

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Hurricane Idalia Damage TPP Assessments

Bill Number(s): SB 2C/ HB 1C

☐ **Entire Bill**

☒ **Partial Bill:** Section 1

Sponsor(s): Senator Simon/ Representative Shoaf

Month/Year Impact Begins: January 2024

Date(s) Conference Reviewed: November 3, 2023

Section 1: Narrative

- a. **Current Law:** Section 193.4517, F.S., provided that agricultural equipment in specific counties rendered unable to be used for at least 60 days due to Hurricane Michael were deemed to have a market value of no greater than its salvage value for the 2019 tax roll.
- b. **Proposed Change:** The bill creates section 193.4518, F.S., providing that agricultural equipment rendered unable to be used for at least 60 days due to Hurricane Idalia shall be deemed to have a market value of no greater than its salvage value for the 2024 tax roll. This only applies to tangible personal property in Charlotte, Citrus, Columbia, Dixie, Gilchrist, Hamilton, Hernando, Jefferson, Lafayette, Levy, Madison, Manatee, Pasco, Pinellas, Sarasota, Suwannee, and Taylor County.

Section 2: Description of Data and Sources

Aggregate Millage based on Proposed Millages from Each Taxing Authority Provided in August 2023
Results of the Ad Valorem Estimating Conference, August 1, 2023
2023 Final NAP Tangible Personal Property Tax Roll

Section 3: Methodology (Include Assumptions and Attach Details)

On the 2023 final tangible personal property roll, specific agriculture and agriculture-related manufacturing NAICS codes were identified in the 17 counties made eligible by the bill. County by county assumptions are made on the share of equipment within the county that was rendered unusable for at least 60 days by Idalia. Each property's assessed value is grown to the 2024 roll year by the 3 percent growth rate adopted for TPP from the August Ad Valorem Estimating Conference and the exemption amount is applied to arrive at the estimated 2024 taxable value absent the bill. The assessed value is reduced by 90% as an estimate of the salvage value of the property, exemptions are scaled as the minimum of either the 2024 estimated exemption amount or the salvage assessed value, and the taxable value under the bill is estimated. The difference between the taxable value absent the bill and under the bill is the impact to taxable value of the bill.

Further assumptions are made based on NAICS codes. In the high, it is assumed that 50 percent of the relevant agricultural NAICS codes and 25 percent of the relevant manufacturing NAICS codes would be agricultural equipment eligible under the bill. The middle assumes 20% of the agricultural and 15% of the ag-related manufacturing, and the low assumes 10% of both categories. Applying these shares results in a high, middle, and low taxable value impact. The 2023 aggregate millage rates are applied to arrive at the impact below.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	\$(3.2 M)	\$0	\$(1.7 M)	\$0	\$(1.1 M)	\$0
2025-26	\$0	\$0	\$0	\$0	\$0	\$0
2026-27	\$0	\$0	\$0	\$0	\$0	\$0
2027-28	\$0	\$0	\$0	\$0	\$0	\$0
2028-29	\$0	\$0	\$0	\$0	\$0	\$0

Revenue Distribution: Ad Valorem

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Hurricane Idalia Damage TPP Assessments

Bill Number(s): SB 2C

Section 5: Consensus Estimate (Adopted: 11/03/2023): The Conference adopted the middle estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(0.6)	0.0	(1.1)	0.0	(1.7)	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0
2027-28	0.0	0.0	0.0	0.0	0.0	0.0
2028-29	0.0	0.0	0.0	0.0	0.0	0.0

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	0.0	0.0	0.0	0.0	(1.7)	0.0	(1.7)	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2027-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2028-29	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	A	B	C	D	E	F	G	H	I
1	2023 Aggregate Millage Rates								
2	School	5.9923							
3	Non-School	10.3792							
4									
5	co_no	County	Percent of Ag TPP Included						
6	18	Charlotte	5%						
7	19	Citrus	5%						
8	22	Columbia	25%						
9	25	Dixie	25%						
10	31	Gilchrist	25%						
11	34	Hamilton	75%						
12	37	Hernando	5%						
13	43	Jefferson	25%						
14	44	Lafayette	75%						
15	48	Levy	25%						
16	50	Madison	100%						
17	51	Manatee	5%						
18	61	Pasco	5%						
19	62	Pinellas	5%						
20	68	Sarasota	5%						
21	71	Suwannee	75%						
22	72	Taylor	100%						
23									
24	Assumptions								
25	Growth from 23 to 24	3%							
26	Salvage Reduction	90%							
27	If No exemption in 23, none in 24								
28									
29				2024 Estimate		2024 Bill Estimate		Difference	
30	Group	Naics	Naics Name	Assessed Value	Taxable Value	Assessed Value	Taxable Value	Taxable Value	
31	Agriculture	111	Crop Production	\$ 140,103,209	\$ 126,678,209	\$ 14,010,321	\$ 9,016,089	\$ (44,322,129)	
32	Agriculture	112	Animal Production and Aquaculture	\$ 154,758,295	\$ 148,108,295	\$ 15,475,830	\$ 12,355,668	\$ (69,532,832)	
33	Agriculture	113	Forestry and Logging	\$ 35,868,007	\$ 33,943,007	\$ 3,586,801	\$ 2,558,091	\$ (17,812,118)	
34	Agriculture	114	Fishing, Hunting, and Trapping	\$ 2,515,103	\$ 2,290,103	\$ 251,510	\$ 143,049	\$ (577,885)	
35	Agriculture	115	Support Activities for Agriculture and Forestry	\$ 20,362,848	\$ 19,537,848	\$ 2,036,285	\$ 1,562,268	\$ (4,215,612)	
36	Ag-Related Manufacturing	311	Food Manufacturing	\$ 402,847,043	\$ 368,054,336	\$ 40,284,704	\$ 34,370,071	\$ (28,845,390)	
37	Ag-Related Manufacturing	321	Wood Product Manufacturing	\$ 73,649,122	\$ 72,349,122	\$ 7,364,912	\$ 6,547,761	\$ (35,050,300)	
38	Ag-Related Manufacturing	3221	Pulp, Paper, and Paperboard Mills	\$ 495,460,240	\$ 495,360,240	\$ 49,546,024	\$ 49,484,704	\$ (445,842,869)	
39			Total	\$ 1,325,563,867	\$ 1,266,321,160	\$ 132,556,387	\$ 116,037,701	\$ (646,199,134)	
40									
41				High		Middle		Low	
42	Group	Naics	Naics Name	Share TPP Damaged	TV Impact	Share TPP Damaged	TV Impact	Share TPP Damaged	TV Impact
43	Agriculture	111	Crop Production	50%	\$ (22,161,064)	20%	\$ (8,864,426)	10%	\$ (4,432,213)
44	Agriculture	112	Animal Production and Aquaculture	50%	\$ (34,766,416)	20%	\$ (13,906,566)	10%	\$ (6,953,283)
45	Agriculture	113	Forestry and Logging	50%	\$ (8,906,059)	20%	\$ (3,562,424)	10%	\$ (1,781,212)
46	Agriculture	114	Fishing, Hunting, and Trapping	50%	\$ (288,943)	20%	\$ (115,577)	10%	\$ (57,789)
47	Agriculture	115	Support Activities for Agriculture and Forestry	50%	\$ (2,107,806)	20%	\$ (843,122)	10%	\$ (421,561)
48	Ag-Related Manufacturing	311	Food Manufacturing	25%	\$ (7,211,347)	15%	\$ (4,326,808)	10%	\$ (2,884,539)
49	Ag-Related Manufacturing	321	Wood Product Manufacturing	25%	\$ (8,762,575)	15%	\$ (5,257,545)	10%	\$ (3,505,030)
50	Ag-Related Manufacturing	3221	Pulp, Paper, and Paperboard Mills	25%	\$ (111,460,717)	15%	\$ (66,876,430)	10%	\$ (44,584,287)
51			Total		\$ (195,664,928)		\$ (103,752,899)		\$ (64,619,913)
52									
53	Impact on School								
54		High		Middle		Low			
55		Cash	Recurring	Cash	Recurring	Cash	Recurring		
56	2024-25	\$(1.2 M)	\$0	\$(0.6 M)	\$0	\$(0.4 M)	\$0		
57	2025-26	\$0	\$0	\$0	\$0	\$0	\$0		
58	2026-27	\$0	\$0	\$0	\$0	\$0	\$0		
59	2027-28	\$0	\$0	\$0	\$0	\$0	\$0		
60	2028-29	\$0	\$0	\$0	\$0	\$0	\$0		
61									
62	Impact on Non-School								
63		High		Middle		Low			
64		Cash	Recurring	Cash	Recurring	Cash	Recurring		
65	2024-25	\$(2.0 M)	\$0	\$(1.1 M)	\$0	\$(0.7 M)	\$0		
66	2025-26	\$0	\$0	\$0	\$0	\$0	\$0		
67	2026-27	\$0	\$0	\$0	\$0	\$0	\$0		
68	2027-28	\$0	\$0	\$0	\$0	\$0	\$0		
69	2028-29	\$0	\$0	\$0	\$0	\$0	\$0		
70									
71	Total Impact								
72		High		Middle		Low			
73		Cash	Recurring	Cash	Recurring	Cash	Recurring		
74	2024-25	\$(3.2 M)	\$0	\$(1.7 M)	\$0	\$(1.1 M)	\$0		
75	2025-26	\$0	\$0	\$0	\$0	\$0	\$0		
76	2026-27	\$0	\$0	\$0	\$0	\$0	\$0		
77	2027-28	\$0	\$0	\$0	\$0	\$0	\$0		
78	2028-29	\$0	\$0	\$0	\$0	\$0	\$0		

REVENUE ESTIMATING CONFERENCE

Revenue Source: Motor Fuel Tax

Issue: Hurricane Idalia Damage Tax Relief - Motor Fuel Refunds

Bill Number(s): SB2C/HB1C

☐ **Entire Bill**

☒ **Partial Bill:** Section 4

Sponsor(s): Senator Simon/Representative Shoaf

Month/Year Impact Begins: Upon becoming Law

Date(s) Conference Reviewed: November 3, 2023

Section 1: Narrative

- a. **Current Law:** Florida law currently allows any person who purchased tax-paid fuel from October 10, 2018 through June 30, 2019 and used the fuel to transport agricultural products to an agricultural processing or storage facility to apply for a refund.
- b. **Proposed Change:** The proposed language would apply the same current law refund on fuel used for agricultural shipments to motor fuel purchases made from August 30, 2023 through June 30, 2024. But the motor fuel refund would be restricted to: Agricultural shipment” means the transport of any agricultural product from a farm, nursery, forest, grove, orchard, vineyard, garden, or apiary located in Charlotte, Citrus, Columbia, Dixie, Gilchrist, Hamilton, Hernando, Jefferson, Lafayette, Levy, Madison, Manatee, Pasco, Pinellas, Sarasota, Suwannee, or Taylor County to an agricultural processing or storage facility.) “Hurricane debris removal” means the transport of Hurricane Idalia debris from a farm, nursery, forest, grove, orchard, vineyard, garden, or apiary located in Charlotte, Citrus, Columbia, Dixie, Gilchrist, Hamilton, Hernando, Jefferson, Lafayette, Levy, Madison, Manatee, Pasco, Pinellas, Sarasota, Suwannee, or Taylor County. The refund operates similarly to the Hurricane Michael Refund.

Section 2: Description of Data and Sources

Department of Revenue Refund Data:

Form DR-26IF Application for Refund - Fuel Used for Agricultural Shipments

Section 3: Methodology (Include Assumptions and Attach Details)

This estimate was able to use the data from the refunds that were in effect under the current law provisions to estimate the expected refunds under the proposed language. The Motor Fuel Tax refund data only provides total refund amounts requested and total amounts approved.

Motor Fuel Tax Refund Based Impact:

The Motor Fuel Tax Refund will be applied only for the specified counties. The total refunds approved was used as the starting point. The Hurricane Michael refunds do not appear to include refunds for affected Timber operations. The timber acreage relative to farm acreage was used to approximate what the statewide fuel refund would look like if the current law provisions had been used for timber operations at the same rate as was used for other farming operations. The relationship between the listed counties farm and timber acreages and Florida farm and timber acreages was used to apportion the Hurricane Michael refund amounts to the smaller area. The high estimate assumes that 75% of the timber acreage was affected in the listed counties at hurricane Irma levels of returns, the middle estimate assumes 75% with Michael levels of returns, and the low estimate assumes 50% with Michael levels of returns. The effective period of the current law was 263 days and the effective period of the proposed language is 304 days. The total refunds applied for is reduced by the ratio of current law days to proposed language days. The impact is increased to reflect the possibility of increased participation or awareness due to prior experience with the current law refund. The impact is further increased to reflect the inclusion of motor fuel used to remove debris from farms in the listed counties. The high assumes an additional 90% increase in refunds, the middle assumes 90% at Michael refund levels, and the low assumes 30% at Michael levels.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	\$(0.9 M)		\$(0.2 M)		\$(0.1 M)	
2025-26						
2026-27						
2027-28						
2028-29						

REVENUE ESTIMATING CONFERENCE

Revenue Source: Motor Fuel Tax

Issue: Hurricane Idalia Damage Tax Relief - Motor Fuel Refunds

Bill Number(s): SB2C

Revenue Distribution: Motor Fuel

Section 5: Consensus Estimate (Adopted: 11/03/2023): The Conference adopted the middle impact with an adjustment to “increased awareness/participation”. Additionally, while the impact could begin in the current fiscal year, FY 2023-24, the Conference decided it is more probable that taxpayers would delay applying for the refund until the conclusion of the tax-free period.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	0.0	0.0	(0.3)	0.0	(0.1)	0.0	(0.4)	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2027-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2028-29	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	A	B	C	D	E	F	G
1	Summary of Refunds for Fuel Used for Agricultural Shipments						
2	Refund Applied to Fuel Used for Agricultural Shipments						
3		Refund Amounts					
4		Irma	Michael				
5	Amount of Refunds Approved	\$ 836,172	\$ 148,399				
6	Average Amount Approved	\$ 19,004	\$ 10,600				
7	Number of Refunds	44	14				
8	Number of Eligible Days	293	263				
9							
10	Refund Period for Proposed Language 10/10/2018 through 6/30/2019			08/30/23-06/30/2024			
11	Number of Eligible Days	263	304				
12							
13							
14	Lack of timber Refunds in Historic data						
15	Florida Farm Acreage (Non-timber)	9,731,731					
16	Florida Timber Acreage	14,500,000					
17	Timber Acreage as a % of Farm Acreage	149%					
18	Potential Refunds approved For Timber	1,245,873	221,111				
19							
20	Refunds w/ added Timber Fuel Refunds Statewide simulation						
21	Amount of Refunds Approved	\$ 2,082,045	\$ 369,510				
22							
23	Adjustments	High	Middle	Low			
24	Listed Counties % of total Farm Acreage	19.1%	19.1%	19.1%			
25	Listed Counties Farm and Timber % Total F. and T.	31.1%	31.1%	31.1%			
26	Timber losses	75.0%	75.0%	50.0%			
27	Increased Awareness/Participation	20.0%	100.0%	20.0%			
28	Shorter/Longer Eligible Period	89.8%	115.6%	115.6%			
29	Farm Debris	90.0%	90.0%	50.0%			
30							
31	Impact Estimate						
32	Motor Fuel Refunds	High Estimate (Irma approved)	(Michael approved)	(Michael Approved)			
33		\$ 920,707	\$ 350,700	\$ 130,374			
34							
35							
36							
37	Proposed Revenue Impact						
38		High		Middle		Low	
39	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
40	2023-24	\$ (0.9 M)	\$ (0.9 M)	\$ (0.4 M)	\$ (0.4 M)	\$ (0.1 M)	\$ (0.1 M)
41	2024-25						
42	2025-26						
43	2026-27						
44	2027-28						

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Hurricane Idalia Damage Refund - Fencing, Building Materials

Bill Number(s): SB2C/HB1C

☐ **Entire Bill**

☒ **Partial Bill:** Section 2 & 3

Sponsor(s): Senator Simon/Representative Shoaf

Month/Year Impact Begins: Upon becoming law

Date(s) Conference Reviewed: November 3, 2023

Section 1: Narrative

- a. Current Law:** Chapter 2019-42, L.O.F., allowed a refund of sales and use tax paid on fencing materials used in the repair of farm fences and building materials that become a component part of the repair of a nonresidential farm building damaged as a direct result of the impact of Hurricane Michael located on land classified as agricultural land by the county property appraiser. This refund was available if the materials were purchased during the period from October 10, 2018 through June 30, 2019.

Hog wire as well as barbed wire are exempt under current law as well as fence materials and repairs for holding cattle.

- b. Proposed Change:** The proposed language would apply the provisions from Chapter 2019-42, L.O.F., to materials purchased to repair fencing and non-residential farm buildings from August 30, 2023 through June 30, 2024 for fences and nonresidential farm buildings damaged by Hurricane Idalia. The refund operates similarly to the Hurricane Michael Refund.

Section 2: Description of Data and Sources

Department of Revenue Refund Data:

Form DR-26SIAG Application for Refund - Certain Farming Materials Damaged by Hurricane Irma

Form DR-26IF Application for Refund - Fuel Used for Agricultural Shipments

Ad Valorem Tax Roll Data

Section 3: Methodology (Include Assumptions and Attach Details)

This estimate was able to use the data from the refunds that were in effect under the current law provisions to estimate the expected refunds under the proposed language. All counties in the state placed into 4 groups; Individual Assistance, Public Assistance A, Public Assistance B and Rest of State. The refund data from the Sales and Use Tax refund for certain building materials does not differentiate between fencing and building materials.

Sales and Use Tax Refunds Based Impact:

The refund amounts were converted into an implied tax base of refunds by dividing by the 6% Sales and Use Tax rate. The implied bases were used to calculate a ratio of requested and approved refunds relative to the value of Improvements and Special Features on Ag Parcels for the Idalia Refund group. This ratio was then applied to the value of Improvements and Special Features on Ag Parcels for the Individual Assistance, Public Assistance A, and Public Assistance B groups. The ratio of requested refunds is used as the middle estimate while the high is double the middle and the low is half the middle. Adjustments for percent of value affected are made to reflect some of the differences between Hurricane Michael and Hurricane Idalia. The refund is expected to occur during the 2024-25 fiscal year. A discount was also applied to account for fencing being exempt under current law.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	\$(0.6 M)		\$(0.3 M)		\$(0.2 M)	
2025-26						
2026-27						
2027-28						
2028-29						

Revenue Distribution: Sales and Use Tax

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Hurricane Idalia Damage Refund - Fencing, Building Materials

Bill Number(s): SB2C/HB1C

Section 5: Consensus Estimate (Adopted: 11/03/2023): The Conference adopted the low impact. While the impact could begin in the current fiscal year, FY 2023-24, the Conference decided it is probable that taxpayers would delay applying for the refund until the conclusion of the tax-free period.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(0.2)	0.0	(Insignificant)	0.0	(Insignificant)	0.0	(Insignificant)	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2027-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2028-29	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	6% Sub-Total		Add: Local Option		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(0.2)	0.0	(Insignificant)	0.0	(0.2)	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0
2027-28	0.0	0.0	0.0	0.0	0.0	0.0
2028-29	0.0	0.0	0.0	0.0	0.0	0.0

	A	B	C	D	E	F	G
1	Summary of Refunds for Certain Farming Materials Damaged by Hurricane Irma						
2	Includes both Materials for Fencing and Non-residential Farm Buildings						
3		Michael refunds		Irma refunds			
4		Refund Amounts	Base Amounts	Refund Amounts	Base Amounts		
5	Amount of Refunds Approved	\$ 34,594	\$ 576,559	\$ 390,505	\$ 6,508,420		
6	Average Amount Approved	\$ 1,153	\$ 19,219	\$ 5,828	\$ 97,141		
7	Number of Refunds	30		67			
8							
9	Improvements & Special Features on Ag Parcels from Tax Roll Data						
10	County Groups		Idalia SUT Refund group				
11	Imp. & Spec. Feat. Ag Parcels		\$ 2,140,149,033				
12	Number of Farms		9,705				
13	% refunds SUT Refund						
14	Tax Base of \$ Approved	0.34%					
15	Refunds vs. Number of Farms	0.41%					
16							
17		Idalia					
18	County Groups	Individual Assistance	Public Assistance A	Public Assistance B			
19	Imp. & Spec. Feat. Ag Parcels	\$ 1,930,244,634	\$ 4,170,648,698	\$ 1,015,528,573			
20	Number of Farms	56,117	90,684	14,622			
21							
22	SUT Tax Base of Potential Refunds Based on Refunds % of Ag Parcel Improvements and Special Features						
23	County Groups	Individual Assistance	Public Assistance A	Public Assistance B	Total		
24	Low Estimate	\$ 6,608,964	\$ 3,477,068	\$ 14,279,883	\$ 10,086,031.96		
25							
26	Adjustments for different nature of Storm Impacts						
27	% of Value Affected	75%	25%	5%			
28							
29	Adjusted SUT Tax Base of Potential refunds						
30	County Groups	Individual Assistance	Public Assistance A	Public Assistance B	Total		
31		\$ 4,956,723.00	\$ 869,266.99	\$ 713,994.14	\$ 5,825,989.99		
32							
33							
34	Applied 6% Sales Tax Rate						
35	County Groups	Individual Assistance	Public Assistance A	Public Assistance B	Total		
36		\$ 297,403.38	\$ 52,156.02	\$ 42,839.65	\$ 349,559.40		
37							
38	Discount for Fencing exemption	8.84%					
39							
40	Proposed Revenue Impact						
41		High		Middle		Low	
42	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
43	2023-24						
44	2024-25	\$ (0.6 M)	\$ (0.6 M)	\$ (0.3 M)	\$ (0.3 M)	\$ (0.2 M)	\$ (0.2 M)
45	2025-26						
46	2026-27						
47	2027-28						