

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: First Responder Exemption/Another State/Firefighters and Law Enforcement

Bill Number(s): HB 281/SB484

Entire Bill

Partial Bill:

Sponsor(s): Sen. Simmons

Month/Year Impact Begins: January 1, 2021

Date of Analysis: November 22, 2019

Section 1: Narrative

a. Current Law:

Section 196.102, Florida Statutes, grants an exemption for certain totally and permanently disabled first responders and their surviving spouses. S. 196.102(1)(b) states "'First responder' has the same meaning as in s. 196.081." Subsection 2 states "(2) Any real estate that is owned and used as a homestead by a person who has a total and permanent disability as a result of an injury or injuries sustained in the line of duty while serving as a first responder in this state or during an operation in another state or country authorized by this state or a political subdivision of this state is exempt from taxation if the first responder is a permanent resident of this state on January 1 of the year for which the exemption is being claimed."

In s. 196.081, F.S., "first responder" is defined as "a law enforcement officer or correctional officer as defined in s. 943.10, a firefighter as defined in s. 633.102, or an emergency medical technician or paramedic as defined in s. 401.23 who is a full-time paid employee, part-time paid employee, or unpaid volunteer."

S. 943.10, F.S., defines "law enforcement officer" as "any person who is elected, appointed, or employed full time by any municipality or the state or any political subdivision thereof; who is vested with authority to bear arms and make arrests; and whose primary responsibility is the prevention and detection of crime or the enforcement of the penal, criminal, traffic, or highway laws of the state. This definition includes all certified supervisory and command personnel whose duties include, in whole or in part, the supervision, training, guidance, and management responsibilities of full-time law enforcement officers, part-time law enforcement officers, or auxiliary law enforcement officers but does not include support personnel employed by the employing agency."

It defines "correctional officer" as "any person who is appointed or employed full time by the state or any political subdivision thereof, or by any private entity which has contracted with the state or county, and whose primary responsibility is the supervision, protection, care, custody, and control, or investigation, of inmates within a correctional institution; however, the term 'correctional officer' does not include any secretarial, clerical, or professionally trained personnel."

S. 633.102, F.S., defines "firefighter" as "an individual who holds a current and valid Firefighter Certificate of Compliance or Special Certificate of Compliance issued by the division under s. 633.408."

S. 401.23, F.S., defines "emergency medical technician" as "a person who is certified by the [Department of Health] to perform basic life support pursuant to this part" and "paramedic" as "a person who is certified by the [Department of Health] to perform basic and advanced life support pursuant to this part."

b. Proposed Change:

This bill expands the definition of "first responder" in s. 196.102(1)(b) to read "(b) 'First responder' means either of the following:

"1. A law enforcement officer or correctional officer as defined in s. 943.10 or a firefighter as defined in s. 633.102.

"2. An emergency medical technician or paramedic as defined in s. 401.23 who is a full-time paid employee, part-time paid employee, or unpaid volunteer.

"3. A law enforcement officer or firefighter who, before becoming a resident of this state, sustained a total and permanent disability in the line of duty while serving as a full-time paid law enforcement officer or firefighter in another state. As used in this subparagraph, the term 'law enforcement officer' means a person who was employed full time by a municipality of another state, by another state, or by any political subdivision thereof; who was vested with authority to bear arms and make arrests; and whose primary responsibility was the prevention and detection of crime or the enforcement of the penal, criminal, traffic, or highway laws of that state."

Subsection (2) expands the eligibility requirement to those with a total and permanent disability stemming from a line of duty injury "while serving as a first responder in this state, in another state as provided under subparagraph (1)(b)3., or during an operation in another state or country authorized by this state or a political subdivision of this state."

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: First Responder Exemption/Another State/Firefighters and Law Enforcement

Bill Number(s): HB 281/SB484

Section 2: Description of Data and Sources

Property Tax Data Book (Final), 2012-2019—*Procure this from PTO office, as usual NAL file omits confidential data and will underestimate values*

Bureau of Labor Statistics Occupational Employment Statistics (OES) Survey, May 2018

U.S. Census Bureau Employment Estimates

Bureau of Justice Statistics 2008 Census of State and Local Law Enforcement Agencies

Demographic Estimating Conference, July 2019

Ad Valorem Assessments Revenue Estimating Conference, March 2019—Detailed Report from Governor’s Office (Cell BE14)

Section 3: Methodology (Include Assumptions and Attach Details)

The bill removes the employment requirement limiting first responders to those that worked in or for Florida. The expanded definition of “first responder” allows law enforcement officers and firefighters who worked and were injured in Florida or another state. This language does not include out-of-state corrections officers. This analysis assumes that out of state law enforcement officers, firefighters that meet the other exemption requirements would receive the exemption. It is also assumed that the phrase “full-time paid” on line 28 refers to both law enforcement officers and firefighters, i.e., volunteer firefighters are excluded.

The estimate is based on the number of homesteads currently receiving this exemption. In 2019, there were 555. This includes some surviving spouses of first responders who died in the line of duty (granted under s. 196.081, F.S.), so 5% of the current exemption value was removed to estimate only exemptions under s. 196.102, F.S. That exemption value was grown throughout the forecast period using the homestead assessed value growth rate from the most recent Ad Valorem Assessments REC. The first year of taxable value impact is based on a similar exemption whose residency requirement was removed in 2013 (s. 196.082, F.S.). The subsequent years of taxable value impact are based on the estimated number of eligible migrants moving to Florida multiplied by the average exemption value.

The migration estimate was based on the most recent Demographic Estimating Conference net migration calendar year totals, US Census population totals, and employment data from the 2018 BLS Occupation Employment Statistics Survey was used. The population and employment totals for each eligible job type was aggregated into two groups: Florida and Not Florida. The percent of non-Floridians working in eligible careers is 0.885%. The ratio of Floridians working in eligible careers to those currently receiving this exemption (expressed as a percentage) is 0.42%. It is assumed that 0.42% of 0.885% of net migrants to Florida will be eligible for this exemption, which is an average of 12 per year.

Each individual year’s taxable value impact is the difference between the new exemption value and the exemption value under current law, which is the 2019 exemption value grown by the homestead assessed value growth rate from the most recent Ad Valorem Assessments REC. Individual year taxable value impacts must be stacked. The prior year’s impact is grown by the AV growth rate, reduced by 5% to account for decay (remarriage, death, or homestead abandonment), and added to the next year’s new exemptions (migration). The non-school taxable value impact is multiplied by 120.5% to estimate the school taxable value impact.

The fiscal impact is calculated using the 2018 effective statewide millage rates for school and non-school purposes. The middle taxable value impact estimate is unadjusted. The low is reduced by 20% and the high is increased by 20%.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	0	\$ (6.7 M)	0	\$ (5.6 M)	0	\$ (4.4 M)
2021-22	\$ (6.2 M)	\$ (6.2 M)	\$ (5.1 M)	\$ (5.1 M)	\$ (4.1 M)	\$ (4.1 M)
2022-23	\$ (6.4 M)	\$ (6.4 M)	\$ (5.3 M)	\$ (5.3 M)	\$ (4.2 M)	\$ (4.2 M)
2023-24	\$ (6.5 M)	\$ (6.5 M)	\$ (5.4 M)	\$ (5.4 M)	\$ (4.3 M)	\$ (4.3 M)
2024-25	\$ (6.7 M)	\$ (6.7 M)	\$ (5.6 M)	\$ (5.6 M)	\$ (4.5 M)	\$ (4.5 M)

List of affected Trust Funds: Ad Valorem

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: First Responder Exemption/Another State/Firefighters and Law Enforcement

Bill Number(s): HB 281/SB484

Section 5: Consensus Estimate (Adopted: 11/22/2019): The Conference adopted the middle estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	0.0	(2.3)	0.0	(3.2)	0.0	(5.6)
2021-22	(2.1)	(2.1)	(3.0)	(3.0)	(5.1)	(5.1)
2022-23	(2.2)	(2.2)	(3.1)	(3.1)	(5.3)	(5.3)
2023-24	(2.3)	(2.3)	(3.2)	(3.2)	(5.4)	(5.4)
2024-25	(2.3)	(2.3)	(3.2)	(3.2)	(5.6)	(5.6)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	0.0	0.0	0.0	0.0	0.0	(5.6)	0.0	(5.6)
2021-22	0.0	0.0	0.0	0.0	(5.1)	(5.1)	(5.1)	(5.1)
2022-23	0.0	0.0	0.0	0.0	(5.3)	(5.3)	(5.3)	(5.3)
2023-24	0.0	0.0	0.0	0.0	(5.4)	(5.4)	(5.4)	(5.4)
2024-25	0.0	0.0	0.0	0.0	(5.6)	(5.6)	(5.6)	(5.6)

	A	B	C	D	E	F	G	H	I	J	K	L
1	Impact Calculations											
2	Current Exemption											
3	An estimated 5% of the exemptions recoded under this exemption code on the rolls are from s. 196.081, F.S.											
4				Total	95%							
5	Exemption Value			\$ 114,701,392	\$ 108,966,322							
6	Exemption Count			\$ 555	\$ 527							
7	*Number provided by PTO office due to confidential data: Nearly half of Miami-Dade's and Broward's exemptions were not visible due to confidentiality in the normal NAL files											
8	Assessed Value and Exemption Value Growth											
9												
10		Roll Year	Homestead AV Total	Annual Growth	First Responders Exemption	Average Exemption Value Est.						
11		2018	816,412,856,635		108,966,322	206,669						
12		2019	870,030,447,076	6.57%	116,122,642	220,242						
13		2020	934,650,412,531	7.43%	124,747,445	236,600						
14		2021	997,331,356,210	6.71%	133,113,448	252,467						
15		2022	1,070,521,110,695	7.34%	142,882,057	270,995						
16		2023	1,144,245,130,869	6.89%	152,721,975	289,658						
17		2024	1,221,208,455,775	6.73%	162,994,241	309,140						
18	Source: AV REC Detailed Report from Governor's Office											

	A	B	C	D	E	F	G	H	I	J	K	L
19												
20	Estimated Out-of-State Employees in Eligible Careers											
21	- EMTs, Paramedics, Firefighters, and Law Enforcement Officers are included in the analysis. Non-Floridian EMT/paramedics and corrections officers are excluded.											
22												
23	Total Employed 2018						Total Employed 2013					
24	AREA						AREA					
25		JOB TITLE	FL	USA	Not FL			JOB TITLE	FL	USA	Not FL	
26	EMTs/Paramedics						EMTs/Paramedics					
27		Emergency Medical Technicians and Paramedics	11,130	257,210	246,080			Emergency Medical Technicians and Paramedics	9,400	237,810	228,410	
28	Firefighters						Firefighters					
29		Fire Inspectors and Investigators	970	12,530	11,560			Fire Inspectors and Investigators	850	11,320	10,470	
30		Firefighters	22,690	321,570	298,880			Firefighters	23,750	303,890	280,140	
31		First-Line Supervisors of Fire Fighting and Prevention Workers	4,240	65,920	61,680			First-Line Supervisors of Fire Fighting and Prevention Workers	2,940	59,740	56,800	
32		Forest Fire Inspectors and Prevention Specialists		2,130	2,130			Forest Fire Inspectors and Prevention Specialists		1,040	1,040	
33	Law Enforcement Officers						Law Enforcement Officers					
34		Detectives and Criminal Investigators	6,600	103,450	96,850			Detectives and Criminal Investigators	7,050	110,690	103,640	
35		First-Line Supervisors of Police and Detectives	6,840	116,660	109,820			First-Line Supervisors of Police and Detectives	3,930	99,630	95,700	
36		Police and Sheriff's Patrol Officers	37,650	661,330	623,680			Police and Sheriff's Patrol Officers	36,550	653,540	616,990	
37	Corrections Officers						Corrections Officers					
38		Correctional Officers and Jailers	33,060	415,000	381,940			Correctional Officers and Jailers	32,870	436,250	403,380	
39		First-Line Supervisors of Correctional Officers	2,360	43,760	41,400			First-Line Supervisors of Correctional Officers	1,980	44,620	42,640	
40		TOTAL EMPLOYED IN ALL TITLES	125,540	1,999,560	1,874,020			TOTAL EMPLOYED IN ALL TITLES	119,320	1,958,530	1,839,210	
41	Source: 2018 BLS Occupational Employment Statistics (OES) Survey, May 2018						Source: 2013 BLS Occupational Employment Statistics (OES) Survey, May 2013					
42												

	A	B	C	D	E	F	G	H	I	J	K	L
43												
44			AREA						AREA			
45			Job Group	FL	Not FL	Total		Job Group	FL	Not FL	Total	
46			Emergency Medical Technicians and Paramedics	11,130	246,080	11,130		Emergency Medical Technicians and Paramedics	9,400	228,410	237,810	
47			Firefighters	27,900	374,250	402,150		Firefighters	27,540	348,450	375,990	
48			Law Enforcement Officers	51,090	830,350	881,440		Law Enforcement Officers	47,530	816,330	863,860	
49			Corrections Officers	35,420	423,340	35,420		Corrections Officers	34,850	446,020	480,870	
50			Total	125,540	1,204,600	1,330,140		Total	119,320	1,839,210	1,958,530	
51			Source: 2018 BLS Occupational Employment Statistics (OES) Survey, May 2018					Source: 2013 BLS Occupational Employment Statistics (OES) Survey, May 2013				
52												
53			Current Exemptions	527								
54			Current Exemptions as Percent of Current Employed	0.42%								
55												
56			First Year Growth (based on residency requirement removal of related exemption)									
57												
58			S. 196.082, F.S., Discount based on disability percentage -- Residency Requirement was removed for the 2013 roll									
59												
60			Total Data Book Value		Annual % Change		School as a % of Non-School					
61		Roll Year	School	Non-School	School	Non-School						
62		2012F*	45,577,066	36,064,989			126.4%					
63		2013F	254,361,617	211,078,919	458.1%	485.3%	120.5%					
64												
65				Eligible Non-Floridians in 2013	Percent of Total							
66			Total	1,839,210								
67			Excluded EMT and Paramedics	228,410								
68			Excluded Corrections Officers	446,020	36.67%							
69												
70			Reduced Expansion Percent		307.33%							
71												

	A	B	C	D	E	F	G	H	I	J	K	L
72	Migration Estimate											
73				Total Employment								
74			USA	144,733,270								
75			FLORIDA	8,608,660								
76			Not Florida Total	136,124,610								
77			Not Florida, Eligible	1,204,600								
78			*Last year's numbers were inaccurate.									
79			Percent of Not-FL Eligible	0.885%								
80			Current Exemptions as Percent of Employed	0.42%								
81												
82		Calendar Year	Net Migration to Florida	Eligible & Migrating	Roll Year							
83		2018	348,300	13	2019							
84		2019	339,900	13	2020							
85		2020	329,000	12	2021							
86		2021	320,000	12	2022							
87		2022	311,100	12	2023							
88		2023	300,800	11	2024							
89		2024	290,500	11	2025							
90		Migration Estimates: July 2019 Demographic Conference										
91												
92	Expanded Exemption Single Year Impact: Residency Requirement Removal for Current Residents & Migration											
93												
94		Roll Year	Exemption Under Current Law	Non-School Growth	Expanded Exemption Value	Migrating & Eligible	Average Exmpt Value	TV Impact				
96		2019	116,122,642					0				
97		2020*	124,747,445					-284,344,878				
98		2021	133,113,448	307.3%	409,092,324	12	252,467	-275,978,876				
99		2022	142,882,057			12	270,995	-3,222,937				
100		2023	152,721,975			12	289,658	-3,349,081				
101		2024	162,994,241			11	309,140	-3,456,004				
102		* The 2020 impact is calculated for the recurring impact only. It is the 2021 estimate less growth from 2020-2021.										

	A	B	C	D	E	F	G	H	I	J	K	L
103												
104	Stacked TV Impact											
105												
106		Annual Decay	5%									
107		Non-School to School	120.5%									
108												
109		TV Impact										
110		Roll Year	Non-School	School								
111		2019*	0	0								
112		2020	-298,562,122	-359,783,651								
113		2021	-275,978,876	-332,569,607								
114		2022	-284,643,099	-343,010,469								
115		2023	-292,382,527	-352,336,902								
116		2024	-299,902,110	-361,398,410								
117		* The 2020 impact is calculated for the recurring impact only. Instead of a 5% decay, there is an additional 5% bonus.										
118												
119	High, Middle, & Low											
120												
121		Range	Adjustment									
122		High	20%									
123		Middle	0%									
124		Low	-20%									
125												
126	Fiscal Impact											
127												
128			Statewide Effective Millage Rates									
129		School	6.4596									
130		Non-School	10.8122									
131		Total	17.2718									
132												

	A	B	C	D	E	F	G
1	Impact Summary						
2							
3	School Impact						
4		High		Middle		Low	
5	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
7	2020-21	\$ (2.8 M)	\$ (2.8 M)	\$ (2.3 M)	\$ (2.3 M)	\$ (1.9 M)	\$ (1.9 M)
8	2021-22	\$ (2.6 M)	\$ (2.6 M)	\$ (2.1 M)	\$ (2.1 M)	\$ (1.7 M)	\$ (1.7 M)
9	2022-23	\$ (2.7 M)	\$ (2.7 M)	\$ (2.2 M)	\$ (2.2 M)	\$ (1.8 M)	\$ (1.8 M)
10	2023-24	\$ (2.7 M)	\$ (2.7 M)	\$ (2.3 M)	\$ (2.3 M)	\$ (1.8 M)	\$ (1.8 M)
11	2024-25	\$ (2.8 M)	\$ (2.8 M)	\$ (2.3 M)	\$ (2.3 M)	\$ (1.9 M)	\$ (1.9 M)
12							
13	Non-School Impact						
14		High		Middle		Low	
15	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
17	2020-21	\$ (3.9 M)	\$ (3.9 M)	\$ (3.2 M)	\$ (3.2 M)	\$ (2.6 M)	\$ (2.6 M)
18	2021-22	\$ (3.6 M)	\$ (3.6 M)	\$ (3.0 M)	\$ (3.0 M)	\$ (2.4 M)	\$ (2.4 M)
19	2022-23	\$ (3.7 M)	\$ (3.7 M)	\$ (3.1 M)	\$ (3.1 M)	\$ (2.5 M)	\$ (2.5 M)
20	2023-24	\$ (3.8 M)	\$ (3.8 M)	\$ (3.2 M)	\$ (3.2 M)	\$ (2.5 M)	\$ (2.5 M)
21	2024-25	\$ (3.9 M)	\$ (3.9 M)	\$ (3.2 M)	\$ (3.2 M)	\$ (2.6 M)	\$ (2.6 M)
22							
23	Total Impact						
24		High		Middle		Low	
25	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
27	2020-21	\$ (6.7 M)	\$ (6.7 M)	\$ (5.6 M)	\$ (5.6 M)	\$ (4.4 M)	\$ (4.4 M)
28	2021-22	\$ (6.2 M)	\$ (6.2 M)	\$ (5.1 M)	\$ (5.1 M)	\$ (4.1 M)	\$ (4.1 M)
29	2022-23	\$ (6.4 M)	\$ (6.4 M)	\$ (5.3 M)	\$ (5.3 M)	\$ (4.2 M)	\$ (4.2 M)
30	2023-24	\$ (6.5 M)	\$ (6.5 M)	\$ (5.4 M)	\$ (5.4 M)	\$ (4.3 M)	\$ (4.3 M)
31	2024-25	\$ (6.7 M)	\$ (6.7 M)	\$ (5.6 M)	\$ (5.6 M)	\$ (4.5 M)	\$ (4.5 M)

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: SOH Portability Timeframes

Bill Number(s): SJR 146/ HJR 369

Entire Bill

Partial Bill:

Sponsor(s): Sen. Brandes

Month/Year Impact Begins: January 1, 2021

Date of Analysis: November 21, 2019

Section 1: Narrative

a. Current Law:

Article VII, Section 4 of the Constitution states, in relevant part, "(d) All persons entitled to a homestead exemption under Section 6 of this Article shall have their homestead assessed at just value as of January 1 of the year following the effective date of this amendment. This assessment shall change only as provided in this subsection. [...]"

"(8)a. A person who establishes a new homestead as of January 1, 2009, or January 1 of any subsequent year and who has received a homestead exemption pursuant to Section 6 of this Article as of January 1 of either of the two years immediately preceding the establishment of the new homestead is entitled to have the new homestead assessed at less than just value. If this revision is approved in January of 2008, a person who establishes a new homestead as of January 1, 2008, is entitled to have the new homestead assessed at less than just value only if that person received a homestead exemption on January 1, 2007. The assessed value of the newly established homestead shall be determined as follows: ..." and then describes how to calculate the value in different circumstances.

Section 4(d)(8)b. states "By general law and subject to conditions specified therein, the legislature shall provide for application of this paragraph to property owned by more than one person."

b. Proposed Change:

This resolution proposes an amendment that would remove references to years no longer relevant and increases the period between homesteads from two years to three years. Section (8)a. is revised to begin "(8)a. A person who establishes a new homestead as of January 1 and who has received a homestead exemption pursuant to Section 6 of this Article as of January 1 of any of the three years immediately preceding the establishment of the new homestead is entitled to have the new homestead assessed at less than just value. The assessed value of the newly established homestead shall be determined as follows: ..."

Article XII is amended to include "Transfer of the accrued benefit from specified limitations on homestead property tax assessments; increased portability period.—This section and the amendment to Section 4 of Article VII, which extends to three years the time period during which the accrued benefit from specified limitations on homestead property tax assessments may be transferred from a prior homestead to a new homestead, shall take effect January 1, 2021."

The ballot measure to amend the constitution will state "LIMITATIONS ON HOMESTEAD PROPERTY TAX ASSESSMENTS; INCREASED PORTABILITY PERIOD TO TRANSFER ACCRUED BENEFIT.— Proposing an amendment to the State Constitution, effective January 1, 2021, to increase, from 2 years to 3 years, the period of time during which accrued Save-Our-Homes benefits may be transferred from a prior homestead to a new homestead."

Section 2: Description of Data and Sources

Ad Valorem Revenue Estimating Conference, Save-Our-Homes (SOH) Transfer Value, August 2019 (Cell BJ14)

Real Property Assessment Rolls (Final), 2013-2018

2018 Florida Ad Valorem Valuation and Tax Data Book (Final), 2008 Constitutional Amendment Impact Report

Communication with Property Appraiser's Offices

Section 3: Methodology (Include Assumptions and Attach Details)

The methodology description is identical to the one in the impact analysis for SB 324. However, the proposed fiscal impact is contingent on the passage of a constitutional amendment and an implementing bill and is presented as zero/negative indeterminate.

The real property assessment rolls include six fields containing homestead portability information. The relevant fields are a flag for any parcel whose owner(s) transferred homestead benefits and are establishing a new homestead on that roll, the assessment differential transferred, and the Year Value Transferred, which must be either of the previous two years. The Year Value Transferred field refers to the last year the owner had a homestead classification on the previous home (typically the sale year).

Parcels flagged in the Assessment Differential Transfer Flag field were extracted from the statewide 2013-2018 rolls. In 2018, there were 22 counties whose rolls include portability information for homeowners establishing new homesteads where the assessment differential transferred was \$0. As these records artificially inflate the parcel count, these cases were not included in the analysis.

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: SOH Portability Timeframes

Bill Number(s): SJR 146/ HJR 369

For each roll year, the transfers were aggregated by county and Year Value Transferred. On the 2018 roll, for example, all transfers where the previous homestead was abandoned in 2017 were aggregated separately from all instances where the previous homestead was abandoned in 2016. Cases where the Year Value Transferred was incorrectly entered into the system (typographical errors, etc.) were excluded, leaving two prior years for each roll. Because the 2013-2018 rolls were analyzed, the relationship between the first and second years of eligibility can be examined for homesteads abandoned from 2012 to 2016. (Only the second year of eligibility for 2011 sales was on the 2013 roll, and the second year of eligibility for 2017 sales will be 2019.)

Using the statewide aggregates, the percent change in differential transferred (and parcel counts) from the first year of eligibility to the second year was calculated for each abandonment year. These were all steep drops ranging from -80% to -83%. Following the conference’s preference for similar bills during the 2018 session, a drop of -85% was assumed to calculate the third-year estimate. Thus, the differential transferred during a possible third year of eligibility equals the differential transferred during the second year of eligibility reduced by 85%.

The ratio of the estimated third-year differential to the sum of the first- and second-year differentials transferred was calculated for homesteads abandoned in 2012-2016. These ratios are expressed as percentages, the lowest and highest of which are used in the low and high impact calculations (2.25% and 2.55%). The middle estimate uses the average of those two percentages (2.40%).

To project our estimates into the future, we transformed differential transferred value from roll year to creation year by taking 85% of the value in the first year of eligibility and 15% of the value in the second year of eligibility for value created in 2016-2022. The August 2019 Ad Valorem Revenue Estimating Conference estimates were used for future roll years. For roll years with actual data, the totals were taken from the most recent Ad Valorem Data Book (which includes confidential parcels). For example, the differential created in 2017 is the sum of 85% of the 2018 ported roll value and 15% of the 2019 ported estimate.

The differentials created in 2016 through 2022 are multiplied by the low, middle, and high third-year percentages to calculate the taxable value impact on the 2020-2025 rolls. However, assessment caps continue to affect taxable value until the entire differential is recaptured (if ever) or the property is sold. Starting in 2022 (the year after the bill would go into effect), the roll’s impact was stacked with the prior roll’s impact. It is assumed that there is no decay (sales, recapture) or growth (just value growth faster than recapture) during the forecast period to the prior year’s taxable value impact when stacking.

The proposed impact is zero/negative indeterminate as any fiscal impact is contingent on the ballot measure being approved in the next general election and the adoption of an implementing bill.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21		(0/**)		(0/**)		(0/**)
2021-22	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)
2022-23	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)
2023-24	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)
2024-25	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)	(0/**)

List of affected Trust Funds: Ad Valorem

Section 5: Consensus Estimate (Adopted: 11/22/2019): 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:

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	0.0	(3.8)	0.0	(6.4)	0.0	(10.2)
2021-22	(0.7)	(3.8)	(1.2)	(6.4)	(1.8)	(10.2)
2022-23	(1.5)	(3.8)	(2.4)	(6.4)	(3.9)	(10.2)
2023-24	(2.2)	(3.8)	(3.8)	(6.4)	(6.0)	(10.2)
2024-25	(3.0)	(3.8)	(5.1)	(6.4)	(8.1)	(10.2)

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: SOH Portability Timeframes

Bill Number(s): SJR 146/ HJR 369

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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/**)
2024-25	0.0	0.0	0.0	0.0	(0/**)	(0/**)	(0/**)	(0/**)

	A	B	C	D	E	F	G	H
1	Impact Summary							
2								
3	School Impact							
4		High		Middle		Low		
5	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring	
7	2020-21	\$ -	\$ (4.1 M)	\$ -	\$ (3.8 M)	\$ -	\$ (3.6 M)	
8	2021-22	\$ (0.7 M)	\$ (4.1 M)	\$ (0.7 M)	\$ (3.8 M)	\$ (0.6 M)	\$ (3.6 M)	
9	2022-23	\$ (1.6 M)	\$ (4.1 M)	\$ (1.5 M)	\$ (3.8 M)	\$ (1.4 M)	\$ (3.6 M)	
10	2023-24	\$ (2.4 M)	\$ (4.1 M)	\$ (2.2 M)	\$ (3.8 M)	\$ (2.1 M)	\$ (3.6 M)	
11	2024-25	\$ (3.2 M)	\$ (4.1 M)	\$ (3.0 M)	\$ (3.8 M)	\$ (2.8 M)	\$ (3.6 M)	
12								
13	Non-School Impact							
14		High		Middle		Low		
15	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring	
17	2020-21	\$ -	\$ (6.8 M)	\$ -	\$ (6.4 M)	\$ -	\$ (6.0 M)	
18	2021-22	\$ (1.2 M)	\$ (6.8 M)	\$ (1.2 M)	\$ (6.4 M)	\$ (1.1 M)	\$ (6.0 M)	
19	2022-23	\$ (2.6 M)	\$ (6.8 M)	\$ (2.4 M)	\$ (6.4 M)	\$ (2.3 M)	\$ (6.0 M)	
20	2023-24	\$ (4.0 M)	\$ (6.8 M)	\$ (3.8 M)	\$ (6.4 M)	\$ (3.5 M)	\$ (6.0 M)	
21	2024-25	\$ (5.4 M)	\$ (6.8 M)	\$ (5.1 M)	\$ (6.4 M)	\$ (4.8 M)	\$ (6.0 M)	
22								
23	Total Impact							
24		High		Middle		Low		
25	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring	
27	2020-21	\$ -	\$ (10.9 M)	\$ -	\$ (10.2 M)	\$ -	\$ (9.6 M)	
28	2021-22	\$ (2.0 M)	\$ (10.9 M)	\$ (1.8 M)	\$ (10.2 M)	\$ (1.7 M)	\$ (9.6 M)	
29	2022-23	\$ (4.2 M)	\$ (10.9 M)	\$ (3.9 M)	\$ (10.2 M)	\$ (3.7 M)	\$ (9.6 M)	
30	2023-24	\$ (6.4 M)	\$ (10.9 M)	\$ (6.0 M)	\$ (10.2 M)	\$ (5.6 M)	\$ (9.6 M)	
31	2024-25	\$ (8.6 M)	\$ (10.9 M)	\$ (8.1 M)	\$ (10.2 M)	\$ (7.6 M)	\$ (9.6 M)	
32								

	A	B	C	D	E	F	G	H	I	J
1	Impact Estimate Calculations - REVISED for Recurring Estimate									
2										
3	Calculate the projected differential transfer amount during third year of eligibility.									
4	Comparison between First- and Second-Year of Eligibility								Third Year Projection	
5	Year of Abandonment	First Year Differentials	First Year Counts	Second Year Differentials	Second Year Counts	Percent Change in Differential	Percent Change in Parcels	Discount Factor Used	Third Year Differentials	Third Year Counts
6	2012	\$ 435,554,333	14,974	\$ 89,205,864	2,480	-80%	-83%	-85%	\$ 13,380,880	372
7	2013	\$ 795,144,364	34,111	\$ 140,863,499	5,645	-82%	-83%	-85%	\$ 21,129,525	847
8	2014	\$ 1,585,234,919	50,100	\$ 301,399,651	8,881	-81%	-82%	-85%	\$ 45,209,948	1,332
9	2015	\$ 2,512,605,900	61,318	\$ 443,494,319	10,586	-82%	-83%	-85%	\$ 66,524,148	1,588
10	2016	\$ 3,105,704,428	65,950	\$ 547,620,041	11,471	-82%	-83%	-85%	\$ 82,143,006	1,721
11										
12	Calculate the percent of the creation year's transferred amount that is the third year differential estimate.									
13	Third Year Projection			Estimated Third Year Differential as Percent of Amount Transferred by Creation Year						
14	Year of Abandonment	Third Year Differentials	Third Year Counts	Creation Year	Transferred amount by Creation Year	Percent				
15	2012	\$ 13,380,880	372	2012	\$ 524,760,197	2.55%				
16	2013	\$ 21,129,525	847	2013	\$ 936,007,863	2.26%				
17	2014	\$ 45,209,948	1,332	2014	\$ 1,886,634,570	2.40%				
18	2015	\$ 66,524,148	1,588	2015	\$ 2,956,100,219	2.25%				
19	2016	\$ 82,143,006	1,721	2016	\$ 3,653,324,469	2.25%				
20										
21	Convert the values from roll year to creation year and apply the high, middle, and low percentages to calculate taxable value impact on future rolls.									
22	TV Impact on Individual Rolls									
23	Convert Roll Year to Creation Year					2.55%	2.40%	2.25%		
24	Year	Transferred Amount by Roll Year	Differential by Creation Year*	Roll Year Impact	High	Middle	Low			
25	2016		\$ 3,618,103,022	2019	\$ (92,258,142)	\$ (86,804,607)	\$ (81,351,071)			
26	2017	\$ 3,528,811,877	\$ 4,161,153,453	2020	\$ (106,105,405)	\$ (99,833,334)	\$ (93,561,264)			
27	2018	\$ 4,124,086,179	\$ 4,461,293,211	2021	\$ (113,758,680)	\$ (107,034,211)	\$ (100,309,742)			
28	2019	\$ 4,371,201,338	\$ 4,979,597,692	2022	\$ (126,974,945)	\$ (119,469,240)	\$ (111,963,535)			
29	2020	\$ 4,971,813,821	\$ 5,039,386,193	2023	\$ (128,499,494)	\$ (120,903,671)	\$ (113,307,847)			
30	2021	\$ 5,023,706,295	\$ 5,125,379,454	2024	\$ (130,692,240)	\$ (122,966,799)	\$ (115,241,359)			
31	2022	\$ 5,128,238,947	\$ 5,114,994,123	2025	\$ (130,427,424)	\$ (122,717,637)	\$ (115,007,850)			
32	2023	\$ 5,109,175,659								
33	2024	\$ 5,147,965,415								
34	* Differential by Creation Year contains 85% of the next roll's port value (1st year of eligibility) and 15% of the roll value after that (2nd year of eligibility).									
35	Note: Numbers came from Ad Valorem REC Detailed Report from Governor's office, Cell B14									
36	Stack the taxable value impact of post-2021 rolls to account for the continuing assessment differential.									
37	Stacked TV Impact (prior year adjusted by change rate)									
38	Differential Change Rate		Roll Year Impact	High	Middle	Low				
39	0.00%		2019	\$ (92,258,142)	\$ (86,804,607)	\$ (81,351,071)				
40			2020	\$ (106,105,405)	\$ (99,833,334)	\$ (93,561,264)				
41			2021	\$ (113,758,680)	\$ (107,034,211)	\$ (100,309,742)				
42			2022	\$ (240,733,625)	\$ (226,503,451)	\$ (212,273,278)				
43			2023	\$ (369,233,119)	\$ (347,407,122)	\$ (325,581,125)				
44			2024	\$ (499,925,359)	\$ (470,373,921)	\$ (440,822,484)				
45			2025	\$ (630,352,782)	\$ (593,091,558)	\$ (555,830,334)				
46										

	A	B	C	D	E	F	G	H	I	J
47	Use the 2018 statewide effective millage rates to calculate the impact on ad valorem levies.									
48	School Tax Impact									
49		2018 Statewide School Millage		Fiscal Year Impact	High	Middle	Low			
50		6.4596		2020-21	\$ (685,402)	\$ (644,887)	\$ (604,371)			
51				2021-22	\$ (734,839)	\$ (691,402)	\$ (647,964)			
52				2022-23	\$ (1,555,051)	\$ (1,463,129)	\$ (1,371,207)			
53				2023-24	\$ (2,385,110)	\$ (2,244,122)	\$ (2,103,134)			
54				2024-25	\$ (3,229,334)	\$ (3,038,443)	\$ (2,847,551)			
55				2025-26	\$ (4,071,847)	\$ (3,831,153)	\$ (3,590,460)			
56										
57	Non-School Tax Impact									
58		2018 Statewide Non-School Millage		Fiscal Year Impact	High	Middle	Low			
59		10.8122		2020-21	\$ (1,147,231)	\$ (1,079,416)	\$ (1,011,602)			
60				2021-22	\$ (1,229,980)	\$ (1,157,274)	\$ (1,084,567)			
61				2022-23	\$ (2,602,856)	\$ (2,448,997)	\$ (2,295,138)			
62				2023-24	\$ (3,992,216)	\$ (3,756,230)	\$ (3,520,243)			
63				2024-25	\$ (5,405,285)	\$ (5,085,769)	\$ (4,766,254)			
64				2025-26	\$ (6,815,490)	\$ (6,412,615)	\$ (6,009,740)			
65										
66	Total Tax Impact									
67		2018 Statewide Total Millage		Fiscal Year Impact	High	Middle	Low			
68		17.2718		2020-21	\$ (1,832,633)	\$ (1,724,303)	\$ (1,615,973)			
69				2021-22	\$ (1,964,819)	\$ (1,848,675)	\$ (1,732,531)			
70				2022-23	\$ (4,157,907)	\$ (3,912,126)	\$ (3,666,345)			
71				2023-24	\$ (6,377,327)	\$ (6,000,352)	\$ (5,623,377)			
72				2024-25	\$ (8,634,619)	\$ (8,124,212)	\$ (7,613,805)			
73				2025-26	\$ (10,887,337)	\$ (10,243,768)	\$ (9,600,199)			
74										
75	Impact Summary - REVISED RECURRING ESTIMATES									
76										
77	School Impact									
78		High		Middle		Low				
79	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring			
81	2020-21	\$ -	\$ (4.1 M)	\$ -	\$ (3.8 M)	\$ -	\$ (3.6 M)			
82	2021-22	\$ (0.7 M)	\$ (4.1 M)	\$ (0.7 M)	\$ (3.8 M)	\$ (0.6 M)	\$ (3.6 M)			
83	2022-23	\$ (1.6 M)	\$ (4.1 M)	\$ (1.5 M)	\$ (3.8 M)	\$ (1.4 M)	\$ (3.6 M)			
84	2023-24	\$ (2.4 M)	\$ (4.1 M)	\$ (2.2 M)	\$ (3.8 M)	\$ (2.1 M)	\$ (3.6 M)			
85	2024-25	\$ (3.2 M)	\$ (4.1 M)	\$ (3.0 M)	\$ (3.8 M)	\$ (2.8 M)	\$ (3.6 M)			
86										
87	Non-School Impact									
88		High		Middle		Low				
89	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring			
91	2020-21	\$ -	\$ (6.8 M)	\$ -	\$ (6.4 M)	\$ -	\$ (6.0 M)			
92	2021-22	\$ (1.2 M)	\$ (6.8 M)	\$ (1.2 M)	\$ (6.4 M)	\$ (1.1 M)	\$ (6.0 M)			
93	2022-23	\$ (2.6 M)	\$ (6.8 M)	\$ (2.4 M)	\$ (6.4 M)	\$ (2.3 M)	\$ (6.0 M)			
94	2023-24	\$ (4.0 M)	\$ (6.8 M)	\$ (3.8 M)	\$ (6.4 M)	\$ (3.5 M)	\$ (6.0 M)			
95	2024-25	\$ (5.4 M)	\$ (6.8 M)	\$ (5.1 M)	\$ (6.4 M)	\$ (4.8 M)	\$ (6.0 M)			
96										
97	Total Impact									
98		High		Middle		Low				
99	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring			
101	2020-21	\$ -	\$ (10.9 M)	\$ -	\$ (10.2 M)	\$ -	\$ (9.6 M)			
102	2021-22	\$ (2.0 M)	\$ (10.9 M)	\$ (1.8 M)	\$ (10.2 M)	\$ (1.7 M)	\$ (9.6 M)			
103	2022-23	\$ (4.2 M)	\$ (10.9 M)	\$ (3.9 M)	\$ (10.2 M)	\$ (3.7 M)	\$ (9.6 M)			
104	2023-24	\$ (6.4 M)	\$ (10.9 M)	\$ (6.0 M)	\$ (10.2 M)	\$ (5.6 M)	\$ (9.6 M)			
105	2024-25	\$ (8.6 M)	\$ (10.9 M)	\$ (8.1 M)	\$ (10.2 M)	\$ (7.6 M)	\$ (9.6 M)			
106										

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: SOH Portability Timeframes (Implementing Bill)

Bill Number(s): SB 148/ HB 371

Entire Bill

Partial Bill:

Sponsor(s): Senator Brandes

Month/Year Impact Begins: January 1, 2021

Date of Analysis: November 21, 2019

Section 1: Narrative

a. Current Law:

Section 193.155(8), Florida Statutes, begins "Property assessed under this section shall be assessed at less than just value when the person who establishes a new homestead has received a homestead exemption as of January 1 of either of the 2 immediately preceding years. A person who establishes a new homestead as of January 1, 2008, is entitled to have the new homestead assessed at less than just value only if that person received a homestead exemption on January 1, 2007, and only if this subsection applies retroactive to January 1, 2008. For purposes of this subsection, a husband and wife who owned and both permanently resided on a previous homestead shall each be considered to have received the homestead exemption even though only the husband or the wife applied for the homestead exemption on the previous homestead. The assessed value of the newly established homestead shall be determined as provided in this subsection."

It further references the period of eligibility ("either of the 2 immediately preceding years") in paragraphs (c) and (d). The subsection continues to describe the circumstances of eligibility, how to calculate the assessment differential transferred, and the application and information sharing processes.

Paragraph (m) allows owners whose homesteads were "significantly damaged or destroyed as a result of a named tropical storm or hurricane" to retroactively abandon their homestead on the date of the storm "even though the owner received a homestead exemption on the property as of January 1 of the year immediately following the named tropical storm or hurricane." The homeowner has the calendar year after the storm to do this and must establish the new homestead on or by January 1 of the second year following the storm or hurricane. This paragraph only applies to homesteads damaged or destroyed on or after January 1, 2017.

b. Proposed Change:

This bill amends subsection (8) to begin "Property assessed under this section shall be assessed at less than just value when the person who establishes a new homestead has received a homestead exemption as of January 1 of any of the 3 immediately preceding years. For purposes of this subsection, a husband and wife who owned and both permanently resided on a previous homestead shall each be considered to have received the homestead exemption even though only the husband or the wife applied for the homestead exemption on the previous homestead. The assessed value of the newly established homestead shall be determined as provided in this subsection."

References to the eligible timeframe in paragraphs (c) and (d) are revised to extend the timeframe to "any of the 3 immediately preceding years." An obsolete provision in paragraph (j) regarding applications for 2008 assessments is deleted.

The timeframe in paragraph (m) of the same subsection is also extended. It states, "The election provided for in this paragraph is available only if the owner establishes a new homestead as of January 1 of the third year immediately following the storm or hurricane."

Section 2 of the bill states "This act applies beginning with the 2021 tax roll." Section 3 provides an effective date contingent on the approval of the constitutional amendment proposed in a companion SJR "or a similar joint resolution having substantially the same specific intent and purpose, if such amendment to the State Constitution is approved at the general election held in November 2020 or at an earlier special election specifically authorized by law for that purpose."

Section 2: Description of Data and Sources

Ad Valorem Revenue Estimating Conference, Save-Our-Homes (SOH) Transfer Value, August 2019 (Cell BJ14)

Real Property Assessment Rolls (Final), 2013-2018

2018 Florida Ad Valorem Valuation and Tax Data Book (Final), 2008 Constitutional Amendment Impact Report

Conversations with Property Appraiser's Offices

Section 3: Methodology (Include Assumptions and Attach Details)

The methodology description is identical to the one in the impact analysis for SJR 326. However, this analysis assumes that the amendment will pass so the proposed fiscal impact is not presented as negative indeterminate.

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: SOH Portability Timeframes (Implementing Bill)

Bill Number(s): SB 148/ HB 371

The real property assessment rolls include six fields containing homestead portability information. The relevant fields are a flag for any parcel whose owner(s) transferred homestead benefits and are establishing a new homestead on that roll, the assessment differential transferred, and the Year Value Transferred, which must be either of the previous two years. The Year Value Transferred field refers to the last year the owner had a homestead classification on the previous home (typically the sale year).

Parcels flagged in the Assessment Differential Transfer Flag field were extracted from the statewide 2013-2018 rolls. In 2018, there were 22 counties whose rolls include portability information for homeowners establishing new homesteads where the assessment differential transferred was \$0. As these records artificially inflate the parcel count, these cases were not included in the analysis.

For each roll year, the transfers were aggregated by county and Year Value Transferred. On the 2018 roll, for example, all transfers where the previous homestead was abandoned in 2017 were aggregated separately from all instances where the previous homestead was abandoned in 2016. Cases where the Year Value Transferred was incorrectly entered into the system (typographical errors, etc.) were excluded, leaving two prior years for each roll. Because the 2013-2018 rolls were analyzed, the relationship between the first and second years of eligibility can be examined for homesteads abandoned from 2012 to 2016. (Only the second year of eligibility for 2011 sales was on the 2013 roll, and the second year of eligibility for 2017 sales will be 2019.)

Using the statewide aggregates, the percent change in differential transferred (and parcel counts) from the first year of eligibility to the second year was calculated for each abandonment year. These were all steep drops ranging from -80% to -83%. Following the conference’s preference for similar bills during the 2018 session, a drop of -85% was assumed to calculate the third-year estimate. Thus, the differential transferred during a possible third year of eligibility equals the differential transferred during the second year of eligibility reduced by 85%.

The ratio of the estimated third-year differential to the sum of the first- and second-year differentials transferred was calculated for homesteads abandoned in 2012-2016. These ratios are expressed as percentages, the lowest and highest of which are used in the low and high impact calculations (2.25% and 2.55%). The middle estimate uses the average of those two percentages (2.40%).

To project our estimates into the future, we transformed differential transferred value from roll year to creation year by taking 85% of the value in the first year of eligibility and 15% of the value in the second year of eligibility for value created in 2016-2022. The August 2019 Ad Valorem Revenue Estimating Conference estimates were used for future roll years. For roll years with actual data, the totals were taken from the most recent Ad Valorem Data Book (which includes confidential parcels). For example, the differential created in 2017 is the sum of 85% of the 2018 ported roll value and 15% of the 2019 ported estimate.

The differentials created in 2016 through 2022 are multiplied by the low, middle, and high third-year percentages to calculate the taxable value impact on the 2020-2025 rolls. However, assessment caps continue to affect taxable value until the entire differential is recaptured (if ever) or the property is sold. Starting in 2022 (the year after the bill would go into effect), the roll’s impact was stacked with the prior roll’s impact. It is assumed that there is no decay (sales, recapture) or growth (just value growth faster than recapture) during the forecast period to the prior year’s taxable value impact when stacking.

The fiscal impact was calculated by applying the 2018 statewide effective millage rates for school and non-school levies to the estimated taxable value impact.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	\$ -	\$ (10.9 M)	\$ -	\$ (10.2 M)	\$ -	\$ (9.6 M)
2021-22	\$ (2.0 M)	\$ (10.9 M)	\$ (1.8 M)	\$ (10.2 M)	\$ (1.7 M)	\$ (9.6 M)
2022-23	\$ (4.2 M)	\$ (10.9 M)	\$ (3.9 M)	\$ (10.2 M)	\$ (3.7 M)	\$ (9.6 M)
2023-24	\$ (6.4 M)	\$ (10.9 M)	\$ (6.0 M)	\$ (10.2 M)	\$ (5.6 M)	\$ (9.6 M)
2024-25	\$ (8.6 M)	\$ (10.9 M)	\$ (8.1 M)	\$ (10.2 M)	\$ (7.6 M)	\$ (9.6 M)

List of affected Trust Funds: Ad Valorem

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: SOH Portability Timeframes (Implementing Bill)

Bill Number(s): SB 148/ HB 371

Section 5: Consensus Estimate (Adopted: 11/22/2019): 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:

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	0.0	(3.8)	0.0	(6.4)	0.0	(10.2)
2021-22	(0.7)	(3.8)	(1.2)	(6.4)	(1.8)	(10.2)
2022-23	(1.5)	(3.8)	(2.4)	(6.4)	(3.9)	(10.2)
2023-24	(2.2)	(3.8)	(3.8)	(6.4)	(6.0)	(10.2)
2024-25	(3.0)	(3.8)	(5.1)	(6.4)	(8.1)	(10.2)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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/**)
2024-25	0.0	0.0	0.0	0.0	(0/**)	(0/**)	(0/**)	(0/**)

	A	B	C	D	E	F	G	H
1	Impact Summary							
2								
3	School Impact							
4		High		Middle		Low		
5	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring	
7	2020-21	\$ -	\$ (4.1 M)	\$ -	\$ (3.8 M)	\$ -	\$ (3.6 M)	
8	2021-22	\$ (0.7 M)	\$ (4.1 M)	\$ (0.7 M)	\$ (3.8 M)	\$ (0.6 M)	\$ (3.6 M)	
9	2022-23	\$ (1.6 M)	\$ (4.1 M)	\$ (1.5 M)	\$ (3.8 M)	\$ (1.4 M)	\$ (3.6 M)	
10	2023-24	\$ (2.4 M)	\$ (4.1 M)	\$ (2.2 M)	\$ (3.8 M)	\$ (2.1 M)	\$ (3.6 M)	
11	2024-25	\$ (3.2 M)	\$ (4.1 M)	\$ (3.0 M)	\$ (3.8 M)	\$ (2.8 M)	\$ (3.6 M)	
12								
13	Non-School Impact							
14		High		Middle		Low		
15	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring	
17	2020-21	\$ -	\$ (6.8 M)	\$ -	\$ (6.4 M)	\$ -	\$ (6.0 M)	
18	2021-22	\$ (1.2 M)	\$ (6.8 M)	\$ (1.2 M)	\$ (6.4 M)	\$ (1.1 M)	\$ (6.0 M)	
19	2022-23	\$ (2.6 M)	\$ (6.8 M)	\$ (2.4 M)	\$ (6.4 M)	\$ (2.3 M)	\$ (6.0 M)	
20	2023-24	\$ (4.0 M)	\$ (6.8 M)	\$ (3.8 M)	\$ (6.4 M)	\$ (3.5 M)	\$ (6.0 M)	
21	2024-25	\$ (5.4 M)	\$ (6.8 M)	\$ (5.1 M)	\$ (6.4 M)	\$ (4.8 M)	\$ (6.0 M)	
22								
23	Total Impact							
24		High		Middle		Low		
25	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring	
27	2020-21	\$ -	\$ (10.9 M)	\$ -	\$ (10.2 M)	\$ -	\$ (9.6 M)	
28	2021-22	\$ (2.0 M)	\$ (10.9 M)	\$ (1.8 M)	\$ (10.2 M)	\$ (1.7 M)	\$ (9.6 M)	
29	2022-23	\$ (4.2 M)	\$ (10.9 M)	\$ (3.9 M)	\$ (10.2 M)	\$ (3.7 M)	\$ (9.6 M)	
30	2023-24	\$ (6.4 M)	\$ (10.9 M)	\$ (6.0 M)	\$ (10.2 M)	\$ (5.6 M)	\$ (9.6 M)	
31	2024-25	\$ (8.6 M)	\$ (10.9 M)	\$ (8.1 M)	\$ (10.2 M)	\$ (7.6 M)	\$ (9.6 M)	
32								

	A	B	C	D	E	F	G	H	I	J
1	Impact Estimate Calculations - REVISED for Recurring Estimate									
2										
3	Calculate the projected differential transfer amount during third year of eligibility.									
4	Comparison between First- and Second-Year of Eligibility								Third Year Projection	
5	Year of Abandonment	First Year Differentials	First Year Counts	Second Year Differentials	Second Year Counts	Percent Change in Differential	Percent Change in Parcels	Discount Factor Used	Third Year Differentials	Third Year Counts
6	2012	\$ 435,554,333	14,974	\$ 89,205,864	2,480	-80%	-83%	-85%	\$ 13,380,880	372
7	2013	\$ 795,144,364	34,111	\$ 140,863,499	5,645	-82%	-83%	-85%	\$ 21,129,525	847
8	2014	\$ 1,585,234,919	50,100	\$ 301,399,651	8,881	-81%	-82%	-85%	\$ 45,209,948	1,332
9	2015	\$ 2,512,605,900	61,318	\$ 443,494,319	10,586	-82%	-83%	-85%	\$ 66,524,148	1,588
10	2016	\$ 3,105,704,428	65,950	\$ 547,620,041	11,471	-82%	-83%	-85%	\$ 82,143,006	1,721
11										
12	Calculate the percent of the creation year's transferred amount that is the third year differential estimate.									
13	Third Year Projection			Estimated Third Year Differential as Percent of Amount Transferred by Creation Year						
14	Year of Abandonment	Third Year Differentials	Third Year Counts	Creation Year	Transferred amount by Creation Year	Percent				
15	2012	\$ 13,380,880	372	2012	\$ 524,760,197	2.55%				
16	2013	\$ 21,129,525	847	2013	\$ 936,007,863	2.26%				
17	2014	\$ 45,209,948	1,332	2014	\$ 1,886,634,570	2.40%				
18	2015	\$ 66,524,148	1,588	2015	\$ 2,956,100,219	2.25%				
19	2016	\$ 82,143,006	1,721	2016	\$ 3,653,324,469	2.25%				
20										
21	Convert the values from roll year to creation year and apply the high, middle, and low percentages to calculate taxable value impact on future rolls.									
22										
23	Convert Roll Year to Creation Year					2.55%	2.40%	2.25%		
24	Year	Transferred Amount by Roll Year	Differential by Creation Year*	Roll Year Impact	High	Middle	Low			
25	2016		\$ 3,618,103,022	2019	\$ (92,258,142)	\$ (86,804,607)	\$ (81,351,071)			
26	2017	\$ 3,528,811,877	\$ 4,161,153,453	2020	\$ (106,105,405)	\$ (99,833,334)	\$ (93,561,264)			
27	2018	\$ 4,124,086,179	\$ 4,461,293,211	2021	\$ (113,758,680)	\$ (107,034,211)	\$ (100,309,742)			
28	2019	\$ 4,371,201,338	\$ 4,979,597,692	2022	\$ (126,974,945)	\$ (119,469,240)	\$ (111,963,535)			
29	2020	\$ 4,971,813,821	\$ 5,039,386,193	2023	\$ (128,499,494)	\$ (120,903,671)	\$ (113,307,847)			
30	2021	\$ 5,023,706,295	\$ 5,125,379,454	2024	\$ (130,692,240)	\$ (122,966,799)	\$ (115,241,359)			
31	2022	\$ 5,128,238,947	\$ 5,114,994,123	2025	\$ (130,427,424)	\$ (122,717,637)	\$ (115,007,850)			
32	2023	\$ 5,109,175,659								
33	2024	\$ 5,147,965,415								
34	* Differential by Creation Year contains 85% of the next roll's port value (1st year of eligibility) and 15% of the roll value after that (2nd year of eligibility).									
35	Note: Numbers came from Ad Valorem REC Detailed Report from Governor's office, Cell B14									
36	Stack the taxable value impact of post-2021 rolls to account for the continuing assessment differential.									
37										
38	Differential Change Rate			Roll Year Impact	High	Middle	Low			
39	0.00%			2019	\$ (92,258,142)	\$ (86,804,607)	\$ (81,351,071)			
40				2020	\$ (106,105,405)	\$ (99,833,334)	\$ (93,561,264)			
41				2021	\$ (113,758,680)	\$ (107,034,211)	\$ (100,309,742)			
42				2022	\$ (240,733,625)	\$ (226,503,451)	\$ (212,273,278)			
43				2023	\$ (369,233,119)	\$ (347,407,122)	\$ (325,581,125)			
44				2024	\$ (499,925,359)	\$ (470,373,921)	\$ (440,822,484)			
45				2025	\$ (630,352,782)	\$ (593,091,558)	\$ (555,830,334)			
46										

	A	B	C	D	E	F	G	H	I	J
47	Use the 2018 statewide effective millage rates to calculate the impact on ad valorem levies.									
48	School Tax Impact									
49		2018 Statewide School Millage		Fiscal Year Impact	High	Middle	Low			
50		6.4596		2020-21	\$ (685,402)	\$ (644,887)	\$ (604,371)			
51				2021-22	\$ (734,839)	\$ (691,402)	\$ (647,964)			
52				2022-23	\$ (1,555,051)	\$ (1,463,129)	\$ (1,371,207)			
53				2023-24	\$ (2,385,110)	\$ (2,244,122)	\$ (2,103,134)			
54				2024-25	\$ (3,229,334)	\$ (3,038,443)	\$ (2,847,551)			
55				2025-26	\$ (4,071,847)	\$ (3,831,153)	\$ (3,590,460)			
56										
57	Non-School Tax Impact									
58		2018 Statewide Non-School Millage		Fiscal Year Impact	High	Middle	Low			
59		10.8122		2020-21	\$ (1,147,231)	\$ (1,079,416)	\$ (1,011,602)			
60				2021-22	\$ (1,229,980)	\$ (1,157,274)	\$ (1,084,567)			
61				2022-23	\$ (2,602,856)	\$ (2,448,997)	\$ (2,295,138)			
62				2023-24	\$ (3,992,216)	\$ (3,756,230)	\$ (3,520,243)			
63				2024-25	\$ (5,405,285)	\$ (5,085,769)	\$ (4,766,254)			
64				2025-26	\$ (6,815,490)	\$ (6,412,615)	\$ (6,009,740)			
65										
66	Total Tax Impact									
67		2018 Statewide Total Millage		Fiscal Year Impact	High	Middle	Low			
68		17.2718		2020-21	\$ (1,832,633)	\$ (1,724,303)	\$ (1,615,973)			
69				2021-22	\$ (1,964,819)	\$ (1,848,675)	\$ (1,732,531)			
70				2022-23	\$ (4,157,907)	\$ (3,912,126)	\$ (3,666,345)			
71				2023-24	\$ (6,377,327)	\$ (6,000,352)	\$ (5,623,377)			
72				2024-25	\$ (8,634,619)	\$ (8,124,212)	\$ (7,613,805)			
73				2025-26	\$ (10,887,337)	\$ (10,243,768)	\$ (9,600,199)			
74										
75	Impact Summary - REVISED RECURRING ESTIMATES									
76										
77	School Impact									
78		High		Middle		Low				
79	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring			
81	2020-21	\$ -	\$ (4.1 M)	\$ -	\$ (3.8 M)	\$ -	\$ (3.6 M)			
82	2021-22	\$ (0.7 M)	\$ (4.1 M)	\$ (0.7 M)	\$ (3.8 M)	\$ (0.6 M)	\$ (3.6 M)			
83	2022-23	\$ (1.6 M)	\$ (4.1 M)	\$ (1.5 M)	\$ (3.8 M)	\$ (1.4 M)	\$ (3.6 M)			
84	2023-24	\$ (2.4 M)	\$ (4.1 M)	\$ (2.2 M)	\$ (3.8 M)	\$ (2.1 M)	\$ (3.6 M)			
85	2024-25	\$ (3.2 M)	\$ (4.1 M)	\$ (3.0 M)	\$ (3.8 M)	\$ (2.8 M)	\$ (3.6 M)			
86										
87	Non-School Impact									
88		High		Middle		Low				
89	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring			
91	2020-21	\$ -	\$ (6.8 M)	\$ -	\$ (6.4 M)	\$ -	\$ (6.0 M)			
92	2021-22	\$ (1.2 M)	\$ (6.8 M)	\$ (1.2 M)	\$ (6.4 M)	\$ (1.1 M)	\$ (6.0 M)			
93	2022-23	\$ (2.6 M)	\$ (6.8 M)	\$ (2.4 M)	\$ (6.4 M)	\$ (2.3 M)	\$ (6.0 M)			
94	2023-24	\$ (4.0 M)	\$ (6.8 M)	\$ (3.8 M)	\$ (6.4 M)	\$ (3.5 M)	\$ (6.0 M)			
95	2024-25	\$ (5.4 M)	\$ (6.8 M)	\$ (5.1 M)	\$ (6.4 M)	\$ (4.8 M)	\$ (6.0 M)			
96										
97	Total Impact									
98		High		Middle		Low				
99	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring			
101	2020-21	\$ -	\$ (10.9 M)	\$ -	\$ (10.2 M)	\$ -	\$ (9.6 M)			
102	2021-22	\$ (2.0 M)	\$ (10.9 M)	\$ (1.8 M)	\$ (10.2 M)	\$ (1.7 M)	\$ (9.6 M)			
103	2022-23	\$ (4.2 M)	\$ (10.9 M)	\$ (3.9 M)	\$ (10.2 M)	\$ (3.7 M)	\$ (9.6 M)			
104	2023-24	\$ (6.4 M)	\$ (10.9 M)	\$ (6.0 M)	\$ (10.2 M)	\$ (5.6 M)	\$ (9.6 M)			
105	2024-25	\$ (8.6 M)	\$ (10.9 M)	\$ (8.1 M)	\$ (10.2 M)	\$ (7.6 M)	\$ (9.6 M)			
106										

REVENUE ESTIMATING CONFERENCE

Tax: R&D CIT Credit
Issue: Corporate Income Tax
Bill Number(s): SB 576

- Entire Bill**
 Partial Bill:

Sponsor(s): Senator Gruters
Month/Year Impact Begins: Upon Becoming Law
Date of Analysis: November 11, 2019

Section 1: Narrative

- a. Current Law:** 220.196 Research and development tax credit. —
 (2) TAX CREDIT. —
 (e) The combined total amount of tax credits which may be granted to all business enterprises under this section during any calendar year is \$9 million, except that the total amount that may be awarded in the 2018 calendar year is \$16.5 million. Applications may be filed with the department on or after March 20 and before March 27 for qualified research expenses incurred within the preceding calendar year. If the total credits for all applicants exceed the maximum amount allowed under this paragraph, the credits shall be allocated on a prorated basis.
- b. Proposed Change:** The proposed language would increase the combined total amount of research and development credits against the corporate income tax from \$9 million to \$50 million, and remove language increasing the 2018 calendar year amount to \$16.5 million. Section two makes this change first applicable to the 2020 allocation of tax credits for expenses incurred in calendar year 2019.

Section 2: Description of Data and Sources

Research and Development Tax Credit for Florida Corporate Income Tax, 2019 Allocation Report (DOR)

Section 3: Methodology (Include Assumptions and Attach Details)

Based on the total requested amount of \$107,369,288 from all approved applications in 2019, it is assumed that all additional cap space will be utilized.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(82.0m)	(41.0m)	(41.0m)	(41.0m)		
2021-22	(41.0m)	(41.0m)	(41.0m)	(41.0m)		
2022-23	(41.0m)	(41.0m)	(41.0m)	(41.0m)		
2023-24	(41.0m)	(41.0m)	(41.0m)	(41.0m)		
2024-25	(41.0m)	(41.0m)	(41.0m)	(41.0m)		

For the middle estimate, there would also be a 2019-20 cash impact of \$41.0 M.

List of affected Trust Funds: General Revenue

Section 5: Consensus Estimate (Adopted: 11/22/2019): The Conference adopted the high estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(82.0)	(41.0)	0.0	0.0	0.0	0.0	(82.0)	(41.0)
2021-22	(41.0)	(41.0)	0.0	0.0	0.0	0.0	(41.0)	(41.0)
2022-23	(41.0)	(41.0)	0.0	0.0	0.0	0.0	(41.0)	(41.0)
2023-24	(41.0)	(41.0)	0.0	0.0	0.0	0.0	(41.0)	(41.0)
2024-25	(41.0)	(41.0)	0.0	0.0	0.0	0.0	(41.0)	(41.0)

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees

Issue: No new local tax or fee may be imposed or authorized and no local tax or fee may be raised by any municipality, county, school board, or special district except through a vote approved by two-thirds of the membership of the jurisdiction or special district.

Bill Number(s): HJR 477

Entire Bill

Partial Bill:

Sponsor(s): Representative Rommel

Month/Year Impact Begins: Not Specified

Date of Analysis: November 22, 2019

Section 1: Narrative

a. Current Law: The ability of local governments to raise revenue for their operations is limited by the State Constitution.

Article VII, Section 1(a), states: *No tax shall be levied except in pursuance of law. No state ad valorem taxes shall be levied upon real estate or tangible personal property. All other forms of taxation shall be preempted to the state except as provided by general law.*

Furthermore, Article VII, Section 9(a), states: *Counties, school districts, and municipalities shall, and special districts may, be authorized by law to levy ad valorem taxes and may be authorized by general law to levy other taxes, for their respective purposes, except ad valorem taxes on intangible personal property and taxes prohibited by this constitution.*

These constitutional provisions expressly authorize counties, municipalities, and school districts to levy ad valorem taxes, but also preserve legislative discretion for the levy of all other taxes by requiring general law authorization. However, not all local government revenue sources are taxes requiring general law authorization. When a county or municipal revenue source is imposed by ordinance, the judicial question is whether the charge meets the legal sufficiency test for a valid assessment or fee. As long as the charge is not deemed a tax, the imposition of the assessment or fee by ordinance is within the constitutional and statutory home rule powers of county and municipal governments. Given these powers, local governments may impose proprietary fees, regulatory fees, and special assessments to pay the cost of providing a facility or service or regulating an activity.

b. Proposed Change: The joint resolution creates Section 20 of Article VII of the State Constitution, which would be submitted to the state's electors for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose.

ARTICLE VII FINANCE AND TAXATION

SECTION 20. Supermajority vote required to impose, authorize, or raise local taxes or fees.—

(a) No new local tax or fee may be imposed or authorized and no local tax or fee may be raised by any municipality, county, school board, or special district except through a vote approved by two-thirds of the membership of the jurisdiction or special district.

(b) As used in this section, the term:

(1) "Fee" means any charge or payment required by ordinance or regulation.

(2) "Raise" means:

a. To increase or authorize an increase in the rate of a local tax or fee imposed on a percentage or per mill basis;

b. To increase or authorize an increase in the amount of a local tax or fee imposed on a flat or fixed amount basis; or

c. To decrease or eliminate a local tax or fee exemption.

(c) A local tax or fee to be imposed, authorized, or raised under this section must be contained in a separate ordinance or resolution that contains no other subject.

Section 2: Description of Data and Sources

Section 218.32, F.S., requires counties, municipalities, and independent special districts to complete and submit to the Florida Department of Financial Services (DFS) a copy of its annual financial report (i.e., AFR) for the previous fiscal year no later than nine months after the end of the fiscal year. Based on data obtained from the DFS' Bureau of Local Government, Florida's counties, municipalities, and independent special districts reported the following tax revenues and permit, fee, and special assessment revenues in local FY 2016-17 (i.e., the most complete FY data available at the present time).

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees

Issue: No new local tax or fee may be imposed or authorized and no local tax or fee may be raised by any municipality, county, school board, or special district except through a vote approved by two-thirds of the membership of the jurisdiction or special district.

Bill Number(s): HJR 477

Reported Local FY 2016-17 Revenues		
Government Type	Tax Revenues	Permit, Fee, and Special Assessment Revenues
Counties	\$13.69 billion	\$1.81 billion
Municipalities	\$7.44 billion	\$2.14 billion
Independent Special Districts	\$2.13 billion	\$1.18 billion
Totals	\$23.26 billion	\$5.13 billion

In the AFR, the Tax Revenue category includes ad valorem taxes; local option fuel, sales, and tourist taxes; insurance premium taxes; utility service taxes; communications services tax; local business tax; and other general taxes. The Permit, Fee, and Special Assessment Revenue category includes building permits; franchise fees; impact fees; special assessments; other permits, fees, and special assessments; and licenses.

According to the Florida Department of Education’s *Financial Profiles of Florida School Districts: 2017-18 Financial Data Statistical Report (April 2019)*, local revenues of Florida’s school districts, as reported in their AFRs, totaled \$14.42 billion.

With the exception of local option fuel, sales, and tourist taxes levied by county governments and School Capital Outlay Surtax revenues for school districts, the amount of unrealized revenues for all other possible local taxes or fees has not been quantified. According to the Office of Economic and Demographic Research’s *2019 Local Government Financial Information Handbook*, unrealized local option fuel, sales, and tourist taxes are estimated to total \$205 million, \$9.76 billion, and \$57 million, respectively, in local FY 2019-20.

Section 3: Methodology (Include Assumptions and Attach Details)

The proposed fiscal impact is zero/negative indeterminate since any future impact is contingent on the ballot measure’s approval. Furthermore, assuming the ballot measure’s approval, a local governing body would need to authorize an increase in the rate or amount of a local tax or fee or decrease or eliminate a local tax or fee exemption. If the proposed constitutional amendment does not pass, the fiscal impact is zero.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(0/**)	(0/**)		
2021-22			(0/**)	(0/**)		
2022-23			(0/**)	(0/**)		
2023-24			(0/**)	(0/**)		
2024-25			(0/**)	(0/**)		

List of Affected Trust Funds: Local funds only.

Section 5: Consensus Estimate (Adopted: 11/22/2019): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	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/(**)
2024-25	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: School Sales Tax Holiday, 10 Days, \$60 Clothing/\$15 Supplies/\$1,000 or Less Computers

Bill Number(s): SB 542

Entire Bill

Partial Bill:

Sponsor(s): Senator Perry

Month/Year Impact Begins: The sales tax holiday will affect July and August 2020 activity and, subsequently, August and September collections.

Date of Analysis: November 22, 2019

Section 1: Narrative

a. Current Law:

Under current law in Ch. 212, F.S., clothing, school supplies, and computers and related accessories are subject to the 6% Sales and Use Tax.

b. Proposed Change:

Duration: The sales tax holiday is proposed for a 10-day period beginning on Friday, July 31, through Sunday, August 9, 2020.

Clothing: The bill exempts sales of “clothing, wallets, or bags, including handbags, backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags” from the Sales and Use Tax as long as the sales price of the item does not exceed \$60. Clothing is defined as “any article of wearing apparel intended to be worn on or about the human body, excluding watches, watchbands, jewelry, umbrellas, and handkerchiefs,” and including all footwear except for “skis, swim fins, roller blades, and skates.”

School Supplies: During this same period, sales of school supplies having a sales price of \$15 or less per item are exempt from the Sales and Use Tax. School supplies are defined as “pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, binders, lunch boxes, construction paper, markers, folders, poster board, composition books, poster paper, scissors, cellophane tape, glue or paste, rulers, computer disks, staplers and staples used to secure paper products, protractors, compasses, and calculators.”

Computers: Also exempt during the 5-day period are “personal computers or personal computer-related accessories having a sales price of \$1,000 or less per item and purchased for noncommercial home or personal use.” Exempted items include “electronic book readers, laptops, desktops, handhelds, tablets, and tower computers” and related accessories including “keyboards, mice, personal digital assistants, monitors (not including devices with a television tuner), other peripheral devices, modems, routers, and nonrecreational software.” The exemption does not apply to “cellular telephones, video game consoles, digital media receivers, or devices that are not primarily designed to process data.” Related accessories do not include “furniture or systems, devices, software, or peripherals that are designed or intended primarily for recreational use.”

The tax exemptions do not apply to sales within a theme park or entertainment complex, within a public lodging establishment, or within an airport.

The bill allows a dealer to “opt out” of the sales tax holiday if “less than five percent of the dealer’s gross sales of tangible personal property in the prior calendar year are comprised of items that would be exempt” under the legislation. If the qualifying dealer chooses not to participate in the tax holiday, the dealer must notify the Department of Revenue in writing and post a copy of that notice in a conspicuous location at the place of business.

Section 2: Description of Data and Sources

- Clothing and Shoes expenditures forecast, July 2019 National Economic Estimating Conference.
- Consumer Computer expenditures forecast, July 2019 National Economic Estimating Conference.
- U.S. Population (total and 65+), 3rd Quarter estimates, July 2019 National Economic Estimating Conference.
- Florida Population (total and 65+), 3rd Quarter estimates, July 2019 Demographic Estimating Conference.
- Estimates of Florida public school enrollment, July 2019 K-12 Enrollment Estimating Conference.
- Estimates of Florida private school enrollment, Private School Annual Report 2018-2019 (Florida Department of Education). Available at <http://www.fldoe.org/schools/school-choice/private-schools/annual-reports.stml>. Last accessed 11/20/2019.
- Estimates of Florida public and private college/university fall enrollment, Integrated Postsecondary Education Data System (National Center for Education Statistics). Available at www.nces.ed.gov/ipeds. Estimates include Florida College System

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: School Sales Tax Holiday, 10 Days, \$60 Clothing/\$15 Supplies/\$1,000 or Less Computers

Bill Number(s): SB 542

institutions, State Universities, career centers, and private institutions eligible to participate in the EASE or ABLE tuition assistance programs. Last accessed 1/28/2019.

- Tax collections by kind code, Florida Department of Revenue.
- Department of Revenue. 2019 Back-to-School Sales Tax Holiday Tax Information Publication (TIP). Available at: https://revenue.law.floridarevenue.com/LawLibraryDocuments/2019/06/TIP-122444_TIP_19A01-03_FINAL_RLL.pdf . Last accessed 11/20/2019.

Section 3: Methodology (Include Assumptions and Attach Details)

Clothing/Shoes/Backpacks: Florida expenditures for clothing and shoes are derived from total national expenditures for clothing and shoes using Florida population (adjusted for ages 65+), and adjusted for an assumed percentage of non-taxed mail order items. The total Florida expenditures are converted to a 10-day amount and assume that 71% of the expenditures would be under the \$60 limit. For backpacks, it is assumed that 20% of students would purchase a backpack, and each backpack is assumed to cost \$25. Both the 71% and 20% assumptions are then decreased by 2.5 percentage points to reflect the dealer opt out provision. Using the base 10-day matrix (which is derived from a matrix developed to estimate the impact for a prior hurricane sales tax holiday) to spread expenditures levels by each day of the forecast period, the level of spending for a 10-day holiday is derived (=100% of the 10-day total). The 100% factor is applied to the sales tax portion of 10 days of spending to estimate the impact for the 10-day holiday.

School Supplies: For school supplies (excluding staplers), an amount of expenditures is assumed per student, by grade level, for 10 days, which is multiplied by the estimated number of students enrolled in public or private elementary and secondary schools, Florida Colleges, State Universities, public technical colleges/career centers, and private colleges/universities. The estimated total expenditure by students is increased for advantage business spending. It is assumed that 75% of expenditures would be under the \$15 limit. The 75% assumption is then decreased by 2.5 percentage points to reflect the dealer opt out provision.

Staplers/Staples: For staplers and staples, it is assumed that 10% of students will purchase an exempt stapler/staples at a price of \$9. The 10% assumption is then decreased by 2.5 percentage points to reflect the dealer opt out provision. The total expenditure by students is increased by a factor of 25% for advantage business spending.

The 100% factor is applied to the sales tax portion of 10 days of spending to estimate the impact for the 10-day holiday.

Computers: Florida expenditures are derived from total national expenditures for computers and peripherals using Florida population (adjusted for ages 65+), and adjusted for an assumed percentage of non-taxed online order items. The total Florida expenditures are adjusted for the percentage of expenditures assumed to occur during the third quarter of calendar year 2020 (=21.25%) and for the percentage of total expenditures assumed to be exempt (=54%). The 54% assumption is then decreased by 2.5 percentage points to reflect the dealer opt out provision. It is assumed that 30% of third quarter purchases would be made during the 10-day holiday period. The 100% factor is applied to the sales tax portion of 10 days of spending to estimate the impact for the 10-day holiday.

Section 4: Proposed Fiscal Impact: The impact is nonrecurring for FY 2020-21 only.

2020-21	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
Clothing/Shoes/Backpacks			(40.9 M)			
School Supplies			(8.7 M)			
Computers			(7.2 M)			
Total			(56.8 M)			

List of affected Trust Funds: Sales and Use Tax Grouping

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: School Sales Tax Holiday, 10 Days, \$60 Clothing/\$15 Supplies/\$1,000 or Less Computers

Bill Number(s): SB 542

Section 5: Consensus Estimate (Adopted: 11/22/2019): The Conference adopted the middle estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(50.3)	0.0	(Insignificant)	0.0	(1.7)	0.0	(4.8)	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
2024-25	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(8.3)	0.0	(14.8)	0.0	(65.1)	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
2024-25	0.0	0.0	0.0	0.0	0.0	0.0

SB 542**SALES TAX HOLIDAY - CLOTHING****10 Days, July 31 - August 9, 2020****\$60 Limit**

2020-21	<u>Proposed</u>
1 National Personal Expenditure on Clothing and Shoes	419,661.4
2 Florida Share based on Population Forecast	27,339.1
3 Florida Expenditures on Apparel & Shoes (adjusted for 65+)	26,168.3
4 Est. Florida-based Sales of Apparel & Shoes (10% mail order adj.)	23,551.5
5 Sales Tax at 6%	1,413.1
6 Exempted Amount (68.5% = 71% minus 2.5 dealer opt out)	968.0
7 Preliminary 10-day Fiscal Impact in Florida	(26.5)
8 Seasonal Factor set to 1 (no seasonal factor)	1.0
9 Behavioral Factor based on New York History and Florida Experience	1.5
10 Adjusted 10-day Fiscal Impact in Florida	(39.8)
11 Backpacks (17.5% = 20% minus 2.5 dealer opt out x \$25/backpack)	(1.1)
12 Total Impact 10 Day (100% Adjustment)	(\$40.9)

SB 542
SALES TAX HOLIDAY - SCHOOL SUPPLIES (Incl Staplers, Flash Drives)

10 Days, July 31 - August 9, 2020
\$15 Limit

2020-21

Row	Grade Level	Expenditures per Student	Number of Students	Total Expenditures
1	PreK	20.00	70,057	1.4
2	KG	20.00	239,406	4.8
3	1	20.00	240,496	4.8
4	2	20.00	237,341	4.7
5	3	25.00	249,870	6.2
6	4	27.00	241,806	6.5
7	5	27.00	243,722	6.6
8	6	32.00	252,151	8.1
9	7	32.00	259,480	8.3
10	8	32.00	255,275	8.2
11	9	35.00	264,291	9.3
12	10	35.00	250,710	8.8
13	11	35.00	234,469	8.2
14	12	35.00	223,526	7.8
15	Total PK-12		3,262,603	93.7
16	Total HigherEd	36.00	1,031,046	37.1
17	Total All Students		4,293,649	130.8
18	Advantage Buying by Business, General Public			
19	25% Factor + 10% for Expanded List			45.8
20	School Supplies		Proposed	
21	Total Sales Tax for 10 Days (72.5% = 75% minus 2.5 dealer opt out)		(8.4)	
22	Staplers/Staples			
23	# Student Purchasers (7.5% = 10% minus 2.5 dealer opt out)		322,024	
24	Price per Stapler/Staples		9.00	
25	Total Expenditures		2.9	
26	Advantage Buying by Business, General Public - 25% Factor		0.7	
27	Total Sales Tax for 10 Days		(0.2)	
28	Total Sales Tax for 10 Days (School Supplies + Staplers/Staples)		(8.7)	
29	Total Impact 10 Day (100% Adjustment)		(8.7)	

SB 542
SALES TAX HOLIDAY - COMPUTERS

10 Days, July 31 - August 9, 2020
\$1,000 or Less

2020-21		<u>Proposed</u>
1	National Consumer Expenditures on Computers	58,371.8
2	Florida Share based on Population Forecast	3,802.7
3	Florida Expenditures on Computers (adjusted for 65+)	3,639.8
4	Estimated Florida-based Sales of Computers (7% e-commerce adj.)	3,385.0
5	Annual Sales Tax at 6%	203.1
6	CY Q1 Estimate (29.78%)	54.9
7	CY Q2 Estimate (23.50%)	46.5
8	CY Q3 Estimate (21.25%)	46.8
9	CY Q4 Estimate (25.47%)	54.9
10	Exempted Amount (51.5% = 54% minus 2.5 dealer opt out)	24.1
11	Q3 Purchases Made During 10-Day Holiday (55% - 30% - 25%)	7.2
13	Total Impact 10 Day (100% Adjustment)	(\$7.2)

Back-to-School Daily Factors - based on Hurricane Sales Tax Holiday Analysis

Assume:

Depending upon what SET OF DAYS are included, the most impact will come from the weekend.
 As long as an ENTIRE WEEKEND is included, the most impact will occur on Friday, Saturday and Sunday.

Weekdays add less to the impact.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	Calibrate to 12-day holiday	Calibrate to 10-day holiday
Example:	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday		
14-Day Holiday	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	1.0%	1.0%	102.0%	105.2%
13-Day Holiday	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	1.0%	X	101.0%	104.1%
12-Day Holiday	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	X	X	100.0%	103.1%
11-Day Holiday	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	X	X	99.0%	102.1%
10-Day Holiday	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	X	X	97.0%	100.0%
9-Day Holiday	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	X	X	X	X	87.0%	89.7%
8-Day Holiday	X	X	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	X	X	X	X	81.5%	84.0%
7-Day Holiday	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	X	X	X	X	X	X	64.5%	66.5%
6-Day Holiday	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	X	X	X	X	X	X	X	X	64.5%	66.5%
5-Day Holiday	X	5.5%	35.0%	20.0%	1.0%	1.0%	X	X	X	X	X	X	X	X	62.5%	64.4%
4-Day Holiday	2.0%	5.5%	35.0%	20.0%	X	X	X	X	X	X	X	X	X	X	62.5%	64.4%
3-Day Holiday	X	5.5%	35.0%	20.0%	X	X	X	X	X	X	X	X	X	X	60.5%	62.4%
2-Day Holiday	X	X	35.0%	20.0%	X	X	X	X	X	X	X	X	X	X	55.0%	56.7%
1-Day Holiday	X	X	35.0%	X	X	X	X	X	X	X	X	X	X	X	35.0%	36.1%

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Disaster Preparedness Holiday

Bill Number(s): SB 524

Entire Bill

Partial Bill:

Sponsor(s): Senator Gruters

Month/Year Impact Begins: The impact begins May 29, 2020 and ends on June 15, 2020 and will affect both the current year (FY 2019-20) and FY 2020-21 because of the one-month collection lag.

Date of Analysis: November 22, 2019

Section 1: Narrative

- a. Current Law:** Under current law in Ch. 212, all of the items listed in the bill are subject to the 6% Sales and Use Tax when purchased.
- b. Proposed Change:** The bill provides an exemption from sales tax for the items listed below that are purchased during the time period from May 29 through June 15, 2020 (18 days, first day on a Friday).

Portable self-powered light source	\$ 20 or less
Portable self-powered radio, two-way radio or weather band radio	\$ 50 or less
Tarpaulin or other flexible waterproof sheeting	\$ 50 or less
Ground anchor system or tie-down kit	\$ 50 or less
Gas or diesel fuel tank	\$ 25 or less
Package of AA-cell, AAA-cell, C-cell, D-cell, 6-volt or 9-volt batteries, excluding automobile and boat batteries	\$ 30 or less
Non-electric food storage cooler	\$ 30 or less
Reusable ice	\$ 10 or less
Portable generator	\$ 750 or less
Impact-resistant windows, when sold in units of 20 or fewer	No limit
Impact-resistant doors, when sold in units of 10 or fewer	No limit

The last two exemptions apply to purchases made by an owner of residential real property where the impact-resistant windows or impact-resistant doors will be installed. The tax exemption does not apply to sales within a theme park or entertainment complex, within a public lodging establishment, or within an airport.

Section 2: Description of Data and Sources

- REC Impact for CS/HB7123 (Ch. 2019-42, L.O.F.), May 16, 2019.
- REC Impact for CS/SB1412, April 5, 2019.
- Final Report on Hurricane Claims from Florida Office of Insurance Regulation (August 2006) for reported claims and total loss claims from 2004 Hurricanes Charley, Frances, Ivan, and Jeanne and 2005 Hurricanes Dennis, Katrina, Rita, and Wilma and October 20, 2008 Tropical Storm Fay Report at <http://www.flor.com/office/hurricane/seasonsinfo.aspx>.
- Submitted claims as of October 2019 for 2016 Hurricanes Hermine and Matthew; 2017 Hurricane Irma; and 2018 Hurricane Michael at <https://www.flor.com/Sections/PandC/ProductReview/CatastropheReporting.aspx>
- Various websites for price comparisons: www.lowes.com; www.walmart.com; www.target.com; www.homedepot.com; www.bestbuy.com.
- U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, 2018.
- U.S. Census Bureau, American Community Survey, 2017.
- Florida Demographic Estimating Conference, July 2019.
- Florida Economic Estimating Conference, July 2019.

Section 3: Methodology (See attached.)

Household Purchases: A 10-day holiday impact is calculated using the forecast for Florida households for 2020, along with the percentage of households reporting losses in the major storms occurring in 2004, 2005, 2008, 2016, and 2017 = 4.4%. The percentage of households reporting losses in 2018 (1.0%) was excluded from the calculation because the storm was concentrated in an area of the state with fewer residents. The low estimate assumes 4.4% of all Florida households would participate in the holiday.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Disaster Preparedness Holiday

Bill Number(s): SB 524

The high estimate assumes 8.5% of households would participate based on the highest reported losses in 2005. The middle estimate assumes 6.5% of households would participate.

An amount of tax-free expenditures is assumed for each household: High = \$200; Middle = \$140; Low = \$93. Based on the 2018 Consumer Expenditure Survey and median Florida household income, it is estimated that Florida households spend approximately \$2,427 annually (average of approximately \$6.65 per day) for miscellaneous household equipment and home maintenance, repairs, insurance, and other expenses. The high estimate assumes that an amount equivalent to 30 days of expenditures would be spent during the holiday period. The middle and low estimates assume expenditures equivalent to 21 days and 14 days, respectively. The Day-by-Day Matrix is used to adjust the 10-day holiday to an 18-day holiday (114.9% adjustment).

Portable Generators: It is assumed a certain number of portable generators will be purchased during the tax-free holiday: High = 85,878; Middle = 60,115; and Low = 37,786. These numbers represent approximately 1%, 0.7%, and 0.44% of Florida households. Additionally, a price per generator is assumed as follows: High = \$750; Middle = \$750; and Low = \$600. The Day-by-Day Matrix is used to adjust the 10-day holiday to an 18-day holiday (114.9% adjustment).

Impact-Resistant Windows: It is assumed a certain number of households will purchase impact-resistant windows during a 10-day holiday period: High = 15,029 (25% of the middle estimate of the number of households that are assumed to purchase a generator); Middle = 9,017 (15% of the middle estimate of the number of households that are assumed to purchase a generator); and Low = 6,012 (10% of the middle estimate of the number of households that are assumed to purchase a generator). A unit is assumed to be the materials necessary to cover one window opening. Assumptions are also made about the price per window and the number of windows purchased per household: High = 20 windows at \$750 per window (total cost of \$15,000); Middle = 15 windows at \$525 per window (total cost of \$7,875); and Low = 10 windows at \$300 per window (total cost of \$3,000). The proposed bill precludes construction advantage buying. For the high-middle-low estimates, the same assumptions are used for price and number of units as above. The Day-by-Day Matrix is used to adjust the 10-day holiday to an 18-day holiday (114.9% adjustment).

Impact-Resistant Doors: It is assumed a certain number of households will purchase impact-resistant doors during a 10-day holiday period: High = 15,029 (25% of the middle estimate of the number of households that are assumed to purchase a generator); Middle = 9,017 (15% of the middle estimate of the number of households that are assumed to purchase a generator); and Low = 6,012 (10% of the middle estimate of the number of households that are assumed to purchase a generator).). A unit is assumed to be the materials necessary to cover one door opening. Assumptions are also made about the price per door and the number of doors purchased per household: High = 6 doors at \$2,000 per door (total cost of \$20,000); Middle = 2 doors at \$1,750 per door (total cost of \$8,750); and Low = 1 door at \$1,500 per door (total cost of \$1,500). The proposed bill precludes construction advantage buying. For the high-middle-low estimates, the same assumptions are used for price and number of units as above. The Day-by-Day Matrix is used to adjust the 10-day holiday to an 18-day holiday (114.9% adjustment).

Impact-Resistant Garage Doors: It is assumed a certain number of households will purchase impact-resistant garage doors during a 10-day holiday period: High = 15,029 (25% of the number of households that are assumed to purchase a generator); Middle = 9,017 (15% of households that are assumed to purchase a generator); and Low = 6,012 (10% of households that are assumed to purchase a generator).). A unit is assumed to be the materials necessary to cover one garage door opening. Assumptions are also made about the price per garage door and the number of garage doors purchased per household: High = 1 door at \$2,000 per door; Middle = 1 door at \$1,400 per door; and Low = 1 door at \$800 per door. The proposed bill precludes construction advantage buying. For the high-middle-low estimates, the same assumptions are used for price and number of units as above. The Day-by-Day Matrix is used to adjust the 10-day holiday to an 18-day holiday (114.9% adjustment).

Section 4: Proposed Fiscal Impact The proposed impact is nonrecurring to FY 2019-20 and FY 2020-21.

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	-\$25.0		-\$9.2		-\$3.4	
2020-21	-\$19.6		-\$7.3		-\$2.7	
2021-22						
2022-23						
2023-24						
2024-25						

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Disaster Preparedness Holiday

Bill Number(s): SB 524

List of affected Trust Funds: Sales and Use Tax Grouping

Section 5: Consensus Estimate (Adopted 11/22/2019): The Conference adopted the proposed impact for household purchases and generators. The Conference made an adjustment to the high impact-resistant windows and doors estimate, reducing the number and the average price of windows and doors and adjusted advantage buying to 25% of 2020 Q2 private housing starts. The impact is only for Fiscal Year 2020-21.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(27.0)	0.0	(Insignificant)	0.0	(0.9)	0.0	(2.6)	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
2024-25	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(4.4)	0.0	(7.9)	0.0	(34.9)	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
2024-25	0.0	0.0	0.0	0.0	0.0	0.0

1. # HOUSEHOLD PURCHASING ASSUMPTIONS:	
2004 Indices based on FINAL REPORT (4 hurricanes)	
Reported Loss % HHs	3.2%
Total Loss % HHs	2.3%
2005 Indices based on FINAL REPORT (4 hurricanes)	
Reported Loss % HHs	8.5%
Total Loss % HHs	5.8%
2008 Index based on Oct 20 2008 Report for Fay (1 storm)	
Reported Loss % HHs	2.7%
2016 Index based on Claims Data as of Jan 2018 (2 hurricanes)	
Reported Loss % HHs	2.9%
2017 Index based on Claims Data as of Nov 2018 (1 hurricane)	
Reported Loss % HHs	4.8%
Average Reported Loss %	4.4%

2. AVAILABLE CASH FOR PURCHASES ASSUMPTIONS:						Methodology for HH Income
Using Florida After-Tax Income per Household (2017 American Community Survey: Florida)	2017 FY 2016-17	2018 FY 2017-18	2019 FY 2018-19	2020 FY 2019-20		
Median Florida Household After-Tax Income	\$49,832	\$52,323	\$54,939	\$57,796		Florida Median HH income is based on the 2017 American Community Survey reported Florida median HH income in the last 12 months (\$64,003).
Using average annual expenditures from the 2018 Consumer Expenditure Survey, all consumer units:	Fla \$ per HH	Fla \$ per HH	Fla \$ per HH	Fla \$ per HH		This value is grown by the Jul 2019 Florida Economic Estimating Conference growth in Personal Income.
<i>Shares of expenditures:</i>						
Food & alcoholic beverage	14.5%	\$7,226	\$7,587	\$7,966	\$8,380	The growth rates are:
Housing (includes * below)	34.40%	\$17,142	\$17,999	\$18,899	\$19,882	2018 5.0%
Apparel & services	2.9%	\$1,445	\$1,517	\$1,593	\$1,676	2019 5.0%
Transportation	17.20%	\$8,571	\$9,000	\$9,450	\$9,941	2020 5.2%
Health care	8.90%	\$4,435	\$4,657	\$4,890	\$5,144	
Entertainment	4.50%	\$2,242	\$2,355	\$2,472	\$2,601	
All others	17.60%	\$8,770	\$9,209	\$9,669	\$10,172	
	100.00%	\$49,832	\$52,323	\$54,939	\$57,796	Ratio of Avg Annual Expenditures to Income Before Taxes, 2018 CES (81.63%) is used to produce after-tax income.
*Maintenance, repairs, insurance & other expenses	2.60%	\$1,296	\$1,360	\$1,428	\$1,503	
*Miscellaneous household equipment	1.60%	\$797	\$837	\$879	\$925	
HIGH = Assume 8.5% of households purchase exempt items equivalent to approximately 30 days of spending. MIDDLE = Assume 6.5% of households purchase exempt items equivalent to approximately 21 days of spending. LOW = Assume 4.4% of households purchase exempt items equivalent to approximately 14 days of spending.						

3. PORTABLE GENERATOR ASSUMPTIONS:	
Assume 1% of Florida households purchase a tax-exempt generator at \$750 per generator.	
Assume 0.7% of Florida households purchase a tax-exempt generator at \$750 per generator.	
Assume .44% of Florida households purchase a tax-exempt generator at \$600 per generator.	

Estimate for 18-Day Holiday				
	Household Purchases			
	Adopted	High	Middle	Low
TOTAL Amount Purchased/HH	\$140.00	\$200.00	\$140.00	\$93.00
TOTAL Fla Households	8,587,833	8,587,833	8,587,833	8,587,833
TOTAL HHs Purchasing	558,209	729,966	558,209	377,865
TOTAL Expenditures (\$M)	\$ 78.1	\$ 146.0	\$ 78.1	\$ 35.1
Sales Tax for 10-Day Holiday	\$ (4.7)	\$ (8.8)	\$ (4.7)	\$ (2.1)
Sales Tax for 7-Day Holiday (114.9% Adjustment)	\$ (5.4)	\$ (10.1)	\$ (5.4)	\$ (2.4)
	Portable Generators			
	Adopted	High	Middle	Low
TOTAL Amount Purchased/HH	\$ 750	\$ 750	\$ 750	\$ 600
TOTAL Generators Purchased	60,115	85,878	60,115	37,786
TOTAL Expenditures (\$M)	\$ 45.1	\$ 64.4	\$ 45.1	\$ 22.7
Sales Tax for 10-Day Holiday	\$ (2.7)	\$ (3.9)	\$ (2.7)	\$ (1.4)
Sales Tax for 7-Day Holiday (66.5% Adjustment)	\$ (3.1)	\$ (4.5)	\$ (3.1)	\$ (1.6)
	Impact-Resistant Windows			
	Adopted	High	Middle	Low
Price per Window	\$ 525	\$ 750	\$ 525	\$ 300
# Windows Purchased	10	20	15	10
# Households Purchasing (from middle - generators)	15,029	15,029	9,017	6,012
TOTAL Household Expenditures (\$M)	\$ 78.9	\$ 225.4	\$ 71.0	\$ 18.0
TOTAL Advantage Buying for Construction (\$M)	\$ 30.0	\$ -	\$ -	\$ -
Sales Tax for 10-Day Holiday	\$ (6.53)	\$ (13.53)	\$ (4.26)	\$ (1.08)
Sales Tax for 18-Day Holiday, 114.9% Adjustment	\$ (7.50)	\$ (15.50)	\$ (4.90)	\$ (1.20)
	Impact-Resistant Doors			
	Adopted	High	Middle	Low
Price per Door	\$ 1,750	\$ 2,000	\$ 1,750	\$ 1,500
# Doors Purchased	2	6	2	1
# Households Purchasing (from middle - generators)	15,029	15,029	9,017	6,012
TOTAL Expenditures (\$M)	\$ 52.6	\$ 180.3	\$ 31.6	\$ 9.0
TOTAL Advantage Buying for Construction (\$M)	\$ 20.0	\$ -	\$ -	\$ -
Sales Tax for 10-Day Holiday	\$ (4.36)	\$ (10.82)	\$ (1.89)	\$ (0.54)
Sales Tax for 18-Day Holiday, 114.9% Adjustment	\$ (12.40)	\$ (12.40)	\$ (2.20)	\$ (0.60)
	Impact-Resistant Garage Doors			
	Adopted	High	Middle	Low
Price per Garage Door	\$ 1,500	\$ 2,000	\$ 1,400	\$ 800
# Garage Doors Purchased	1	1	1	1
# Households Purchasing (from middle - generators)	15,029	15,029	9,017	6,012
TOTAL Expenditures (\$M)	\$ 22.5	\$ 30.1	\$ 12.6	\$ 4.8
TOTAL Advantage Buying for Construction (\$M)	\$ 8.6	\$ -	\$ -	\$ -
Sales Tax for 10-Day Holiday	\$ (1.87)	\$ (1.80)	\$ (0.76)	\$ (0.29)
Sales Tax for 18-Day Holiday, 114.9% Adjustment	\$ (2.10)	\$ (2.10)	\$ (0.90)	\$ (0.30)
Total Estimated Impact (18-day)	\$ (30.5)	\$ (44.6)	\$ (16.5)	\$ (6.1)
TOTAL IMPACT FY 2019-20	0	\$0.0	\$0.0	\$0.0
TOTAL IMPACT FY 2020-21	-\$30.5	-\$44.6	-\$16.5	-\$6.1

Daily Factors - Hurricane Preparedness Sales Tax Holiday Analysis

Assume:

Depending upon what SET OF DAYS are included, the most impact will come from the weekend.
 As long as an ENTIRE WEEKEND is included, the most impact will occur on Friday, Saturday, and Sunday.
 Weekdays add less to the impact.

	1		2		3		4		5		6		7		8		9		10		11		12		13		14		15		16		17		18			
am	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT	SUN	MON	Calibrate to 12-day holiday	Calibrate to 10-day holiday	
18	X	X	X	5.0%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	1.0%	1.0%	1.0%	2.5%	5.0%	2.5%	1.0%															111.5%	114.9%	
17	X	X	X	5.0%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	1.0%	1.0%	1.0%	1.5%	7.5%	1.0%																110.5%	113.9%	
16	X	X	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	1.0%	1.0%	1.0%	1.5%	5.0%																	107.5%	110.8%	
15	2.0%	2.0%	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	1.0%	X	X	X	X																	103.8%	107.0%	
14	X	2.0%	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	1.0%	X	X	X	X																	102.0%	105.2%	
13	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	1.0%	X	X	X	X																	101.0%	104.1%	
12	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	X	X	X	X	X																	100.0%	103.1%	
11	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	X	X	X	X	X																	99.0%	102.1%	
10	X	X	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	X	X	X	X	X																	97.0%	100.0%	
9-t	X	X	X	X	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	X	X	X	X	X																		91.5%	94.3%
8-t	X	X	X	X	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	X	X	X	X	X																		81.5%	84.0%
7-t	X	X	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	X	X	X	X	X	X	X	X	X																		64.5%	66.5%
6-t	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	X	X	X	X	X	X	X	X	X	X	X																		64.5%	66.5%
5-t	X	X	2.0%	5.5%	35.0%	20.0%	1.0%	X	X	X	X	X	X	X	X	X	X	X	X																		63.5%	65.5%
4-t	X	X	2.0%	5.5%	35.0%	20.0%	X	X	X	X	X	X	X	X	X	X	X	X	X																		62.5%	64.4%
3-t	X	X	X	5.5%	35.0%	20.0%	X	X	X	X	X	X	X	X	X	X	X	X	X																		60.5%	62.4%
2-t	X	X	X	X	35.0%	20.0%	X	X	X	X	X	X	X	X	X	X	X	X	X																		55.0%	56.7%
1-t	X	X	X	X	35.0%	X	X	X	X	X	X	X	X	X	X	X	X	X	X																		35.0%	36.1%