the average of the two (these rates are the higher and lower non-school growth rates in the years before the residency requirement was added). The projected discount values are grown from the 2018 final school and non-school totals.

The projections are reduced to account for the calculated decay. The decay rate is the portion of a given roll's discount value belonging to parcels that do not have the discount on future rolls. (i.e., value attributable to the death of the eligible veteran or the sale of the parcel). In 2015, for example, the total discounted value on the rolls was \$484,992,088. Of that, \$50,337,724 belonged to parcels that had a discount in 2015 and but no discount in 2016-2018, making the 2015 decay rate 10.4%. From 2013 to 2018, the rates range from 7.5% to 10.6%. We use the maximum and minimum in the high and low estimate, and the average of the extremes in the middle.

We assume that 75% of the lost discount is due to the death of the veteran. The other 25% is attributable to homestead abandonment.

The projected annual value lost is further reduced by the percentage of the cohort currently married. According to the National Center for Veteran Analysis and Statistics' 2017 Profile of Vietnam Veterans, 69.4% of Vietnam Veterans were married in 2015. However, marriage rates vary significantly by age group. Using the 2017 Florida population estimate by age (from BEBR and the December 2017 Demographic Estimating Conference), the percent of Floridians who are currently married was calculated by age groups (65-74, 75-84, and 85 years or older). The lowest married rate is 31% (85 years or older) is used in the low estimate. The middle estimate uses the rate for people 65 to 74 years old (63%), and the high estimate uses the Vietnam Veterans rate of 69.4%. These rates were applied to the estimated discount lost due to decay to calculate how much taxable value is added back to the roll every year after the deaths of disabled veterans who left behind surviving spouses.

The final reduction to this estimate is for the abandonment of the homestead by surviving spouses. It is assumed the 91% of surviving spouses will continue to live in the homestead or transfer the dollar amount of the discount to a new homestead. Nine percent of surviving spouses are assumed to drop their homestead ownership (either through selling their home and not buying a new one in Florida or death).

The estimated taxable value that can be kept off the roll as a discount is then stacked to estimate the taxable value impact on the 2022-2023 rolls. The 2018 statewide effective millage rates for school and non-school levies were applied to the final taxable value impact estimates to calculate the fiscal impact. Due to the effective date in HJR 717, cash impacts begin in fiscal year 2021-2022. The recurring estimates are equal to the cash impact of the final year in the forecast period.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	\$ -	\$ (6.2 M)	\$ -	\$ (3.9 M)	\$ -	\$ (1.2 M)
2020-21	\$ -	\$ (6.2 M)	\$ -	\$ (3.9 M)	\$ -	\$ (1.2 M)
2021-22	\$ (1.9 M)	\$ (6.2 M)	\$ (1.2 M)	\$ (3.9 M)	\$ (0.4 M)	\$ (1.2 M)
2022-23	\$ (3.9 M)	\$ (6.2 M)	\$ (2.5 M)	\$ (3.9 M)	\$ (0.8 M)	\$ (1.2 M)
2023-24	\$ (6.2 M)	\$ (6.2 M)	\$ (3.9 M)	\$ (3.9 M)	\$ (1.2 M)	\$ (1.2 M)

**List of affected Trust Funds:** Ad Valorem

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**HJR 717**

**Section 5: Consensus Estimate (Adopted: 02/22/2019):** The Conference adopted a zero / negative indeterminate impact since this is a joint resolution proposing an amendment to be submitted to the voters. If the constitutional amendment does not pass, the impact is zero.

If approved, the Conference adopted the following impact that modified the middle growth rates:

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	(2.2)	0.0	(3.1)	0.0	(5.4)
2020-21	0.0	(2.2)	0.0	(3.1)	0.0	(5.4)
2021-22	(0.4)	(2.2)	(0.6)	(3.1)	(1.0)	(5.4)
2022-23	(0.9)	(2.2)	(1.2)	(3.1)	(2.1)	(5.4)
2023-24	(1.3)	(2.2)	(1.8)	(3.1)	(3.2)	(5.4)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	0.0	0.0	0.0	0/(**)	0.0	0/(**)
2020-21	0.0	0.0	0.0	0.0	0.0	0/(**)	0.0	0/(**)
2021-22	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)
2022-23	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)
2023-24	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)

**HB719**

**Section 5: Consensus Estimate (Adopted: 02/22/2019):** The impact of the implementing bill to the constitutional amendment is zero/negative indeterminate due to the requirement for a statewide referendum. If the constitutional amendment does not pass, the impact is zero.

If approved, the Conference adopted the following impact that modified the middle growth rates:

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	(2.2)	0.0	(3.1)	0.0	(5.4)
2020-21	0.0	(2.2)	0.0	(3.1)	0.0	(5.4)
2021-22	(0.4)	(2.2)	(0.6)	(3.1)	(1.0)	(5.4)
2022-23	(0.9)	(2.2)	(1.2)	(3.1)	(2.1)	(5.4)
2023-24	(1.3)	(2.2)	(1.8)	(3.1)	(3.2)	(5.4)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	0.0	0.0	0.0	0/(**)	0.0	0/(**)
2020-21	0.0	0.0	0.0	0.0	0.0	0/(**)	0.0	0/(**)
2021-22	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)
2022-23	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)
2023-24	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)

Impact Summary

<b>School Impact</b>						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	\$ -	\$ (2.6 M)	\$ -	\$ (1.6 M)	\$ -	\$ (0.5 M)
2020-21	\$ -	\$ (2.6 M)	\$ -	\$ (1.6 M)	\$ -	\$ (0.5 M)
2021-22	\$ (0.8 M)	\$ (2.6 M)	\$ (0.5 M)	\$ (1.6 M)	\$ (0.2 M)	\$ (0.5 M)
2022-23	\$ (1.6 M)	\$ (2.6 M)	\$ (1.1 M)	\$ (1.6 M)	\$ (0.3 M)	\$ (0.5 M)
2023-24	\$ (2.6 M)	\$ (2.6 M)	\$ (1.6 M)	\$ (1.6 M)	\$ (0.5 M)	\$ (0.5 M)

<b>Non-School Impact</b>						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	\$ -	\$ (3.6 M)	\$ -	\$ (2.2 M)	\$ -	\$ (0.7 M)
2020-21	\$ -	\$ (3.6 M)	\$ -	\$ (2.2 M)	\$ -	\$ (0.7 M)
2021-22	\$ (1.1 M)	\$ (3.6 M)	\$ (0.7 M)	\$ (2.2 M)	\$ (0.2 M)	\$ (0.7 M)
2022-23	\$ (2.3 M)	\$ (3.6 M)	\$ (1.5 M)	\$ (2.2 M)	\$ (0.5 M)	\$ (0.7 M)
2023-24	\$ (3.6 M)	\$ (3.6 M)	\$ (2.2 M)	\$ (2.2 M)	\$ (0.7 M)	\$ (0.7 M)

<b>Total Impact</b>						
Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	\$ -	\$ (6.2 M)	\$ -	\$ (3.9 M)	\$ -	\$ (1.2 M)
2020-21	\$ -	\$ (6.2 M)	\$ -	\$ (3.9 M)	\$ -	\$ (1.2 M)
2021-22	\$ (1.9 M)	\$ (6.2 M)	\$ (1.2 M)	\$ (3.9 M)	\$ (0.4 M)	\$ (1.2 M)
2022-23	\$ (3.9 M)	\$ (6.2 M)	\$ (2.5 M)	\$ (3.9 M)	\$ (0.8 M)	\$ (1.2 M)
2023-24	\$ (6.2 M)	\$ (6.2 M)	\$ (3.9 M)	\$ (3.9 M)	\$ (1.2 M)	\$ (1.2 M)

### Impact Calculations

#### Historical Values

Roll Year	Total Data Book Value	
	School	Non-School
2010F	36,002,345	28,774,138
2011F	41,002,672	30,627,650
2012F*	45,577,066	36,064,989
2013F	254,361,617	211,078,919
2014F	425,261,663	352,715,237
2015F	585,544,897	488,139,863
2016F	743,757,575	620,066,129
2017F	932,887,684	788,835,701
2018F	1,070,821,828	894,794,475

Percent Change	
School	Non-School
13.9%	6.4%
11.2%	17.8%
458.1%	485.3%
67.2%	67.1%
37.7%	38.4%
27.0%	27.0%
25.4%	27.2%
14.8%	13.4%

Parcel Counts	
School	Non-School
1,219	1,228
884	896
1,037	1,041
8,495	8,508
11,364	11,378
13,640	13,664
15,335	15,333
18,741	18,770
19,792	19,937

\* Before 2013, the discount under s. 196.082 was restricted to veterans who were Florida residents at the time of their enlistment. The residency requirement was removed beginning in 2013.

#### Growth Projection

HIGH GROWTH RATES	
2019-2021	<b>27.2%</b>
2022-2023	<b>17.8%</b>

MIDDLE GROWTH RATES		ADOPTED
2019-2021	<b>20.3%</b>	
2022-2023	<b>12.1%</b>	10.00%

LOW GROWTH RATES	
2019-2021	<b>13.4%</b>
2022-2023	<b>6.4%</b>

Roll Year	Projected Discount Total	
	School	Non-School
2019	1,362,278,067	1,138,339,596
2020	1,733,062,851	1,448,172,818
2021	2,204,767,823	1,842,336,433
2022	2,596,181,140	2,169,407,159
2023	3,057,082,219	2,554,542,883

Roll Year	Projected Discount Total	
	School	Non-School
2019	1,288,467,945	1,076,662,773
2020	1,550,350,956	1,295,496,070
2021	1,865,462,076	1,558,807,558
2022	2,091,132,901	1,747,381,420
2023	2,344,103,837	1,958,767,656

Roll Year	Projected Discount Total	
	School	Non-School
2019	1,214,657,823	1,014,985,949
2020	1,377,814,300	1,151,321,902
2021	1,562,886,443	1,305,970,908
2022	1,663,561,181	1,390,096,199
2023	1,770,720,971	1,479,640,497

**Decay Rates - Percentage of annual discount value attributable to parcels losing the discount (see Annual Roll Decay Rates sheet)**

HIGH	
Decay Rate	10.6%

MIDDLE	
Decay Rate	9.0%

LOW	
Decay Rate	7.5%

Roll Year	Projected Annual Decay	
	School	Non-School
2019	144,854,335	121,042,414
2020	184,280,782	153,987,733
2021	234,438,317	195,900,107
2022	276,058,246	230,678,332
2023	325,066,977	271,630,749

Roll Year	Projected Annual Decay	
	School	Non-School
2019	116,547,984	97,389,210
2020	140,236,533	117,183,711
2021	168,739,816	141,001,473
2022	189,152,803	158,058,865
2023	212,035,214	177,179,744

Roll Year	Projected Annual Decay	
	School	Non-School
2019	90,585,506	75,694,582
2020	102,753,223	85,862,105
2021	116,555,343	97,395,360
2022	124,063,361	103,669,169
2023	132,055,014	110,347,112

**Percent of Decay Attributable to Death**

Reason	Percent
Veteran's Death	75%
Homestead Abandonment	25%
Total Decay	100%

**Reduction for Married Population**

Vietnam Veterans*	69.4%
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\* Vietnam Veterans marriage rate taken from Profile of Vietnam War Veterans, National Center for Veteran Analysis and Statistics

**Florida Population Estimates**

	Married Pop	Total Pop	% Married
65 to 74 years	1,391,512	2,199,550	63%
75 to 84 years	685,591	1,253,982	55%
85 years and over	168,411	546,638	31%
Total	2,245,514	4,000,170	56%

HIGH	
Marriage Rate	69.4%

MIDDLE	
Marriage Rate	63%

LOW	
Marriage Rate	31%

Roll Year	Decay for Married Vets	
	School	Non-School
2019	75,396,682	63,002,576
2020	95,918,147	80,150,615
2021	122,025,144	101,966,006
2022	143,688,317	120,068,072
2023	169,197,362	141,383,805

Roll Year	Decay for Married Vets	
	School	Non-School
2019	55,299,238	46,208,857
2020	66,538,889	55,600,875
2021	80,063,017	66,901,835
2022	89,748,492	74,995,161
2023	100,605,650	84,067,562

Roll Year	Decay for Married Vets	
	School	Non-School
2019	20,931,031	17,490,277
2020	23,742,549	19,839,624
2021	26,931,720	22,504,541
2022	28,666,551	23,954,192
2023	30,513,132	25,497,222

**Surviving Spouse Decay Rate**

	Percent
Keep	91%
Drop	9%
Total	100%

**Stacked Taxable Value Impact**

High Stacked Impact		
Roll Year	School	Non-School
2019	(75,396,682)	(63,002,576)
2020	(95,918,147)	(80,150,615)
2021	(122,025,144)	(101,966,006)
2022	(254,731,198)	(212,857,137)
2023	(401,002,752)	(335,083,800)

Middle Stacked Impact		
Roll Year	School	Non-School
2019	(55,299,238)	(46,208,857)
2020	(66,538,889)	(55,600,875)
2021	(80,063,017)	(66,901,835)
2022	(162,605,838)	(135,875,831)
2023	(248,576,963)	(207,714,567)

Low Stacked Impact		
Roll Year	School	Non-School
2019	(20,931,031)	(17,490,277)
2020	(23,742,549)	(19,839,624)
2021	(26,931,720)	(22,504,541)
2022	(53,174,416)	(44,433,324)
2023	(78,901,851)	(65,931,547)

**2018 Statewide Millage Rates**

School	Non-School
6.4596	10.8122

School	Non-School
6.4596	10.8122

School	Non-School
6.4596	10.8122

**Fiscal Impact\***

High Impact		
Roll Year	School	Non-School
2019*	(487,035)	(681,195)
2020*	(619,596)	(866,603)
2021	(788,238)	(1,102,475)
2022	(1,645,470)	(2,301,451)
2023	(2,590,330)	(3,622,988)

Middle Impact		
Roll Year	School	Non-School
2019*	(357,213)	(499,619)
2020*	(429,817)	(601,167)
2021	(517,178)	(723,355)
2022	(1,050,374)	(1,469,114)
2023	(1,605,716)	(2,245,848)

Low Impact		
Roll Year	School	Non-School
2019*	(135,207)	(189,108)
2020*	(153,368)	(214,510)
2021	(173,969)	(243,323)
2022	(343,487)	(480,421)
2023	(509,677)	(712,864)

\*HJR 717's effective date is January 1, 2021. Calculated Impacts for roll years 2019 and 2020 are necessary for projections but are absent from final estimate.



Annual Roll Decay Rates

County Data (from Roll)

Year Discount was Lost	County-Level Exemption Amounts						Parcels
	2013F	2014F	2015F	2016F	2017F	2018F	
Had discount in 2017, no discount in 2018	13,483,253	23,991,787	40,283,805	60,005,349	81,438,786	0	1,317
Last year with discount was 2016, never regained	13,167,160	24,119,950	39,555,181	55,813,516	0	0	968
Last year with discount was 2015, never regained*	19,653,478	32,340,649	50,337,724	0	0	0	997
Last year with discount was 2014, never regained*	18,050,062	35,909,604	0	0	0	0	642
Last year with discount was 2013, never regained*	15,402,892	0	0	0	0	0	312
Never Lost or Lost & Regained	126,779,985	221,450,560	354,815,378	488,250,421	684,449,730	887,209,958	13,575
<b>TOTAL</b>	<b>206,536,830</b>	<b>337,812,550</b>	<b>484,992,088</b>	<b>604,069,286</b>	<b>765,888,516</b>	<b>887,209,958</b>	<b>17,811</b>
Percent Lost by Roll Year	7.5%	10.6%	10.4%	9.2%	10.6%		
Percent Value Change		63.6%	43.6%	24.6%	26.8%	15.8%	
Yearly Increase		131,275,720	147,179,538	119,077,198	161,819,230	121,321,442	

Roll Year	Total Data Book Value		
	School	Non-School	Ratio
2013F	254,361,617	211,078,919	121%
2014F	425,261,663	352,715,237	121%
2015F	585,544,897	488,139,863	120%
2016F	743,757,575	620,066,129	120%
2017F	932,887,684	788,835,701	118%
2018F	1,070,821,828	894,794,475	120%

\* Values used for discounts dropped in or before 2015 are corrected to account for a parcel ID number merging problem between 2015 and 2016's rolls.

Calculated Ratio from Data Book Values

School Level Discount Total / County Level Discount Total	2013F	2014F	2015F	2016F	2017F	2018F
	121%	121%	120%	120%	118%	120%

School Estimates (calculated)

Year Discount was Lost	Calculated School-Level Exemption Amounts					
	2013F	2014F	2015F	2016F	2017F	2018F
Had discount in 2017, no discount in 2018	16,248,056	28,926,415	48,322,168	71,975,279	96,310,601	0
Last year with discount was 2016, never regained	15,867,146	29,080,938	47,448,152	66,947,255	0	0
Last year with discount was 2015, never regained*	23,683,514	38,992,470	60,382,279	0	0	0
Last year with discount was 2014, never regained*	21,751,310	43,295,487	0	0	0	0
Last year with discount was 2013, never regained*	18,561,325	0	0	0	0	0
Never Lost or Lost & Regained	152,776,801	266,998,484	425,616,406	585,647,130	809,439,434	1,061,745,256
<b>TOTAL</b>	<b>248,888,152</b>	<b>407,293,793</b>	<b>581,769,005</b>	<b>724,569,665</b>	<b>905,750,035</b>	<b>1,061,745,256</b>
Percent Lost by Roll Year	7.5%	10.6%	10.4%	9.2%	10.6%	
Percent Value Change		63.6%	42.8%	24.5%	25.0%	17.2%
Yearly Increase		158,405,641	174,475,211	142,800,660	181,180,370	155,995,221

Decay Rates

	2013F	2014F	2015F	2016F
Decay Rates	7.5%	10.6%	10.4%	9.2%

Decay Rates	
High	10.6%
Middle (Average of High and Low)	9.0%
Low	7.5%

Population Estimates (Total and Married)

Married, 65 years and over	2,245,514
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Total Population, 65+	4,000,170
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Marriage Estimates, 2017 5-Year ACS		
Gender/Status	Age Range	Estimate
<b>Male</b>		
Now married:		
Married, spouse present:		
Married, spouse present:	65 to 74 years	688,391
Married, spouse present:	75 to 84 years	382,060
Married, spouse present:	85 years and over	102,386
Married, spouse absent:		
Separated:		
Married, spouse absent:	65 to 74 years	18,513
Married, spouse absent:	75 to 84 years	6,222
Married, spouse absent:	85 years and over	1,823
Other:		
Married, spouse absent:	65 to 74 years	31,105
Married, spouse absent:	75 to 84 years	19,163
Married, spouse absent:	85 years and over	9,339
<b>Female:</b>		
Now married:		
Married, spouse present:		
Married, spouse present:	65 to 74 years	606,454
Married, spouse present:	75 to 84 years	258,086
Married, spouse present:	85 years and over	45,795
Married, spouse absent:		
Separated:		
Married, spouse absent:	65 to 74 years	19,933
Married, spouse absent:	75 to 84 years	5,378
Married, spouse absent:	85 years and over	1,716
Married, spouse absent:		
Other:		
Married, spouse absent:	65 to 74 years	27,116
Married, spouse absent:	75 to 84 years	14,682
Married, spouse absent:	85 years and over	7,352

Population Estimates, 2017	
Age Range	Both Sexes
Total	20,484,142
Under 5 years	1,139,341
5 to 9 years	1,158,077
10 to 14 years	1,172,204
15 to 19 years	1,215,690
20 to 24 years	1,317,560
25 to 29 years	1,312,427
30 to 34 years	1,295,400
35 to 39 years	1,235,155
40 to 44 years	1,220,578
45 to 49 years	1,270,606
50 to 54 years	1,386,090
55 to 59 years	1,427,316
60 to 64 years	1,333,528
65 to 69 years	1,207,840
70 to 74 years	991,710
75 to 79 years	739,706
80 to 84 years	514,276
85 years and over	546,638

Total Population, 65+	
65 to 74 years	2,199,550
75 to 84 years	1,253,982
85 years and over	546,638
Total	4,000,170

Married Population, 65+	
65 to 74 years	1,391,512
75 to 84 years	685,591
85 years and over	168,411
Total	2,245,514

Married, 65 years and over	2,245,514
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SEX BY MARITAL STATUS BY AGE FOR THE POPULATION 15 YEARS AND OVER  
 2017 American Community Survey 5-Year Estimates, US Census Bureau, Report # B12002

April 1, 2017 Population Projections, Florida Demographic Estimating Conference, December 2017 and the University of Florida, Bureau of Economic and Business Research, Florida Population Studies, Bulletin 181, June 2018

## REVENUE ESTIMATING CONFERENCE

**Tax:** Insurance Premium tax  
**Issue:** State Housing Tax Credits  
**Bill Number(s):** CS/SB 250

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Senator Flores

**Month/Year Impact Begins:** July 1, 2019

**Date of Analysis:** 2/22/2019

### Section 1: Narrative

- a. **Current Law:** 220.185 F.S., authorizes the State Housing Tax Credit granting tax credits up to 9% of a housing project's construction cost through the Florida Housing Finance Corporation and requires compliance with the applicable provisions of s. 42 of the Internal Revenue Code, subject to an annual appropriation.

420.5093 F.S., Creates the State Housing Tax Credit Program for incentivizing the private sector's development of affordable housing in urban areas, including specifically housing for elderly and commercial facilities associated with housing facilities, stipulates the roles and responsibilities of the Florida Housing Finance Corporation in determining qualified projects to be considered designated projects under s. 220.185.

- b. **Proposed Change:**

Repeals section 220.185, F.S.

Amends section 420.5093, F.S. to provide workforce housing credits. The credits will be allocated through a preliminary award. A final award of the credits will occur upon the placement in service of a building in the development. The final award cannot exceed either the preliminary award or 9% of the qualified basis of each residential building in the eligible workforce housing development. The credit may be taken in one tenth of the award amount in each of the following ten years.

624.51056 (1) (b) The Florida Housing Finance Corporation shall make preliminary agency awards in calendar year 2020, calendar year 2021, or calendar year 2022 as set forth in this paragraph. A preliminary agency award may not be made after 2022. The maximum aggregate credit amount of preliminary agency awards to eligible workforce housing developments is \$50 million in 2020, \$50 million in 2021, and \$50 million in 2022. The limitation in this paragraph on preliminary agency awards does not apply to the annual credit amount claimed with respect to an eligible workforce housing development for each year of the credit period.

(d) Any amount of credit which exceeds the tax due for any year may be carried forward as a tax credit against subsequent years' insurance premium tax liability for up to 11 tax years after the year in which the annual credit amount was available to the taxpayer pursuant to paragraph (a). Such credit must be applied first to the earliest years possible. Any amount of the credit which is not used may not be refunded to the taxpayer.

(2) CREDIT RECAPTURE.—

(a) As of the close of any year in the compliance period, if the amount of the qualified basis of any building with respect to the taxpayer is less than the amount of the qualified basis as of the close of the preceding year, the Florida Housing Finance Corporation shall proportionally reduce the credit allowable with respect to such year by the percentage reduction in the qualified basis. The Florida Housing Finance Corporation shall notify the taxpayer in writing of any modification of the credit and transmit a copy of such notification to the executive director of the Department of Revenue.

624.51056 (3) Applicability - This section applies to tax years beginning on or after January 1, 2020.

### Section 2: Description of Data and Sources

Florida Housing Financial Corporation – 2017 Annual Report

### Section 3: Methodology (Include Assumptions and Attach Details)

The repeal of 220.185 has no impact as it is based on an appropriation.

The methodology assumes that the maximum allowable preliminary award is reached in each of the calendar years 2020, 2021, and 2022. The lag between preliminary award and final award is assumed to be one year in the high, two years in the middle and three years in the low. For example, the preliminary award made in 2020, affecting tax years beginning on or after January 1,

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Insurance Premium tax  
**Issue:** State Housing Tax Credits  
**Bill Number(s):** CS/SB 250

2020, will show up as credits on the returns filed in March of 2022. Each year’s credits are allocated across 10 years and the pattern of available credits is shown in the attached spreadsheet. It is assumed that the credits are taken in the first year they are available, and that there is no credit carry-forward. The impact also does not make any assumption about whether there will be any recapture.

For the high estimate, it is assumed that the final awards equal the preliminary award, and as such there are no subsequent awards. For the middle it is assumed that the final allocation was 90% of the preliminarily awarded in each year due to the final allocation for being limited by the 9% of qualified basis and that 10% for 2020 was reallocated in 2022.

For the low estimate it was assumed that that the final allocation was 90% of the preliminarily awarded in each year due to the final allocation for being limited by the 9% of qualified basis and that none of the excess preliminary award could be reallocated.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	\$ -	\$(15.0 M)	\$ -	\$(14.0 M)	\$ -	\$(13.5 M)
2020-21	\$ -	\$(15.0 M)	\$ -	\$(14.0 M)	\$ -	\$(13.5 M)
2021-22	\$(5.0 M)	\$(15.0 M)	\$ -	\$(14.0 M)	\$ -	\$(13.5 M)
2022-23	\$(10.0 M)	\$(15.0 M)	\$(4.5 M)	\$(14.0 M)	\$ -	\$(13.5 M)
2023-24	\$(15.0 M)	\$(15.0 M)	\$(9.0 M)	\$(14.0 M)	\$(4.5 M)	\$(13.5 M)

**List of affected Trust Funds:** General Revenue Trust Fund, Impact is to Insurance Premium Tax Only. The impact to CIT is zero.

**Section 5: Consensus Estimate (Adopted: 02/22/2019):** The Conference adopted the middle schedule at 100% for the cash impact and the high estimate recurring impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	(15.0)	0.0	0.0	0.0	0.0	0.0	(15.0)
2020-21	0.0	(15.0)	0.0	0.0	0.0	0.0	0.0	(15.0)
2021-22	0.0	(15.0)	0.0	0.0	0.0	0.0	0.0	(15.0)
2022-23	(5.0)	(15.0)	0.0	0.0	0.0	0.0	(5.0)	(15.0)
2023-24	(10.0)	(15.0)	0.0	0.0	0.0	0.0	(10.0)	(15.0)

CS/SB 250 - State Housing Tax Credit

	A	B	C	D	E	F	G
1	CS/SB 250 - Workforce Housing Tax Credits						
2	Authorized Preliminary Credit Award Limit:						
3	2020	\$50,000,000					
4	2021	\$50,000,000					
5	2022	\$50,000,000					
6							
7	Annual Credit amount - one-tenth of the amount awarded						
8			High	Middle	Low		
9	Assumed Lag to final award		1 Year	2 Years	3 Years		
10							
11	Credit will be taken in the calendar year following the final award on the IPT Return						
12							
13					High	Middle	Low
14	Assumed percent final award of preliminary award				100%	90%	90%
15					<b>ADOPTED</b>	<b>100%</b>	
16	High Annual Credit schedule (assumes no carryforwards or recapture)						
17	State Fiscal Year	2020 Start	2021 Start	2022 Start	Total		
18	2019-20	\$ -	\$ -	\$ -	\$ -		
19	2020-21	\$ -	\$ -	\$ -	\$ -		
20	2021-22	\$ 5,000,000	\$ -	\$ -	\$ (5,000,000)		
21	2022-23	\$ 5,000,000	\$ 5,000,000	\$ -	\$ (10,000,000)		
22	2023-24	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ (15,000,000)		
23	2024-25	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ (15,000,000)		
24	2025-26	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ (15,000,000)		
25	2026-27	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ (15,000,000)		
26	2027-28	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ (15,000,000)		
27	2028-29	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ (15,000,000)		
28	2029-30	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ (15,000,000)		
29	2030-31	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ (15,000,000)		
30	2031-32	\$ -	\$ 5,000,000	\$ 5,000,000	\$ (10,000,000)		
31	2032-33	\$ -	\$ -	\$ 5,000,000	\$ (5,000,000)		
32							

CS/SB 250 - State Housing Tax Credit

	A	B	C	D	E	F	G
33	Middle Annual Credit schedule (assumes no carryforwards or recapture)						
34	State Fiscal Year	2020 Start	2021 Start	2022 Start	Total		
35	2019-20	\$ -	\$ -	\$ -	\$ -		
36	2020-21	\$ -	\$ -	\$ -	\$ -		
37	2021-22	\$ -	\$ -	\$ -	\$ -		
38	2022-23	\$ 4,500,000	\$ -	\$ -	\$ 4,500,000		
39	2023-24	\$ 4,500,000	\$ 4,500,000	\$ -	\$ 9,000,000		
40	2024-25	\$ 4,500,000	\$ 4,500,000	\$ 5,000,000	\$ 14,000,000		
41	2025-26	\$ 4,500,000	\$ 4,500,000	\$ 5,000,000	\$ 14,000,000		
42	2026-27	\$ 4,500,000	\$ 4,500,000	\$ 5,000,000	\$ 14,000,000		
43	2027-28	\$ 4,500,000	\$ 4,500,000	\$ 5,000,000	\$ 14,000,000		
44	2028-29	\$ 4,500,000	\$ 4,500,000	\$ 5,000,000	\$ 14,000,000		
45	2029-30	\$ 4,500,000	\$ 4,500,000	\$ 5,000,000	\$ 14,000,000		
46	2030-31	\$ 4,500,000	\$ 4,500,000	\$ 5,000,000	\$ 14,000,000		
47	2031-32	\$ 4,500,000	\$ 4,500,000	\$ 5,000,000	\$ 14,000,000		
48	2032-33	\$ -	\$ 4,500,000	\$ 5,000,000	\$ 9,500,000		
49	2033-34	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000		
50							
51	Low Annual Credit schedule (assumes no carryforwards or recapture)						
52	State Fiscal Year	2020 Start	2021 Start	2022 Start	Total		
53	2019-20	\$ -	\$ -	\$ -	\$ -		
54	2020-21	\$ -	\$ -	\$ -	\$ -		
55	2021-22	\$ -	\$ -	\$ -	\$ -		
56	2022-23	\$ -	\$ -	\$ -	\$ -		
57	2023-24	\$ 4,500,000	\$ -	\$ -	\$ 4,500,000		
58	2024-25	\$ 4,500,000	\$ 4,500,000	\$ -	\$ 9,000,000		
59	2025-26	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 13,500,000		
60	2026-27	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 13,500,000		
61	2027-28	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 13,500,000		
62	2028-29	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 13,500,000		
63	2029-30	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 13,500,000		
64	2030-31	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 13,500,000		
65	2031-32	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 13,500,000		
66	2032-33	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 13,500,000		
67	2033-34	\$ -	\$ 4,500,000	\$ 4,500,000	\$ 9,000,000		
68	2034-35	\$ -	\$ -	\$ 4,500,000	\$ 4,500,000		
69							
70		High		Middle		Low	
71		Cash	Recurring	Cash	Recurring	Cash	Recurring
72	2019-20	0	\$ (15.0 M)	\$ -	\$ (14.0 M)		\$ (13.5 M)
73	2020-21	0	\$ (15.0 M)	\$ -	\$ (14.0 M)		\$ (13.5 M)
74	2021-22	\$ (5.0 M)	\$ (15.0 M)		\$ (14.0 M)		\$ (13.5 M)
75	2022-23	\$ (10.0 M)	\$ (15.0 M)	\$ (4.5 M)	\$ (14.0 M)		\$ (13.5 M)
76	2023-24	\$ (15.0 M)	\$ (15.0 M)	\$ (9.0 M)	\$ (14.0 M)	\$ (4.5 M)	\$ (13.5 M)

## REVENUE ESTIMATING CONFERENCE

**Tax:** Sales and Use Tax

**Issue:** 0.7% rate reduction for Commercial Rent

**Bill Number(s):** Proposed Language

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** N/A

**Month/Year Impact Begins:** February 2020

**Date of Analysis:** 2/21/2018

### Section 1: Narrative

- a. Current Law:** Section 212.031 Provides for a tax levied in an amount equal to 5.7% of and on the total rent or license fee charged for the exercise of the taxable privilege of engaging in the business of renting, leasing, letting, or granting a license for the use of any real property unless the property is one of 13 specifically identified types of property.
- b. Proposed Change:** Reduces the tax levied on the taxable privilege of engaging in the business of renting, leasing, letting, or granting a license for the use of any real property from 5.7% to 5.0% effective January 1, 2020

### Section 2: Description of Data and Sources

DOR Sales Tape for 2013, 2014, 2015, 2016 and 2017 Calendar Years

Monthly sales tax data set for the period 1/1/17 to 12/31/18

DR-15 Line 3.C. (Taxable Commercial Rent) or 4.C. (Tax on Commercial Rent).

DR-15EZ line 3 (Total Taxable Sales) and line 4 (Total Tax Collected)

Instructions for DR-15EZ read in part: "If you only report tax collected for the lease or rental of commercial property, you may file a DR-15EZ return."

Business Investment Growth Rates from December 2018 General Revenue Estimating Conference

Nonresidential Property Growth Rates from December 2018 Ad Valorem Assessment Estimating Conference

### Section 3: Methodology (Include Assumptions and Attach Details)

For 2013, those dealers who either were identified as Kind Code 82 – Lease or Rental of Real Property or as having positive amounts inform DR15 line 3.C. (Taxable Commercial Rent) or 4.C. (Tax on Commercial Rent). Those dealers that indicated Kind Code 82 were further broken into 5 groups:

KindCode 82 - Form DR15 With line 4C > 0

KindCode 82 - Form DR15 with line 4C = 0 multiplied by 50% as directed by REC

Kindcode 82 - Form DR15EZ

Kind Code 82 - No form ID with line 4C > 0

Kind Code 82 - No form ID with line 4C = 0

For all other years, the data file contained form information for all sales tax dealers. As a result, the data for entities registers as Kindcode 82 was broken into three groups:

KindCode 82 - Form DR15 With line 4C > 0

KindCode 82 - Form DR15 with line 4C = 0 multiplied by 50% as directed by REC

Kindcode 82 - Form DR15EZ

Additionally, the amount of taxable commercial rent reported on Form DR-15 line 3c for all sales tax dealers not in kind code 82 was identified for 2013, 2014, 2015, 2016 and 2017.

For those dealers that were Kind Code 82 and filed using form DR-15, taxable sales amounts for commercial rent were used to calculate the state 6% sales tax on commercial rent where the dealer had reported some amount on line 3.C. For those dealers in Kindcode 82 that either filed form DR-15EZ or filed DR-15 but did not report any tax on line 4.C., line 3 (Taxable Sales/Purchases) or line 3.A. (Taxable Sales) multiplied by the state 6% rate to calculate the state 6% sales tax collected on commercial rent.

For those dealers that were not in Kindcode 82 the amount reported on line 3.C. was multiplied by the state 6% rate to calculate the sales tax on commercial rent. **Note – the rate of 6% was used in this part of the analysis as the historic data through 2017 was all taxed at 6%**

## REVENUE ESTIMATING CONFERENCE

**Tax:** Sales and Use Tax

**Issue:** 0.7% rate reduction for Commercial Rent

**Bill Number(s):** Proposed Language

For the high estimate, nonresidential real property growth rates from the December 2018 Ad Valorem Assessments Estimating Conference were used to grow the 2017 values into the forecast period. For the low estimate, the observed growth rate from 2017 to 2018 discussed below in the middle methodology of 4.11% was used for all years in the forecast period. For the middle estimate, a dataset that included monthly data for 2017 and 2018 (through November activity) was used. The middle methodology will be discussed more below.

Calendar year amounts were converted to fiscal year amounts. The amount of tax that would have been generated were the tax rate 5.7% was calculated and converted to a fiscal year basis. The difference between the revenues generated at the 5.7% rate and those generated at the proposed 5.0% rate was calculated to determine the impact. As the effective date is January 1, 2020, the 2019-20 impact is assumed to be 5/12 of the annualized 2019-20 amount.

For the high methodology, the data from the DOR 2015, 2016 and 2017 Sales file was not adjusted. For the middle and low estimates, the amounts from the DOR sales file for those years were adjusted.

The reason for the adjustment is that in the processing of the returns, certain amounts reported on the return are recast in an effort to better characterize the data. For dealers in kind code 82 – Lease or Rental of Commercial Real Property that file the DR-15, if they file amounts only on one line and that line is not the commercial rent line, the department recast that return to show the tax remitted as being on the commercial rent line. This is referred to as “As Computed” data. Data that is in the form that was filed by the taxpayer is referred to as “As Filed” data. In order to evaluate the impact of this processing issue, a file consisting of both “As Filed” data and “As Computed” data was created on a monthly basis for Calendar year 2015. This file was analyzed to identify those entities that had reported taxable sales on a single line other than the commercial rent line “as filed” and that had reported sales on the commercial rent line “As Computed”.

Once those amounts that had been recast were identified, they were further examined. In order to evaluate these recast amounts, the department was directed to conduct an analysis of those entities that have a primary kind code of 82 but that have additional kind codes. A data set of those entities with multiple kind codes where 82 was the primary Kind code was generated. This dataset was merged with the dataset of monthly remittances that was used to identify the recast data. Of 57,102 entities with primary Kindcode 82 that filed on the DR-15, 3233 entities had multiple kind codes. The match identified that of the 3233 entities with multiple kind codes, 823 had their return recast as discussed above. The analysis requested was to identify those entities with multiple kind codes and then compare them to entities with the same multiple kind codes but who had not had their data recast. For those that had not been recast, the percent commercial rent represented on the return was calculated. This percent was then applied to entities that had multiple kind codes and had been recast to create an amount that is assumed to be commercial rent. For the middle and low estimates, the entire recast amount was initially assumed not to be commercial rent. The amounts for those recast entities that did not have multiple Kindcode was added to the impact total absent the recast entities’ amounts. Finally, the amount that resulted from the analysis of those entities with multiple kind codes and the percentage from like entities that had not been recast was added to the impact total.

As discussed above, this adjustment was determined using 2015 Calendar year data. For this analysis, the analysis was not replicated to adjust data from the 2017 sales tape. Instead, the 2017 commercial rent amount was reduced for the middle and low estimates to reflect the same percentage adjustment for the middle and low estimate as was made using the 2015 data in the analysis performed in a prior session.

Middle Methodology – for the middle estimate, data was obtained by applied month for calendar year 2017 and 2018. As the tax rate was 5.8% starting January 1, 2017, there was some expectation that the reporting behavior might change once the commercial rent rate was different than the general sales tax rate. This does seem to have been the case.

For 2017 and 2018, the dealers that either were registered as kind code 82 or had amounts on the commercial rent line were broken in the following 4 groups:

Kindcode 82 - Form DR15 With line 4C > 0

Kindcode 82 - Form DR15 with line 4C = 0

Kindcode 82 - Form DR15EZ

Not Kindcode 82 with line 4c > 0

Total amounts for each of these groups was calculated on a monthly basis. It was immediately recognized that the more disaggregated analysis for 2017 produced different amounts for the four groups than the analysis conducted on a monthly basis. In



**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax

**Issue:** 0.7% rate reduction for Commercial Rent

**Bill Number(s):** Proposed Language

particular, the Kindcode 82 - Form DR15 with line 4C = 0 group and the Kindcode 82 - Form DR15EZ group were both significantly higher than produced in the analysis that had annual data only. For the Kindcode 82 - Form DR15 with line 4C = 0 group, a likely explanation for the differences is that for the annual file, a dealer that reported only an amount in the taxable sales in a single month but reported taxable commercial rent in another month would not be included in this group once those months were combined. For the Kindcode 82 - Form DR15EZ group, a likely explanation is that the dealer filed in certain months on the DR15EZ and certain months on the DR15. If the record got picked up as on the DR 15EZ in the annual file, there would be no impact, but if the dealer got picked up as DR15 in the annual file, the commercial rent that had come in on the taxable sales line for those months the DR15-EZ was used would not have been picked up in the analysis using only calendar year data.

The analyst recommends that the conference use only three of the groups from the analysis using monthly data. Those groups are:

Kindcode 82 - Form DR15 With line 4C > 0

Kindcode 82 - Form DR15EZ

Not Kindcode 82 with line 4c > 0

Additionally, the amount from these three groups was reduced using the reduction factor for recast rent discussed above.

The amount of commercial rent from these three groups was computed for the period January to December 2017 and compared to the amount of commercial rent from these three groups for the period January to December 2018 to determine the rate of growth. this rate of 4.11% was then applied to the 2017 annual amount for these three groups of \$1,693,326,471 to approximate the amount of commercial rent at 6% for 2018. This amount was then grown by 4.11% for all future periods. At this point the collections at 6% are converted to collections at 5.7% and then converted from calendar year to state fiscal year amounts. Finally, these calendar year amounts are converted to the 5.0% rate and then compared to the 5.7% rate to obtain the middle estimate.

For the cash impact, an analysis has done of the effective tax rate by county by month for 2017 and 2018. The effective rates above 12% were excluded. Average effective rates were reduced by the local option tax in place to provide comparable state rates. The effective rates for December of 2017 and December of 2018 were compared to the other effective rates for 2017 and 2018 by county by month. For almost all counties, the December 2017 effective rate was the lowest for 2017. For numerous counties, the 2018 effective rate was the lowest for 2018. The amount that December 2017 was lower than the average for the other 12 months was approximately 0.1% in terms of rate, which was half of the rate reduction. For the middle cash, the rate reduction was assumed to be for 5.5 months. For the high it was 5.75 months and for the low it was 5.25 months.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	(\$109.8 M)	(\$229.0 M)	(\$103.4 M)	(\$225.6 M)	(\$98.6 M)	(\$225.4 M)
2020-21	(\$240.3 M)	(\$240.3 M)	(\$237.0 M)	(\$237.0 M)	(\$236.7 M)	(\$236.7 M)
2021-22	(\$251.4 M)	(\$251.4 M)	(\$248.9 M)	(\$248.9 M)	(\$248.3 M)	(\$248.3 M)
2022-23	(\$262.9 M)	(\$262.9 M)	(\$261.4 M)	(\$261.4 M)	(\$261.1 M)	(\$261.1 M)
2023-24	(\$275.1 M)	(\$275.1 M)	(\$274.6 M)	(\$274.6 M)	(\$274.2 M)	(\$274.2 M)

**List of affected Trust Funds:** Sales and Use Tax Group

**Section 5: Consensus Estimate (Adopted: 02/22/2019):** The Conference adopted the middle estimate with the cash impact at 5.75 months.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	(95.7)	(199.7)	(Insignificant)	(Insignificant)	(3.2)	(6.7)	(9.2)	(19.2)
2020-21	(209.8)	(209.8)	(Insignificant)	(Insignificant)	(7.1)	(7.1)	(20.1)	(20.1)
2021-22	(220.4)	(220.4)	(Insignificant)	(Insignificant)	(7.4)	(7.4)	(21.1)	(21.1)
2022-23	(231.4)	(231.4)	(Insignificant)	(Insignificant)	(7.8)	(7.8)	(22.2)	(22.2)
2023-24	(243.1)	(243.1)	(Insignificant)	(Insignificant)	(8.2)	(8.2)	(23.3)	(23.3)

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax

**Issue:** 0.7% rate reduction for Commercial Rent

**Bill Number(s):** Proposed Language

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	(12.4)	(25.9)	(108.1)	(225.6)
2020-21	0.0	0.0	(27.2)	(27.2)	(237.0)	(237.0)
2021-22	0.0	0.0	(28.5)	(28.5)	(248.9)	(248.9)
2022-23	0.0	0.0	(30.0)	(30.0)	(261.4)	(261.4)
2023-24	0.0	0.0	(31.5)	(31.5)	(274.6)	(274.6)

	Total Commercial Rent		KindCode 82 - Form DR15 With line 4C > 0		KindCode 82 - Form DR15 with line 4C = 0		Kindcode 82 - Form DR15EZ		Dealers with Commercial rental tax not in kindcode 82	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
January	\$149,954,580	\$161,061,839	\$82,893,109	\$86,433,917	\$10,576,924	\$13,888,900	\$48,582,745	\$46,536,529	\$7,901,802	\$14,202,493
February	\$150,524,822	\$158,730,662	\$84,856,233	\$88,331,804	\$10,655,280	\$11,946,785	\$47,482,436	\$44,642,654	\$7,530,873	\$13,809,418
March	\$158,142,320	\$168,043,080	\$88,761,278	\$94,795,392	\$11,257,068	\$11,425,921	\$49,286,171	\$46,019,479	\$8,837,802	\$15,802,287
April	\$148,574,329	\$158,429,925	\$83,258,088	\$87,994,508	\$10,498,827	\$10,930,476	\$46,803,315	\$44,806,593	\$8,014,099	\$14,698,347
May	\$154,345,750	\$160,901,145	\$87,084,184	\$88,463,595	\$11,371,456	\$10,255,833	\$47,938,357	\$44,086,013	\$7,951,753	\$18,095,703
June	\$152,802,401	\$158,098,783	\$85,997,889	\$91,039,638	\$11,456,326	\$10,565,362	\$47,479,689	\$42,408,393	\$7,868,497	\$14,085,390
July	\$152,124,239	\$156,973,174	\$85,927,457	\$88,794,918	\$11,245,340	\$10,113,141	\$46,300,774	\$43,860,183	\$8,650,669	\$14,204,932
August	\$151,560,737	\$157,650,415	\$85,305,644	\$89,858,483	\$12,280,963	\$9,920,975	\$46,201,628	\$43,860,183	\$7,772,501	\$14,010,774
September	\$149,785,031	\$159,825,670	\$87,339,388	\$93,011,996	\$9,702,606	\$11,473,198	\$44,988,327	\$42,631,080	\$7,754,710	\$12,709,396
October	\$155,713,379	\$160,106,897	\$85,791,588	\$94,196,459	\$11,549,898	\$11,473,198	\$46,934,812	\$43,728,118	\$11,437,082	\$10,709,122
November	\$162,640,312	\$166,701,994	\$92,316,160	\$97,179,785	\$9,921,707	\$10,162,231	\$46,795,327	\$44,283,954	\$13,607,119	\$15,076,024
December	\$165,488,231	\$169,723,701	\$72,951,980	\$99,027,406	\$31,865,807	\$11,724,535	\$47,511,468	\$44,744,993	\$13,158,977	\$14,226,767
12 Month total	\$1,851,656,132	\$1,936,247,285	\$1,022,482,997	\$1,099,127,903	\$152,382,202	\$133,880,556	\$566,305,048	\$531,608,173	\$110,485,884	\$171,630,653
11 Month Total	\$1,686,167,900	\$1,766,523,584	\$949,531,018	\$1,000,100,497	\$120,516,395	\$122,156,021	\$518,793,580	\$486,863,180	\$97,326,908	\$157,403,887
		4.77%		5.33%		1.36%		-6.15%		61.73%

Comparable amount from prior analysis										Reduction factor for recast commercial rent
12 months	\$1,697,322,136		\$1,022,228,860		\$41,258,700		\$543,103,390		\$111,360,536	
Recommended amount to use for 2017										99.65%
12 months	\$1,693,326,471		\$1,022,482,997				\$566,305,048		\$110,485,884	
11 months	\$1,560,171,725		\$949,531,018				\$518,793,580		\$97,326,908	
2018-11 months	\$1,638,612,277			\$1,000,100,497				\$486,863,180		\$157,403,887
2018-12 months	\$1,796,058,445			\$1,099,127,903				\$531,608,173		\$171,630,653
growth - 11 mont	5.03%									
growth - 12 mont	6.07%									

Note - this analysis uses 6% tax rate that was applied to taxable sales. Conversion to the 5.7 and 5.0 rate is done in separate steps as part of the main spreadsheet

	A	B	C	D	E	F
1	2017-01	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
2	KindCode 82 - Form DR15 With line 4C > 0	\$70,967,154	\$1,381,551,818		\$82,893,109	44,911
3	KindCode 82 - Form DR15 with line 4C = 0	\$176,282,071		\$10,576,924		10,788
4	Kindcode 82 - Form DR15EZ	\$809,712,411		\$48,582,745		68,602
5	Dealers with Commercial rental tax not in kindcode 82	\$1,830,614,077	\$131,696,700		\$7,901,802	5,865
6						
7	Statewide 2017-01		\$1,513,248,518	\$59,159,669	\$90,794,911	130,166
8						
9	2017-02	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
10	KindCode 82 - Form DR15 With line 4C > 0	\$65,164,674	\$1,414,270,557		\$84,856,233	46,178
11	KindCode 82 - Form DR15 with line 4C = 0	\$177,587,996		\$10,655,280		10,703
12	Kindcode 82 - Form DR15EZ	\$791,373,936		\$47,482,436		68,260
13	Dealers with Commercial rental tax not in kindcode 82	\$1,995,753,735	\$125,514,547		\$7,530,873	5,809
14						
15	Statewide 2017-02		\$1,539,785,104	\$58,137,716	\$92,387,106	130,950
16						
17	2017-03	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
18	KindCode 82 - Form DR15 With line 4C > 0	\$91,007,636	\$1,479,354,632		\$88,761,278	47,621
19	KindCode 82 - Form DR15 with line 4C = 0	\$187,617,807		\$11,257,068		10,624
20	Kindcode 82 - Form DR15EZ	\$821,436,191		\$49,286,171		70,175
21	Dealers with Commercial rental tax not in kindcode 82	\$2,216,036,042	\$147,296,697		\$8,837,802	6,204
22						
23	Statewide 2017-03		\$1,626,651,329	\$60,543,240	\$97,599,080	134,624
24						
25	2017-04	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
26	KindCode 82 - Form DR15 With line 4C > 0	\$73,616,235	\$1,387,634,801		\$83,258,088	46,925
27	KindCode 82 - Form DR15 with line 4C = 0	\$174,980,448		\$10,498,827		10,788
28	Kindcode 82 - Form DR15EZ	\$780,055,249		\$46,803,315		67,687
29	Dealers with Commercial rental tax not in kindcode 82	\$2,048,320,831	\$133,568,323		\$8,014,099	5,901
30						
31	Statewide 2017-04		\$1,521,203,124	\$57,302,142	\$91,272,187	131,301

	A	B	C	D	E	F
32	2017-05	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
33	KindCode 82 - Form DR15 With line 4C > 0	\$68,926,567	\$1,451,403,060		\$87,084,184	47,529
34	KindCode 82 - Form DR15 with line 4C = 0	\$189,524,270		\$11,371,456		10,575
35	Kindcode 82 - Form DR15EZ	\$798,972,614		\$47,938,357		67,424
36	Dealers with Commercial rental tax not in kindcode 82	\$1,966,667,293	\$132,529,216		\$7,951,753	5,857
37						
38	Statewide 2017-05		\$1,583,932,276	\$59,309,813	\$95,035,937	131,385
39						
40	2017-06	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
41	KindCode 82 - Form DR15 With line 4C > 0	\$72,641,128	\$1,433,298,153		\$85,997,889	48,774
42	KindCode 82 - Form DR15 with line 4C = 0	\$190,938,769		\$11,456,326		11,030
43	Kindcode 82 - Form DR15EZ	\$791,328,153		\$47,479,689		69,991
44	Dealers with Commercial rental tax not in kindcode 82	\$1,965,105,729	\$131,141,616		\$7,868,497	6,246
45						
46	Statewide 2017-06		\$1,564,439,769	\$58,936,015	\$93,866,386	136,041
47						
48	2017-07	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
49	KindCode 82 - Form DR15 With line 4C > 0	\$70,994,907	\$1,432,124,279		\$85,927,457	47,891
50	KindCode 82 - Form DR15 with line 4C = 0	\$187,422,326		\$11,245,340		10,941
51	Kindcode 82 - Form DR15EZ	\$771,679,559		\$46,300,774		66,444
52	Dealers with Commercial rental tax not in kindcode 82	\$1,998,856,404	\$144,177,820		\$8,650,669	5,833
53						
54	Statewide 2017-07		\$1,576,302,099	\$57,546,113	\$94,578,126	131,109
55						
56	2017-08	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
57	KindCode 82 - Form DR15 With line 4C > 0	\$68,437,989	\$1,421,760,733		\$85,305,644	48,516
58	KindCode 82 - Form DR15 with line 4C = 0	\$204,682,717		\$12,280,963		11,035
59	Kindcode 82 - Form DR15EZ	\$770,027,139		\$46,201,628		65,995
60	Dealers with Commercial rental tax not in kindcode 82	\$1,937,599,719	\$129,541,686		\$7,772,501	5,833
61						
62	Statewide 2017-08		\$1,551,302,419	\$58,482,591	\$93,078,145	131,379

	A	B	C	D	E	F
63	2017-09	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
64	KindCode 82 - Form DR15 With line 4C > 0	\$67,057,815	\$1,455,656,473		\$87,339,388	49,325
65	KindCode 82 - Form DR15 with line 4C = 0	\$161,710,102		\$9,702,606		11,512
66	Kindcode 82 - Form DR15EZ	\$749,805,443		\$44,988,327		67,185
67	Dealers with Commercial rental tax not in kindcode 82	\$1,751,575,050	\$129,245,173		\$7,754,710	6,138
68						
69	Statewide 2017-09		\$1,584,901,646	\$54,690,933	\$95,094,099	134,160
70						
71	2017-10	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
72	KindCode 82 - Form DR15 With line 4C > 0	\$77,270,927	\$1,429,859,795		\$85,791,588	48,461
73	KindCode 82 - Form DR15 with line 4C = 0	\$192,498,294		\$11,549,898		10,884
74	Kindcode 82 - Form DR15EZ	\$782,246,866		\$46,934,812		65,264
75	Dealers with Commercial rental tax not in kindcode 82	\$1,973,662,844	\$190,618,030		\$11,437,082	6,639
76						
77	Statewide 2017-10		\$1,620,477,825	\$58,484,710	\$97,228,669	131,248
78						
79	2017-11	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
80	KindCode 82 - Form DR15 With line 4C > 0	\$93,524,741	\$1,538,602,661		\$92,316,160	49,705
81	KindCode 82 - Form DR15 with line 4C = 0	\$165,361,779		\$9,921,707		10,727
82	Kindcode 82 - Form DR15EZ	\$779,922,110		\$46,795,327		64,838
83	Dealers with Commercial rental tax not in kindcode 82	\$2,264,499,769	\$226,785,321		\$13,607,119	6,859
84						
85	Statewide 2017-11		\$1,765,387,982	\$56,717,033	\$105,923,279	132,129
86						
87	2017-12	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
88	KindCode 82 - Form DR15 With line 4C > 0	\$126,055,588	\$1,215,866,326		\$72,951,980	41,031
89	KindCode 82 - Form DR15 with line 4C = 0	\$531,096,788		\$31,865,807		20,492
90	Kindcode 82 - Form DR15EZ	\$791,857,797		\$47,511,468		67,362
91	Dealers with Commercial rental tax not in kindcode 82	\$219,316,278	\$219,316,278		\$13,158,977	7,351
92						
93	Statewide 2017-12		\$1,435,182,604	\$79,377,275	\$86,110,956	136,236

	A	B	C	D	E	F
94	2018-01	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
95	KindCode 82 - Form DR15 With line 4C > 0	\$135,166,966	\$1,440,565,288		\$86,433,917	46,633
96	KindCode 82 - Form DR15 with line 4C = 0	\$231,481,665		\$13,888,900		15,157
97	Kindcode 82 - Form DR15EZ	\$775,608,823		\$46,536,529		70,091
98	Dealers with Commercial rental tax not in kindcode 82	\$2,219,526,339	\$236,708,215		\$14,202,493	8,300
99						
100	Statewide 2018-01		\$1,677,273,503	\$60,425,429	\$100,636,410	140,181
101						
102	2018-02	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
103	KindCode 82 - Form DR15 With line 4C > 0	\$165,679,752	\$1,472,196,741		\$88,331,804	48,651
104	KindCode 82 - Form DR15 with line 4C = 0	\$199,113,085		\$11,946,785		15,026
105	Kindcode 82 - Form DR15EZ	\$744,044,228		\$44,642,654		69,354
106	Dealers with Commercial rental tax not in kindcode 82	\$2,368,835,949	\$230,156,975		\$13,809,418	8,926
107						
108	Statewide 2018-02		\$1,702,353,716	\$56,589,439	\$102,141,223	141,957
109						
110	2018-03	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
111	KindCode 82 - Form DR15 With line 4C > 0	\$204,426,059	\$1,579,923,205		\$94,795,392	50,095
112	KindCode 82 - Form DR15 with line 4C = 0	\$190,432,019		\$11,425,921		14,766
113	Kindcode 82 - Form DR15EZ	\$766,991,319		\$46,019,479		70,808
114	Dealers with Commercial rental tax not in kindcode 82	\$2,718,099,557	\$263,371,458		\$15,802,287	9,825
115						
116	Statewide 2018-03		\$1,843,294,663	\$57,445,400	\$110,597,680	145,494
117						
118	2018-04	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
119	KindCode 82 - Form DR15 With line 4C > 0	\$178,882,348	\$1,466,575,139		\$87,994,508	48,871
120	KindCode 82 - Form DR15 with line 4C = 0	\$182,174,607		\$10,930,476		14,529
121	Kindcode 82 - Form DR15EZ	\$746,776,557		\$44,806,593		68,095
122	Dealers with Commercial rental tax not in kindcode 82	\$2,360,680,624	\$244,972,445		\$14,698,347	9,236
123						
124	Statewide 2018-04		\$1,711,547,584	\$55,737,070	\$102,692,855	140,731

	A	B	C	D	E	F
125	2018-05	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
126	KindCode 82 - Form DR15 With line 4C > 0	\$177,362,420	\$1,474,393,254		\$88,463,595	49,338
127	KindCode 82 - Form DR15 with line 4C = 0	\$170,930,556		\$10,255,833		14,333
128	Kindcode 82 - Form DR15EZ	\$734,766,889		\$44,086,013		67,198
129	Dealers with Commercial rental tax not in kindcode 82	\$2,347,814,855	\$301,595,054		\$18,095,703	9,217
130						
131	Statewide 2018-05		\$1,775,988,308	\$54,341,847	\$106,559,298	140,086
132						
133	2018-06	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
134	KindCode 82 - Form DR15 With line 4C > 0	\$162,971,984	\$1,517,327,298		\$91,039,638	48,972
135	KindCode 82 - Form DR15 with line 4C = 0	\$176,089,368		\$10,565,362		14,193
136	Kindcode 82 - Form DR15EZ	\$706,806,551		\$42,408,393		66,302
137	Dealers with Commercial rental tax not in kindcode 82	\$2,362,245,665	\$234,756,494		\$14,085,390	9,351
138						
139	Statewide 2017-06		\$1,752,083,792	\$52,973,755	\$105,125,027	138,818
140						
141	2018-07	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
142	KindCode 82 - Form DR15 With line 4C > 0	\$168,892,588	\$1,479,915,303		\$88,794,918	50,197
143	KindCode 82 - Form DR15 with line 4C = 0	\$168,552,343		\$10,113,141		14,531
144	Kindcode 82 - Form DR15EZ	\$731,003,051		\$43,860,183		66,292
145	Dealers with Commercial rental tax not in kindcode 82	\$2,269,858,479	\$236,748,869		\$14,204,932	9,340
146						
147	Statewide 2018-07		\$1,716,664,172	\$53,973,324	\$102,999,850	140,360
148						
149	2018-08	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
150	KindCode 82 - Form DR15 With line 4C > 0	\$177,174,653	\$1,497,641,380		\$89,858,483	50,550
151	KindCode 82 - Form DR15 with line 4C = 0	\$165,349,581		\$9,920,975		14,026
152	Kindcode 82 - Form DR15EZ	\$707,880,566		\$42,472,834		63,694
153	Dealers with Commercial rental tax not in kindcode 82	\$2,244,263,494	\$233,512,903		\$14,010,774	8,979
154						
155	Statewide 2018-08		\$1,731,154,283	\$52,393,809	\$103,869,257	137,249



	A	B	C	D	E	F
156						
157	2018-09	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
158	KindCode 82 - Form DR15 With line 4C > 0	\$171,624,282	\$1,550,199,930		\$93,011,996	53,508
159	KindCode 82 - Form DR15 with line 4C = 0	\$178,647,903		\$10,718,874		15,697
160	Kindcode 82 - Form DR15EZ	\$710,517,996		\$42,631,080		67,988
161	Dealers with Commercial rental tax not in kindcode 82	\$2,257,073,372	\$211,823,274		\$12,709,396	9,247
162						
163	Statewide 2018-09		\$1,762,023,204	\$53,349,954	\$105,721,392	146,440
164						
165	2018-10	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
166	KindCode 82 - Form DR15 With line 4C > 0	\$179,431,748	\$1,569,940,984		\$94,196,459	52,704
167	KindCode 82 - Form DR15 with line 4C = 0	\$191,219,968		\$11,473,198		14,980
168	Kindcode 82 - Form DR15EZ	\$728,801,975		\$43,728,118		65,446
169	Dealers with Commercial rental tax not in kindcode 82	\$2,685,644,909	\$178,485,362		\$10,709,122	8,819
170						
171	Statewide 2018-10		\$1,748,426,346	\$55,201,317	\$104,905,581	141,949
172						
173	2018-11	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts
174	KindCode 82 - Form DR15 With line 4C > 0	\$197,771,617	\$1,619,663,089		\$97,179,785	53,199
175	KindCode 82 - Form DR15 with line 4C = 0	\$169,370,520		\$10,162,231		15,187
176	Kindcode 82 - Form DR15EZ	\$738,065,895		\$44,283,954		64,733
177	Dealers with Commercial rental tax not in kindcode 82	\$2,685,644,909	\$251,267,062		\$15,076,024	8,704
178						
179	Statewide 2018-11		\$1,870,930,151	\$54,446,185	\$112,255,809	141,823



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	
1			2017												2018												
2	County		2017	Feb	March	April	May	June	July	August	Sept.	October	Nov	Dec	January	Feb	March	April	May	June	July	August	Sept	October	Nov	Dec	
46	54	Monroe	6.007	6.009	6.009	6.010	6.008	6.011	6.008	6.015	6.010	6.015	6.007	5.999	5.897	5.899	5.897	5.897	5.897	5.900	5.894	5.899	5.895	5.885	5.891	5.888	5.883
47	55	Nassau	6.007	6.008	6.005	6.012	6.029	6.004	6.005	6.012	6.003	6.004	6.010	5.991	5.886	5.886	5.877	5.886	5.880	5.877	5.877	5.872	5.878	5.880	5.878	5.867	
48	56	Okaloosa	6.036	6.044	6.049	6.045	6.034	6.039	6.040	6.037	6.032	6.032	6.034	6.028	5.907	5.900	5.897	5.893	5.894	5.891	5.896	5.884	5.892	5.884	5.890	5.903	
49	57	Okeechobee	6.035	6.042	6.025	6.028	6.018	6.021	6.026	6.020	6.027	6.020	6.023	6.011	5.940	5.909	5.904	5.911	5.891	5.890	5.900	5.887	5.886	5.901	5.896	5.880	
50	58	Orange	6.023	6.026	6.025	6.024	6.024	6.024	6.024	6.024	6.024	6.025	6.025	6.014	5.893	5.885	5.882	5.881	5.879	5.877	5.878	5.873	5.877	5.874	5.872	5.866	
51	59	Osceola	6.010	6.008	6.008	6.015	6.007	6.007	6.008	6.015	6.012	6.009	6.010	5.995	5.868	5.863	5.861	5.861	5.865	5.863	5.863	5.859	5.860	5.859	5.858	5.850	
52	60	Palm Beach	6.013	6.011	6.010	6.011	6.010	6.012	6.012	6.010	6.011	6.012	6.011	6.001	5.869	5.865	5.862	5.862	5.859	5.859	5.858	5.855	5.856	5.857	5.855	5.849	
53	61	Pasco	6.030	6.032	6.034	6.027	6.028	6.030	6.025	6.023	6.025	6.031	6.034	6.024	5.918	5.905	5.905	5.895	5.896	5.888	5.885	5.882	5.875	5.880	5.880	5.880	
54	62	Pinellas	6.012	6.013	6.012	6.011	6.014	6.014	6.012	6.013	6.012	6.013	6.014	6.002	5.893	5.883	5.881	5.875	5.874	5.874	5.874	5.869	5.870	5.873	5.871	5.862	
55	63	Polk	6.012	6.014	6.014	6.014	6.011	6.014	6.012	6.012	6.014	6.015	6.012	6.001	5.886	5.878	5.877	5.878	5.871	5.872	5.870	5.868	5.875	5.868	5.868	5.866	
56	64	Putnam	6.012	6.012	6.014	6.025	6.018	6.029	6.019	6.026	6.016	6.031	6.017	6.010	5.884	5.889	5.892	5.882	5.888	5.886	5.882	5.877	5.879	5.904	5.894	5.887	
57	65	Saint Johns	6.053	6.050	6.067	6.058	6.047	6.052	6.049	6.052	6.057	6.055	6.047	6.044	5.923	5.916	5.917	5.911	5.920	5.904	5.906	5.905	5.909	5.906	5.903	5.896	
58	66	Saint Lucie	6.019	6.022	6.023	6.017	6.019	6.016	6.019	6.018	6.016	6.020	6.016	6.008	5.886	5.884	5.878	5.877	5.884	5.874	5.872	5.865	5.869	5.866	5.863	5.880	
59	67	Santa Rosa	6.027	6.026	6.027	6.026	6.031	6.030	6.021	6.020	6.023	6.031	6.025	6.012	5.891	5.887	5.884	5.880	5.875	5.877	5.879	5.875	5.891	5.877	5.874	5.876	
60	68	Sarasota	6.006	6.008	6.008	6.012	6.009	6.010	6.009	6.010	6.013	6.012	6.012	5.996	5.882	5.877	5.875	5.871	5.869	5.870	5.870	5.864	5.864	5.864	5.863	5.859	
61	69	Seminole	6.015	6.012	6.012	6.010	6.011	6.015	6.015	6.013	6.014	6.017	6.016	6.002	5.879	5.874	5.874	5.869	5.868	5.866	5.867	5.864	5.863	5.863	5.863	5.856	
62	70	Sumter	6.041	6.044	6.045	6.037	6.036	6.030	6.037	6.022	6.039	6.031	6.036	6.015	5.924	5.907	5.911	5.900	5.902	5.893	5.897	5.889	5.894	5.897	5.910	5.885	
63	71	Suwannee	6.008	6.007	5.999	5.998	6.029	6.026	6.001	5.997	6.001	5.999	6.003	5.983	5.911	5.908	5.898	5.899	5.894	5.904	5.892	5.895	5.892	5.883	5.884	5.904	
64	72	Taylor	6.025	6.023	6.028	6.023	6.021	6.023	6.025	6.025	6.016	6.024	6.057	6.036	5.936	5.889	5.904	5.908	5.908	5.904	5.903	5.897	5.883	5.881	5.944	5.880	
65	73	Union	6.000	6.000	6.013	6.000	6.000	6.000	6.070	6.024	6.009	6.000	6.000	5.976	5.905	5.958	5.896	6.003	5.887	5.893	5.895	5.974	5.884	5.877	6.006	5.920	
66	74	Volusia	6.019	6.020	6.019	6.019	6.018	6.020	6.020	6.022	6.021	6.020	6.022	6.012	5.893	5.885	5.880	5.879	5.875	5.874	5.873	5.868	5.872	5.871	5.873	5.867	
67	75	Wakulla	6.099	6.106	6.032	6.015	6.033	6.021	6.046	6.038	6.021	6.014	6.022	6.059	5.907	5.886	5.922	5.879	5.897	5.897	5.873	5.877	5.884	5.880	5.897	5.912	
68	76	Walton	6.047	6.047	6.048	6.043	6.041	6.046	6.045	6.038	6.040	6.043	6.038	6.029	5.924	5.902	5.910	5.901	5.901	5.892	5.898	5.891	5.900	5.896	5.891	5.882	
69	77	Washington	6.035	6.052	6.026	6.064	6.031	6.020	6.023	6.028	6.032	6.034	6.030	6.014	5.901	5.899	5.926	5.919	5.942	5.933	5.924	5.926	5.924	5.918	5.914	5.909	
70		Statewide Average	6.031	6.034	6.027	6.030	6.026	6.024	6.028	6.026	6.022	6.025	6.023	6.012	5.908	5.903	5.898	5.895	5.893	5.892	5.890	5.886	5.889	5.888	5.890	5.888	

	A	B	C	D	E	F	G	H
1	Calendar Year 2017	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts		
2	KindCode 82 - Form DR15 With line 4C > 0		\$17,037,147,659		\$1,022,228,860	57,591		
3	KindCode 82 - Form DR15 with line 4C = 0	\$687,645,007		\$41,258,700		8,795		
4	Kindcode 82 - Form DR15EZ	\$9,051,723,172		\$543,103,390		73,350		
5	Kind Code 82 - No form ID with line 4C > 0			\$0	\$0			
6	Kind Code 82 - No form ID with line 4C = 0			\$0	\$0			
7	Dealers with Commercial rental tax not in kindcode 82	\$29,428,369,853	\$1,856,008,940		\$111,360,536	10,637		
8								
9	Statewide 2017			\$563,732,740.53	\$1,133,589,396	150,373		
10								
11	Calendar Year 2016	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts		
12	KindCode 82 - Form DR15 With line 4C > 0	\$811,758,617	\$15,791,526,687		\$947,491,601	50,842		
13	KindCode 82 - Form DR15 with line 4C = 0	\$287,479,340		\$17,248,760		7,574		
14	Kindcode 82 - Form DR15EZ	\$9,369,223,863		\$562,153,432		81,915		
15	Kind Code 82 - No form ID with line 4C > 0	\$0	\$0	\$0	\$0	0		
16	Kind Code 82 - No form ID with line 4C = 0	\$0	\$0	\$0	\$0	0		
17	Dealers with Commercial rental tax not in kindcode 82	\$28,862,679,930	\$1,788,829,843		\$107,329,791	8,940		
18								
19	Statewide 2016		\$17,580,356,530	\$579,402,192	\$1,054,821,392	149,271		
20								
21	Calendar Year 2015	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts		
22	KindCode 82 - Form DR15 With line 4C > 0	\$608,264,217	\$14,816,872,568		\$889,012,354	48,689		
23	KindCode 82 - Form DR15 with line 4C = 0	\$276,925,549		\$16,615,533		8,078		
24	Kindcode 82 - Form DR15EZ	\$9,703,296,086		\$582,197,765		87,625		
25	Kind Code 82 - No form ID with line 4C > 0	\$0	\$0	\$0	\$0	0		
26	Kind Code 82 - No form ID with line 4C = 0	\$0	\$0	\$0	\$0	0		
27	Dealers with Commercial rental tax not in kindcode 82	\$25,033,351,388	\$1,424,118,566		\$85,447,114	8,606		
28								
29	Statewide 2015			\$598,813,298	\$974,459,468	152,998		
30								

	A	B	C	D	E	F	G	H
31	Calendar Year 2014	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts		
32	KindCode 82 - Form DR15 With line 4C > 0	\$537,440,074	\$13,075,756,344		\$784,545,381	42,923		
33	KindCode 82 - Form DR15 with line 4C = 0	\$369,105,345		\$22,146,321		6,158		
34	Kindcode 82 - Form DR15EZ	\$9,969,543,929		\$598,172,636		90,846		
35	Kind Code 82 - No form ID with line 4C > 0	\$0	\$0	0	\$0	0		
36	Kind Code 82 - No form ID with line 4C = 0	\$0		\$0		0		
37	Dealers with Commercial rental tax not in kindcode 82	\$23,876,968,994	\$1,147,816,198		\$68,868,972	7,699		
38								
39	Statewide 2014			\$620,318,956	\$853,414,352	147,626		
40								
41								
42	Calendar Year 2013	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts		
43	KindCode 82 - Form DR15 With line 4C > 0	\$668,576,684	\$9,187,064,349		\$551,223,861	31,248		
44	KindCode 82 - Form DR15 with line 4C = 0	\$411,980,060		\$24,718,804		2,954		
45	Kindcode 82 - Form DR15EZ	\$10,219,270,436		\$613,156,226		90,719		
46	Kind Code 82 - No form ID with line 4C > 0	\$120,898,245	\$2,626,883,968		\$157,613,038	10,001		
47	Kind Code 82 - No form ID with line 4C = 0	\$84,173,669		\$5,050,420		2,435		
48	Dealers with Commercial rental tax not in kindcode 82	\$20,940,595,250	\$1,166,438,863		\$69,986,332	7,699		
49								
50	Statewide 2013			\$642,925,450	\$778,823,231	145,056		
51								
52								
53	Analysis of Recast Commercial Rent (Low Estimate)		Taxable Amounts					
54			Totals	Amounts to add back				
55	Total Recast Commercial Rent (DR-15 filers only)- 2015		\$4,684,175,711					
56	Total Recast that are only kindcode 82			\$4,481,054,382				
57	Total recast that have multiple kindcodes		\$203,121,329					
58	portion of C41 that is assumed commercial rent by like analysis			\$111,631,023				
59	Total amount (taxable Commercial rent) to add back			\$4,592,685,405				
60	tax amount to add back			\$275,561,124				
61								
62								

Reduction factor for recast Commercial Rent
99.76%

	A	B	C	D	E	F	G	H
63			High Estimate	Middle Estimate	Low Estimate			
64			Sales Tax With Cell D3 reduced by half @ NonResidential Property Growth Rate	Sales Tax from monthly analysis from 2017 (Recommended Amount for 2017)	Sales Tax With Cell D3 reduced by half @ Low Growth Rate - adjusted for recast commercial rent	Implied Business Investment Growth Rate (GR-REC 12/18)	NonResidential Property Growth Rate - 1/2018 Ad Valorem Assessments Estimating Conference	Middle and Low Growth Rates
65	Total Estimated State Sales Tax - Commercial Rent	2013	\$1,408,103,037					
66		2014	\$1,462,660,149					3.87%
67		2015	\$1,564,965,000		\$1,559,475,581			6.99%
68		2016	\$1,625,599,204		\$1,619,897,099			3.87%
69		2017	\$1,697,322,136	\$1,693,326,471	\$1,691,368,450		6.99	4.41%
70		2018	\$1,809,345,397	\$1,796,058,445	\$1,793,981,633	7.60	6.6	6.07%
71		2019	\$1,914,649,300	\$1,886,400,185	\$1,884,218,909	7.40	5.82	5.03%
72		2020	\$2,011,913,484	\$1,981,286,114	\$1,978,995,120	3.80	5.08	5.03%
73		2021	\$2,106,875,800	\$2,080,944,806	\$2,078,538,575	2.90	4.72	5.03%
74		2022	\$2,202,317,274	\$2,185,616,329	\$2,183,089,065	2.60	4.53	5.03%
75		2023	\$2,304,064,332	\$2,295,552,831	\$2,292,898,445	2.40	4.62	5.03%
76		2024	\$2,412,355,356	\$2,411,019,138	\$2,408,231,237	2.30	4.70	5.03%
77								
78								
79	Calendar Year		High Estimate	Middle Estimate	Low Estimate			
80	Estimated Sales tax at 5.7%	2018	\$1,718,878,128	\$1,706,255,523	\$1,704,282,552			
81		2019	\$1,818,916,835	\$1,792,080,176	\$1,790,007,964			
82		2020	\$1,911,317,810	\$1,882,221,808	\$1,880,045,364			
83		2021	\$2,001,532,010	\$1,976,897,565	\$1,974,611,646			
84		2022	\$2,092,201,411	\$2,076,335,513	\$2,073,934,612			
85		2023	\$2,188,861,116	\$2,180,775,189	\$2,178,253,523			
86		2024	\$2,291,737,588	\$2,290,468,181	\$2,287,819,675			
87								
88		Sales Tax @ 5.7%	High Estimate	Middle Estimate	Low Estimate			
89	Calendar Year to Fiscal Year conversion - 5.7%	2018-19	\$1,768,897,481	\$1,749,167,849	\$1,747,145,258			
90		2019-20	\$1,865,117,322	\$1,837,150,992	\$1,835,026,664			
91		2020-21	\$1,956,424,910	\$1,929,559,687	\$1,927,328,505			
92		2021-22	\$2,046,866,710	\$2,026,616,539	\$2,024,273,129			
93		2022-23	\$2,140,531,263	\$2,128,555,351	\$2,126,094,068			
94		2023-24	\$2,240,299,352	\$2,235,621,685	\$2,233,036,599			
95								

	A	B	C	D	E	F	G	H
96								
97		Sales Tax @ 5.0%	High Estimate	Middle Estimate	Low Estimate			
98	Estimated Revenues at 5.0% - State Fiscal Year	2019-20	\$1,636,067,827	\$1,611,535,958	\$1,609,672,512			
99		2020-21	\$1,716,162,202	\$1,692,596,217	\$1,690,639,040			
100		2021-22	\$1,795,497,114	\$1,777,733,806	\$1,775,678,184			
101		2022-23	\$1,877,659,003	\$1,867,153,817	\$1,864,994,796			
102		2023-24	\$1,965,174,870	\$1,961,071,654	\$1,958,804,034			
103								
104								
105								
106			High Estimate	Middle Estimate	Low Estimate	<b>ADOPTED</b>		
107			Sales Tax With Cell D3 reduced by half @ Commercial Property Growth Rate	Sales Tax With Cell D3 reduced by half @ Business Investment Growth Rate - adjusted for recast commercial rent	Sales Tax With Cell D3 reduced by half @ Low Growth Rate - adjusted for recast commercial rent	Sales Tax With Cell D3 reduced by half @ Business Investment Growth Rate - adjusted for recast commercial rent		
108		2019-20 Cash	-\$109,752,883	-\$104,346,953	-\$98,592,441	-\$108,107,204		
109		2019-20	-\$229,049,496	-\$225,615,034	-\$225,354,152	-\$225,615,034		
110		2020-21	-\$240,262,708	-\$236,963,470	-\$236,689,466	-\$236,963,470		
111		2021-22	-\$251,369,596	-\$248,882,733	-\$248,594,946	-\$248,882,733		
112		2022-23	-\$262,872,260	-\$261,401,534	-\$261,099,271	-\$261,401,534		
113		2023-24	-\$275,124,482	-\$274,550,032	-\$274,232,565	-\$274,550,032		
114								
115								
116								

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax  
**Issue:** Local Tax Referenda  
**Bill Number(s):** SB 336

- Entire Bill**  
 **Partial Bill:**

**Sponsor(s):** Senator Brandes  
**Month/Year Impact Begins:** Upon becoming a law.  
**Date of Analysis:** 02/18/2019

**Section 1: Narrative**

- a. Current Law:** Under current law, elections for proposed discretionary sales surtaxes authorized under s. 212.055, F.S., that require voter approval are not restricted to a specific voting day or election. Such proposals require the approval of a majority of the qualified electors voting on the ballot question for passage.
- b. Proposed Change:** The bill requires that a referendum to adopt or amend a local discretionary sales surtax be held at a general election.

**Section 2: Description of Data and Sources**

N/A

**Section 3: Methodology (Include Assumptions and Attach Details)**

The recommended revenue impact is zero. The bill creates a constraint on a county’s ability to adopt or amend certain discretionary sales surtaxes by requiring a referendum be held at a general election. It does not directly impact current baseline revenue forecasts because they are based on current law current administration, which does not contain assumptions regarding future discretionary sales surtax enactments.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			0	0		
2020-21			0	0		
2021-22			0	0		
2022-23			0	0		
2023-24			0	0		

**List of affected Trust Funds:**

N/A

**Section 5: Consensus Estimate (Adopted: 02/22/2019): The Conference adopted the proposed estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2023-24	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



REVENUE ESTIMATING CONFERENCE

Tax: Sales Tax

Issue: Small County Surtax/ Disaster Declaration

Bill Number(s): HB 645

Entire Bill

Partial Bill: Sections 1 and 3

Sponsor(s): Rep. Trumbull

Month/Year Impact Begins: indeterminate, but no sooner than February 2020

Date of Analysis: 2/21/2019

Section 1: Narrative

a. Current Law: Section 212.055, Florida statutes, provides:

SMALL COUNTY SURTAX.—

(a) The governing authority in each county that has a population of 50,000 or less on April 1, 1992, may levy a discretionary sales surtax of 0.5 percent or 1 percent. The levy of the surtax shall be pursuant to ordinance enacted by an extraordinary vote of the members of the county governing authority if the surtax revenues are expended for operating purposes. If the surtax revenues are expended for the purpose of servicing bond indebtedness, the surtax shall be approved by a majority of the electors of the county voting in a referendum on the surtax.

(b) A statement that includes a brief general description of the projects to be funded by the surtax and conforms to the requirements of s. 101.161 shall be placed on the ballot by the governing authority of any county that enacts an ordinance calling for a referendum on the levy of the surtax for the purpose of servicing bond indebtedness. The following question shall be placed on the ballot:

FOR the -cent sales tax  
AGAINST the -cent sales tax

(c) Pursuant to s. 212.054(4), the proceeds of the surtax levied under this subsection shall be distributed to the county and the municipalities within the county in which the surtax was collected, according to:

- 1. An interlocal agreement between the county governing authority and the governing bodies of the municipalities representing a majority of the county’s municipal population, which agreement may include a school district with the consent of the county governing authority and the governing bodies of the municipalities representing a majority of the county’s municipal population; or
- 2. If there is no interlocal agreement, according to the formula provided in s. 218.62.

Any change in the distribution formula shall take effect on the first day of any month that begins at least 60 days after written notification of that change has been made to the department.

(d)1. If the surtax is levied pursuant to a referendum, the proceeds of the surtax and any interest accrued thereto may be expended by the school district or within the county and municipalities within the county, or, in the case of a negotiated joint county agreement, within another county, for the purpose of servicing bond indebtedness to finance, plan, and construct infrastructure and to acquire land for public recreation or conservation or protection of natural resources. However, if the surtax is levied pursuant to an ordinance approved by an extraordinary vote of the members of the county governing authority, the proceeds and any interest accrued thereto may be used for operational expenses of any infrastructure or for any public purpose authorized in the ordinance under which the surtax is levied.

2. For the purposes of this paragraph, “infrastructure” means any fixed capital expenditure or fixed capital costs associated with the construction, reconstruction, or improvement of public facilities that have a life expectancy of 5 or more years and any land acquisition, land improvement, design, and engineering costs related thereto.

(e) A school district, county, or municipality that receives proceeds under this subsection following a referendum may pledge the proceeds for the purpose of servicing new bond indebtedness incurred pursuant to law. Local governments may use the services of the Division of Bond Finance pursuant to the State Bond Act to issue any bonds through the provisions of this subsection. A jurisdiction may not issue bonds pursuant to this subsection more frequently than once per year. A county and municipality may join together to issue bonds authorized by this subsection.

(f) Notwithstanding any other provision of this section, a county shall not levy local option sales surtaxes authorized in this subsection and subsections (2) (Infrastructure Surtax), (4)(Indigent Care and trauma Surtax), and (5) (County Public Hospital Surtax) in excess of a combined rate of 1 percent.

Section 286.0656(2)(e) provides:

“Rural community” means:

- 1. A county with a population of 75,000 or fewer.
- 2. A county with a population of 125,000 or fewer which is contiguous to a county with a population of 75,000 or fewer.
- 3. A municipality within a county described in subparagraph 1. or subparagraph 2.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales Tax

**Issue:** Small County Surtax/ Disaster Declaration

**Bill Number(s):** HB 645

4. An unincorporated federal enterprise community or an incorporated rural city with a population of 25,000 or fewer and an employment base focused on traditional agricultural or resource-based industries, located in a county not defined as rural, which has at least three or more of the economic distress factors identified in paragraph (c) and verified by the department.

**b. Proposed Change:** Amends paragraph (3)(a) of section 212.055 to allow the governing authority of any county that meets the criteria set forth in s.288.0656(2)(e)3 and that was named in a major disaster declaration by the President of the United States within two years preceding enactment of an ordinance as described in this subsection to levy the small county surtax.

Creates subparagraph 3. of section 288. 0656(2)(e) to read:

A county with a population of 200,000 or fewer which is contiguous to three or more counties, each with a population of 50,000 or fewer.

**Section 2: Description of Data and Sources**

Annual population estimates pursuant to section 186.901, Florida Statutes

County Tax Rates: CY 2007-2019 <http://edr.state.fl.us/Content/local-government/data/data-a-to-z/LDSSrates.xls>

2018 Local Government Financial Information Handbook

**Section 3: Methodology (Include Assumptions and Attach Details)**

Used the County Tax rates, CV 2007-2019 to determine those counties that are authorized under current law to impose the small county surtax that have additional capacity for a local option surtax beyond those currently in place. Only Flagler county had additional capacity. Flagler is not eligible to levy under the new provision as the counties it is contiguous to do not all have a population 50,000 or fewer

Used the annual population estimates as of April 1, 2017 to determine those counties that have population under 200,000 that are not currently authorized to levy the small county surtax. Only Bay County met the criteria of being contiguous to three or more counties each with a population of 50,000 or fewer.

Used the estimates for 2018-19 local fiscal year included in the Local Government Financial Information Handbook for Bay county t determine the total possible additional revenues from the surtax at a 1% rate. As Bay county has a 0.5% Infrastructure surtax in place the additional capacity is half of the possible revenues.

As enactment by the governing authority of the county is necessary to impose the surtax under the new authority, the impact is positive indeterminate.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	**	**	**	**	**	**
2020-21	**	**	**	**	**	**
2021-22	**	**	**	**	**	**
2022-23	**	**	**	**	**	**
2023-24	**	**	**	**	**	**

**List of affected Trust Funds:**

Local Taxes

**Section 5: Consensus Estimate (Adopted: 02/22/2019):** The Conference adopted the positive indeterminate estimate. The Conference assumes the population is calculated pursuant to s.186.901(2)(b), F.S.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	0.0	0.0	**	**	**	**
2020-21	0.0	0.0	0.0	0.0	**	**	**	**
2021-22	0.0	0.0	0.0	0.0	**	**	**	**
2022-23	0.0	0.0	0.0	0.0	**	**	**	**
2023-24	0.0	0.0	0.0	0.0	**	**	**	**

	A	B	H	I	J	K	L	M	N	O
1	County / Municipality	April 1, 2017 Population	Less than 200,000 Population	Currently authorized to impose Small county surtax	Tax Levy currently in place for small county surtax, infrastructure surtax, indigent care and Truama Center surtax and/or County Hospital Surtax	Population less than 200,000, not currently authorized to levy Small County Surtax and Contiguous to three or more counties, each of which is < 50,000	Infrastructure surtax in place	Capacity Available	2018-19 estimate of surtax proceeds at 1%	Additional Capacity authorized by HB 645
2	Alachua County	260,003	No							
3	Baker County	27,191	Yes	Yes	1%					
4	Bay County	178,820	Yes	No		Yes	0.50%	0.50%	\$43,273,915	\$21,636,958
5	Bradford County	27,642	Yes	Yes	1%					
6	Brevard County	575,211	No							
7	Broward County	1,873,970	No							
8	Calhoun County	15,001	Yes	Yes	1%					
9	Charlotte County	172,720	Yes	No		No				
10	Citrus County	143,801	Yes	No		No				
11	Clay County	208,549	No							
12	Collier County	357,470	No							
13	Columbia County	68,943	Yes	Yes	1%					
14	DeSoto County	35,621	Yes	Yes	1%					
15	Dixie County	16,726	Yes	Yes	1%					
16	Duval County	936,811	No							
17	Escambia County	313,381	No							
18	Flagler County	105,157	Yes	Yes	0.5%	No				
19	Franklin County	12,161	Yes	Yes	1%					
20	Gadsden County	48,263	Yes	Yes	1%					
21	Gilchrist County	17,224	Yes	Yes	1%					
22	Glades County	13,087	Yes	Yes	1%					
23	Gulf County	16,297	Yes	Yes	1%					
24	Hamilton County	14,663	Yes	Yes	1%					
25	Hardee County	27,426	Yes	Yes	1%					
26	Hendry County	39,057	Yes	Yes	1%					
27	Hernando County	181,882	Yes	No		No				
28	Highlands County	102,138	Yes	No		No				
29	Hillsborough County	1,379,302	No							
30	Holmes County	20,210	Yes	Yes	1%					
31	Indian River County	148,962	Yes	No		No				
32	Jackson County	50,418	Yes	Yes	1%					
33	Jefferson County	14,611	Yes	Yes	1%					
34	Lafayette County	8,479	Yes	Yes	1%					
35	Lake County	331,724	No							
36	Lee County	698,468	No							
37	Leon County	287,899	No							
38	Levy County	41,015	Yes	Yes	1%					

	A	B	H	I	J	K	L	M	N	O
1	County / Municipality	April 1, 2017 Population	Less than 200,000 Population	Currently authorized to impose Small county surtax	Tax Levy currently in place for small county surtax, infrastructure surtax, indigent care and Truama Center surtax and/or County Hospital Surtax	Population less than 200,000, not currently authorized to levy Small County Surtax and Contiguous to three or more counties, each of which is < 50,000	Infrastructure surtax in place	Capacity Available	2018-19 estimate of surtax proceeds at 1%	Additional Capacity authorized by HB 645
39	Liberty County	8,719	Yes	Yes	1%					
40	Madison County	19,377	Yes	Yes	1%					
41	Manatee County	368,782	No							
42	Marion County	349,267	No							
43	Martin County	153,022	Yes	No		No				
44	Miami-Dade County	2,743,095	No							
45	Monroe County	76,889	Yes	No		No				
46	Nassau County	80,456	Yes	Yes	1%					
47	Okaloosa County	195,488	Yes	No		No				
48	Okeechobee County	41,140	Yes	Yes	1%					
49	Orange County	1,313,880	No							
50	Osceola County	337,614	No							
51	Palm Beach County	1,414,144	No							
52	Pasco County	505,709	No							
53	Pinellas County	962,003	No							
54	Polk County	661,645	No							
55	Putnam County	73,176	Yes	No		No				
56	St. Johns County	229,715	No							
57	St. Lucie County	297,634	No							
58	Santa Rosa County	170,835	Yes	No		No				
59	Sarasota County	407,260	No							
60	Seminole County	454,757	No							
61	Sumter County	120,700	Yes	Yes	1%					
62	Suwannee County	44,690	Yes	Yes	1%					
63	Taylor County	22,295	Yes	Yes	1%					
64	Union County	15,947	Yes	Yes	1%					
65	Volusia County	523,405	No							
66	Wakulla County	31,909	Yes	Yes	1%					
67	Walton County	65,301	Yes	Yes	1%					
68	Washington County	24,985	Yes	Yes	1%					