

**Revenue Estimating Conference
Tobacco Tax and Surcharge
Executive Summary
March 4, 2021**

The Revenue Estimating Conference met March 4, 2021 and revised the Tobacco Tax and Surcharge estimates for Cigarettes and Other Tobacco Products (OTP). For FY 2020-21, year-to-date combined cigarette tax and surcharge collections were \$3.8 million over estimate, and other tobacco tax and surcharge estimates were \$0.8 million over estimate. Preliminary data for February shows combined cigarette tax and surcharge collections at \$4.2 million under estimate, and other tobacco tax and surcharge estimates were \$0.9 million over estimate.

The Department of Business and Professional Regulation entered into a legal settlement agreement in May 2019 to resolve a series of refund claims and related litigation on the taxation of other tobacco products. The payments and tax credits incorporated in this settlement began in August 2019 and will continue through June 2021 pursuant to the settlement terms. For Conference purposes, that agreement is treated as current law, current administration affecting the distribution to the Health Care Trust Fund. The settlement results in refund payments of \$29.9 million in FY 2019-20, and tax credits in the amounts of \$2.4 million in FY 2019-20 and \$10.2 million in FY 2020-21.

Tobacco Tax and Surcharge collections have been performing fairly close to the current forecast. Available data enforced the assumption that the current forecast would continue to remain on target. As a result, the Conference reaffirmed the current forecast.

For OTP, the Conference adopted an increase in the forecast by \$1.3 million in Fiscal Year 2020-21, but left the out year growth rates unchanged. The Conference adopted a slightly higher forecast for the current fiscal year in response to performance of OTP tax and surcharge collections and better performance of certain variables that contribute to the forecast. Though the growth rates remained unchanged, the increased base growth in FY 2020-21 resulted in increased revenue estimates for FY 2021-22 by \$1.4 million, FY 2022-23 by 1.4 million, FY 2023-24 by \$1.5 million, FY 2024-25 by \$1.5 million, and FY 2025-26 by \$1.5 million.

The table on the following page summarizes the changes in collections and distributions since the last forecast.

Tobacco Tax and Surcharge Conference
Comparison of the November 2020 and March 2021 Forecasts

COLLECTIONS						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Cigarette Tax						
November 2020	245.7	239.9	235.7	231.5	227.5	223.5
March 2021	245.7	239.9	235.7	231.5	227.5	223.5
Difference	0.0	0.0	0.0	0.0	0.0	0.0
Cigarette Surcharge						
November 2020	735.1	717.8	705.2	692.8	680.7	668.8
March 2021	735.1	717.8	705.2	692.8	680.7	668.8
Difference	0.0	0.0	0.0	0.0	0.0	0.0
OTP Tax						
November 2020	40.1	40.9	41.7	42.5	43.4	44.2
March 2021	40.4	41.3	42.1	42.9	43.8	44.7
Difference	0.3	0.4	0.4	0.4	0.4	0.5
OTP Surcharge						
November 2020	85.5	97.6	99.6	101.6	103.6	105.8
March 2021	86.5	98.6	100.6	102.7	104.7	106.8
Difference	1.0	1.0	1.0	1.1	1.1	1.0

DISTRIBUTIONS						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Health Care Trust Fund						
November 2020	754.9	750.2	740.4	730.8	721.5	712.6
March 2021	755.8	751.1	741.3	731.9	722.5	713.5
Difference	0.9	0.9	0.9	1.1	1.0	0.9
General Revenue Service Charge						
November 2020	85.4	84.4	83.3	82.1	81.0	79.9
March 2021	85.5	84.5	83.4	82.1	81.1	80.0
Difference	0.1	0.1	0.1	0.0	0.1	0.1
General Revenue Excise Tax						
November 2020	134.0	130.5	128.0	125.4	123.0	120.5
March 2021	134.0	130.5	128.0	125.4	123.0	120.5
Difference	0.0	0.0	0.0	0.0	0.0	0.0
OTP General Revenue Tax						
November 2020	40.1	40.9	41.7	42.5	43.4	44.2
March 2021	40.4	41.3	42.1	42.9	43.8	44.7
Difference	0.3	0.4	0.4	0.4	0.4	0.5
Total GR Distributions						
November 2020	259.5	255.8	253.0	250.0	247.4	244.6
March 2021	259.9	256.3	253.5	250.4	247.9	245.2
Difference	0.4	0.5	0.5	0.4	0.5	0.6
All Other Funds						
November 2020	92.0	90.2	88.8	87.6	86.3	85.1
March 2021	92.0	90.2	88.8	87.6	86.3	85.1
Difference	0.0	0.0	0.0	0.0	0.0	0.0

Tobacco Tax and Surcharge Conference
Comparison of the November 2020 and March 2021 Forecasts
04-Mar-20

	Packs		Cigarette Tax										Cigarette Surcharge					Total	
	(calculated)	% Change	Cigarette Tax	Refunds	Net Tax	GR Service Charge	AB&T Trust Fund	County Rev Sharing	PMATF	Moffitt Center	Biomedical Research TF	General Revenue	Cigarette Surcharge	Adjustments ¹	Floor Tax	GR Service Charge	Health Care Trust Fund	Revenues	Percentage Change
2007-08	1,232.5	-2.1%	411.9	0.3	411.6	29.9	3.7	10.9	110.3	15.9	0.0	239.3							
2008-09	1,252.4	1.6%	418.5	0.1	418.5	30.5	3.8	11.1	112.3	10.8	0.0	250.4							
2009-10	959.7	-23.4%	300.8	0.3	300.5	23.6	2.7	8.0	80.3	5.7	0.0	180.2	856.1		97.5	76.3	872.0	1156.6	
2010-11	920.3	-4.1%	303.7	0.4	303.3	24.5	2.8	8.2	82.9	5.6	0.0	186.2	924.2		0.0	74.5	853.0	1227.5	6.13%
2011-12	860.1	-6.5%	288.1	0.2	287.9	24.2	2.6	7.6	76.8	5.8	0.0	171.8	859.5		0.0	72.1	792.6	1147.4	-6.53%
2012-13	846.3	-1.6%	285.3	0.4	284.9	23.9	2.6	7.7	77.5	5.7	0.0	173.7	843.8		0.0	70.8	770.5	1128.7	-1.63%
2013-14	810.7	-4.2%	271.3	0.6	270.7	22.8	2.4	7.0	70.7	10.6	2.5	150.6	810.3		0.0	68.0	752.0	1081.0	-4.23%
2014-15	817.2	0.8%	274.2	0.1	274.2	23.0	2.5	7.2	73.2	15.5	2.5	151.3	816.1		0.0	68.5	750.7	1090.3	0.86%
2015-16	828.1	1.3%	280.5	0.1	280.3	22.4	2.5	7.4	74.8	15.5	2.6	155.0	824.4		0.0	66.0	758.1	1104.8	1.33%
2016-17	821.3	-0.8%	276.0	0.0	276.0	22.7	2.5	7.3	73.5	15.5	2.5	152.0	819.8		0.0	65.9	753.9	1095.8	-0.81%
2017-18	788.9	-3.9%	264.8	0.0	264.8	20.1	2.4	7.0	71.0	15.5	2.4	146.3	787.7		0.0	60.8	726.9	1052.5	-3.95%
2018-19	761.7	-3.5%	263.0	0.4	262.6	23.2	2.3	6.9	69.5	15.5	2.4	142.8	753.2		0.0	64.7	688.5	1015.8	-3.48%
2019-20	744.9	-2.2%	240.7	0.0	240.7	18.4	2.2	6.4	64.5	15.5	2.2	131.5	753.1	-29.9	0.0	57.9	665.3	963.9	-5.11%
FORECASTS																			
2020-21																			
November 2020	736.0	-1.20%	246.0	0.3	245.7	19.7	2.2	6.5	65.6	15.5	2.2	134.0	735.1	0.0	0.0	58.8	676.3	980.8	1.75%
EOG	736.0	-1.20%	246.0	0.3	245.7	19.7	2.2	6.5	65.6	15.5	2.2	134.0	735.1	0.0	0.0	58.8	676.3	980.8	1.75%
EDR	738.1	-0.91%	246.7	0.3	246.4	19.7	2.2	6.5	65.8	15.5	2.2	134.5	737.2	0.0	0.0	59.0	678.2	983.6	2.04%
DBPR	735.2	-1.30%	245.7	0.3	245.4	19.6	2.2	6.5	65.5	15.5	2.2	133.9	734.3	0.0	0.0	58.7	675.6	979.7	1.64%
March 2021	736.0	-1.20%	246.0	0.3	245.7	19.7	2.2	6.5	65.6	15.5	2.2	134.0	735.1	0.0	0.0	58.8	676.3	980.8	1.75%
2021-22																			
November 2020	718.7	-2.35%	240.2	0.3	239.9	19.2	2.2	6.3	64.0	15.5	2.2	130.5	717.8	0.0	0.0	57.4	660.4	957.7	-2.36%
EOG	718.7	-2.35%	240.2	0.3	239.9	19.2	2.2	6.3	64.0	15.5	2.2	130.5	717.8	0.0	0.0	57.4	660.4	957.7	-2.36%
EDR	720.8	-2.35%	240.9	0.3	240.6	19.2	2.2	6.4	64.2	15.5	2.2	130.9	719.9	0.0	0.0	57.6	662.3	960.5	-2.35%
DBPR	722.3	-1.75%	241.4	0.3	241.1	19.3	2.2	6.4	64.3	15.5	2.2	131.2	721.4	0.0	0.0	57.7	663.7	962.5	-1.76%
March 2021	718.7	-2.35%	240.2	0.3	239.9	19.2	2.2	6.3	64.0	15.5	2.2	130.5	717.8	0.0	0.0	57.4	660.4	957.7	-2.36%
2022-23																			
November 2020	706.1	-1.75%	236.0	0.3	235.7	18.9	2.1	6.2	62.9	15.5	2.1	128.0	705.2	0.0	0.0	56.4	648.8	940.9	-1.75%
EOG	706.1	-1.75%	236.0	0.3	235.7	18.9	2.1	6.2	62.9	15.5	2.1	128.0	705.2	0.0	0.0	56.4	648.8	940.9	-1.75%
EDR	708.2	-1.75%	236.7	0.3	236.4	18.9	2.1	6.2	63.1	15.5	2.2	128.4	707.3	0.0	0.0	56.6	650.7	943.7	-1.75%
DBPR	709.7	-1.75%	237.2	0.3	236.9	19.0	2.1	6.3	63.2	15.5	2.2	128.6	708.8	0.0	0.0	56.7	652.1	945.7	-1.75%
March 2021	706.1	-1.75%	236.0	0.3	235.7	18.9	2.1	6.2	62.9	15.5	2.1	128.0	705.2	0.0	0.0	56.4	648.8	940.9	-1.75%
2023-24																			
November 2020	693.7	-1.75%	231.8	0.3	231.5	18.5	2.1	6.1	61.8	15.5	2.1	125.4	692.8	0.0	0.0	55.4	637.4	924.3	-1.76%
EOG	693.7	-1.75%	231.8	0.3	231.5	18.5	2.1	6.1	61.8	15.5	2.1	125.4	692.8	0.0	0.0	55.4	637.4	924.3	-1.76%
EDR	695.8	-1.75%	232.5	0.3	232.2	18.6	2.1	6.1	62.0	15.5	2.1	125.8	694.9	0.0	0.0	55.6	639.3	927.1	-1.76%
DBPR	699.0	-1.50%	233.6	0.3	233.3	18.7	2.1	6.2	62.3	15.5	2.1	126.4	698.1	0.0	0.0	55.8	642.3	931.4	-1.51%
March 2021	693.7	-1.75%	231.8	0.3	231.5	18.5	2.1	6.1	61.8	15.5	2.1	125.4	692.8	0.0	0.0	55.4	637.4	924.3	-1.76%
2024-25																			
November 2020	681.6	-1.75%	227.8	0.3	227.5	18.2	2.0	6.0	60.7	15.5	2.1	123.0	680.7	0.0	0.0	54.5	626.2	908.2	-1.74%
EOG	681.6	-1.75%	227.8	0.3	227.5	18.2	2.0	6.0	60.7	15.5	2.1	123.0	680.7	0.0	0.0	54.5	626.2	908.2	-1.74%
EDR	683.6	-1.75%	228.5	0.3	228.2	18.3	2.1	6.0	60.9	15.5	2.1	123.3	682.7	0.0	0.0	54.6	628.1	910.9	-1.75%
DBPR	688.5	-1.50%	230.1	0.3	229.8	18.4	2.1	6.1	61.3	15.5	2.1	124.3	687.6	0.0	0.0	55.0	632.6	917.4	-1.50%
March 2021	681.6	-1.75%	227.8	0.3	227.5	18.2	2.0	6.0	60.7	15.5	2.1	123.0	680.7	0.0	0.0	54.5	626.2	908.2	-1.74%
2025-26																			
November 2020	669.7	-1.75%	223.8	0.3	223.5	17.9	2.0	5.9	59.7	15.5	2.0	120.5	668.8	0.0	0.0	53.5	615.3	892.3	-1.75%
EOG	669.7	-1.75%	223.8	0.3	223.5	17.9	2.0	5.9	59.7	15.5	2.0	120.5	668.8	0.0	0.0	53.5	615.3	892.3	-1.75%
EDR	671.7	-1.75%	224.5	0.3	224.2	17.9	2.0	5.9	59.9	15.5	2.0	121.0	670.8	0.0	0.0	53.7	617.1	895.0	-1.75%
DBPR	678.2	-1.50%	226.7	0.3	226.4	18.1	2.0	6.0	60.4	15.5	2.1	122.3	677.3	0.0	0.0	54.2	623.1	903.7	-1.49%
March 2021	669.7	-1.75%	223.8	0.3	223.5	17.9	2.0	5.9	59.7	15.5	2.0	120.5	668.8	0.0	0.0	53.5	615.3	892.3	-1.75%

1- Adjustments in Fiscal Year 2019-20 reflect a recent settlement agreement. The adjustment includes refunds of \$29.9m for FY 2019-20.

Tobacco Tax and Surcharge Conference
Comparison of the November 2020 and March 2021 Forecasts
04-Mar-21

	Tax Base		Total		Other Tobacco		Other Tobacco Products Surcharge						
	(calculated)	% change	Revenue	% change	Products Tax to GR	ABT Refunds ¹	Surcharge	Adjustments ²	GR Service Charge	Health Care Trust Fund	Refunds	Net Health Care Trust Fund After Refunds	Net Surcharge Distributed After Adjustments
2007-08	130.8	-1.2%	32.7	-1.2%	32.7								
2008-09	114.2	-12.7%	28.5	-12.7%	28.5								
2009-10	95.8	-16.1%	81.4	185.2%	25.6		55.8	7.3	5.1	57.7		57.7	55.8
2010-11	107.0	11.7%	91.0	11.7%	27.3		63.7	0.0	5.1	58.8		58.8	63.7
2011-12	110.1	2.8%	93.5	2.8%	28.0		65.6	0.0	5.5	60.1		60.1	65.6
2012-13	115.9	5.3%	98.5	5.3%	28.4		70.1	0.0	5.9	64.2		64.2	70.1
2013-14	109.0	-6.0%	92.6	-6.0%	27.6		65.1	0.0	5.5	59.6	1.1	58.5	64.0
2014-15	121.1	11.1%	102.9	11.1%	30.0		73.0	0.0	6.1	66.8	0.3	66.6	72.7
2015-16	130.2	7.5%	110.6	7.5%	32.5		78.1	0.0	6.2	71.9	0.3	71.6	77.9
2016-17	132.4	1.7%	112.5	1.7%	31.1		81.4	0.0	6.8	74.6	5.3	69.3	76.1
2017-18	143.8	8.7%	122.2	8.7%	36.3		86.0	0.0	6.9	79.1	2.0	77.1	84.0
2018-19	152.3	5.9%	129.4	5.9%	42.0	0.4	87.4	0.0	7.1	80.4	0.9	79.5	86.5
2019-20	157.5	3.4%	133.9	3.4%	36.4	0.0	97.5	-2.4	7.6	87.4	0.5	86.9	94.6
FORECASTS													
2020-21													
November 2020	160.2	1.75%	136.2	1.76%	40.1	0.2	96.1	-10.2	6.9	79.0	0.4	78.6	85.5
EOG	161.8	2.75%	137.5	2.73%	40.4	0.2	97.1	-10.2	7.0	79.9	0.4	79.5	86.5
EDR	160.2	1.75%	136.2	1.76%	40.1	0.2	96.1	-10.2	6.9	79.0	0.4	78.6	85.5
DBPR	162.3	3.07%	138.0	3.10%	40.6	0.2	97.4	-10.2	7.0	80.2	0.4	79.8	86.8
March 2021	161.8	2.75%	137.5	2.73%	40.4	0.2	97.1	-10.2	7.0	79.9	0.4	79.5	86.5
2021-22													
November 2020	163.4	2.00%	138.9	1.98%	40.9	0.2	98.0	0.0	7.8	90.2	0.4	89.8	97.6
EOG	165.4	2.25%	140.6	2.25%	41.4	0.2	99.2	0.0	7.9	91.3	0.4	90.9	98.8
EDR	163.4	2.00%	138.9	1.98%	40.9	0.2	98.0	0.0	7.8	90.2	0.4	89.8	97.6
DBPR	165.6	2.03%	140.8	2.03%	41.4	0.2	99.4	0.0	8.0	91.4	0.4	91.0	99.0
March 2021	165.0	2.00%	140.3	2.04%	41.3	0.2	99.0	0.0	7.9	91.1	0.4	90.7	98.6
2022-23													
November 2020	166.7	2.00%	141.7	2.02%	41.7	0.2	100.0	0.0	8.0	92.0	0.4	91.6	99.6
EOG	169.2	2.25%	143.8	2.25%	42.3	0.2	101.5	0.0	8.1	93.4	0.4	93.0	101.1
EDR	166.7	2.00%	141.7	2.02%	41.7	0.2	100.0	0.0	8.0	92.0	0.4	91.6	99.6
DBPR	168.9	1.99%	143.6	1.99%	42.2	0.2	101.4	0.0	8.1	93.3	0.4	92.9	101.0
March 2021	168.3	2.00%	143.1	2.00%	42.1	0.2	101.0	0.0	8.1	92.9	0.4	92.5	100.6
2023-24													
November 2020	170.0	2.00%	144.5	1.98%	42.5	0.2	102.0	0.0	8.2	93.8	0.4	93.4	101.6
EOG	173.0	2.25%	147.0	2.25%	43.2	0.2	103.8	0.0	8.3	95.5	0.4	95.1	103.4
EDR	170.0	2.00%	144.5	1.98%	42.5	0.2	102.0	0.0	8.2	93.8	0.4	93.4	101.6
DBPR	172.3	2.01%	146.5	2.02%	43.1	0.2	103.4	0.0	8.3	95.1	0.4	94.7	103.0
March 2021	171.7	2.00%	146.0	2.03%	42.9	0.2	103.1	0.0	8.2	94.9	0.4	94.5	102.7
2024-25													
November 2020	173.4	2.00%	147.4	2.01%	43.4	0.2	104.0	0.0	8.3	95.7	0.4	95.3	103.6
EOG	176.9	2.25%	150.3	2.24%	44.2	0.2	106.1	0.0	8.5	97.6	0.4	97.2	105.7
EDR	173.4	2.00%	147.4	2.01%	43.4	0.2	104.0	0.0	8.3	95.7	0.4	95.3	103.6
DBPR	175.7	1.97%	149.3	1.91%	43.9	0.2	105.4	0.0	8.4	97.0	0.4	96.6	105.0
March 2021	175.1	2.00%	148.9	1.99%	43.8	0.2	105.1	0.0	8.4	96.7	0.4	96.3	104.7
2025-26													
November 2020	176.9	2.00%	150.4	2.04%	44.2	0.2	106.2	0.0	8.5	97.7	0.4	97.3	105.8
EOG	180.8	2.25%	153.7	2.26%	45.2	0.2	108.5	0.0	8.7	99.8	0.4	99.4	108.1
EDR	176.9	2.00%	150.4	2.04%	44.2	0.2	106.2	0.0	8.5	97.7	0.4	97.3	105.8
DBPR	179.2	1.99%	152.3	2.01%	44.8	0.2	107.5	0.0	8.6	98.9	0.4	98.5	107.1
March 2021	178.6	2.00%	151.9	2.0%	44.7	0.2	107.2	0.0	8.6	98.6	0.4	98.2	106.8

1 - ABT Refunds has been provided here for information; however, they will be paid out of Beverage Tax and ABT TF GR.
2 - Adjustments include floor tax payments which ended in Fiscal Year 2009-10. Adjustments in Fiscal Year 2019-20 reflect a recent settlement agreement. The adjustments includes credits in the following amounts: For FY 2019-20, tax credits of \$2.4m. For FY 2020-21, tax credits in the amount of \$10.2m.