REVENUE ESTIMATING CONFERENCE

Revenue Source: Local Taxes and Fees
Issue: Preschool Special Assessments
Bill Number(s): CS/HB635 and CS/SB820

☐ **Entire Bill**
☑ **Partial Bill**: Section 1
Sponsor(s): Representative McFarland and Senator Grall
Month/Year Impact Begins: July 2024
Date(s) Conference Reviewed: February 2, 2024

Section 1: Narrative

a. Current Law: Section 170.201, Florida Statutes, indicates that public and private elementary, middle, and high schools shall be exempt from any special assessment levied by a municipality to fund any service if the municipality so desires.

b. Proposed Change: The bill adds public and private preschools to the list of entities exempt from the identified special assessments. It further defines preschool to mean a child care facility licensed under Section 402.305, Florida Statutes, that serves children under age 5.

Section 2: Description of Data and Sources

Results of the Demographic Estimating Conference, July 11, 2023
Population and Demographic Data, Counties and Municipalities on the EDR website, April 1, 2022
Licensed Child Care Facilities serving birth to school age, provided by the Department of Children and Families
PK-12 Public School Data Publications and Reports, 2022-23 Public School Files, Department of Education
2022 Non-ad valorem tax rolls and summary report

- NAVN – summary of assessment by parcel
- NAVD – individual assessment detail by parcel
- DR-503 NA – summary of assessments by non-ad valorem function

2022 Ad Valorem tax roll – NAL data

Parcels from the NAL were matched with NAVN and NAVD data to create the summary of non-ad valorem assessments against each parcel. There were some challenges in matching the information because, in many instances, the parcel identification data received on the non-ad valorem assessment rolls were in a slightly different format from the NAL. Consequently, extensive additional data management was needed to get a clean match. The data for two counties were not matched (Hendry and Pinellas).

Section 3: Methodology (Include Assumptions and Attach Details)

On the property tax roll, there is no direct way to identify preschools. From researching various identifiable preschools across the state, the following use codes by category were identified as frequently containing preschools:

- Residential
  - 1 – Single Family
- Commercial
  - 17 – Office buildings, non-professional service buildings, one story
  - 19 – Professional service buildings
- Institutional
  - 71 – Churches
  - 72 – Private Schools and Colleges
- Governmental
  - 83 – Public county schools - including all property of Board of Public Instruction

For the single-family residential group (1), only parcels with a positive non-residential value and no agricultural value are considered. For the public schools (83), there were no preschools identified that were not already a part of an elementary school. This group has no impact as they would already be exempt if their municipality offers the exemption, but it may nevertheless provide valuable data.

For each use code the roll data is matched to non-ad valorem data to identify special assessments on those uses. There are 10 functions of special assessments and a given property could have 0, 1, or multiple assessments on it. For 2022 and the use codes identified above (with single family only including those with non-res and no agriculture), there were 29,168 special assessments totaling $26,285,747. This value exceeds the true impact of exempting preschools as the majority of use codes 1, 17, and 19 are not preschools along with a fair amount of 71 and 72.

For the middle and low impacts, the total number of child care facilities licensed under 402.305 serving children from birth to school age (6,060) was compared to the total number of parcels in the relevant use codes (101,131). This suggests that approximately 6 percent of those parcels are preschools. This ratio is then applied to the total number of municipal assessments on those use codes (29,168) to estimate that 1,748 assessments would be on preschools. For the middle it is assumed that the majority of preschools would be assessed similar to the 72 use code, Private Schools and Colleges. The average value per assessment in that group is $2,648. For the low it is assumed that preschools would be assessed like the identified set of use codes as a whole. The average assessment in that group is $1,150. Multiplying these by the estimated number of assessments on preschools arrives at a middle impact of $4,628,846 and a low impact of $2,009,381 if the bill had been in place in 2022.

For the high impact, the population of the state within municipalities is compared to the total population to determine that 50.44 percent of people live in municipalities. This ratio is applied to the number of relevant child care facilities to estimate that 3,057 preschools are within municipalities. There are 4,820 public school parcels in the state, and using that same ratio 2,431 are assumed to be within municipalities. Further, only a portion of municipalities impose these assessments today. The number of parcels with a municipal assessment is 21,040 and applying the 50.44 percent municipal population ratio to the 101,131 parcels identified in relevant use codes yields 51,014 relevant parcels in municipalities. The ratio of parcels with municipal assessments to the total relevant municipal parcels results in an estimated 41.24 percent of municipalities that impose these assessments today. 69 public schools are being assessed today, and the ratio of that to the estimated number of public schools in municipalities that assess today (1,003) is 6.9 percent. Based on this, it is assumed that 6.9 percent of assessing municipalities are not instituting the exemption today, or, 93.1 percent are. Based on the number of assessments and underlying number of parcels, the average parcel has 1.4 assessments. Multiplying the 3,057 preschools in municipalities by the 41.24 percent of municipalities that assess, then by the 93.1 percent of assessing municipalities that institute the exemption today, then by the 1.4 assessments per parcel, and finally by the $4,571 average of the average and maximum value per assessment in private schools arrives at the high estimate of $7,438,861 if the bill had been in place in 2022.

The value of a special assessment does not frequently change, so the assessment on a given school may not change in the forecast period. However, the number of preschools is correlated with population, so the 2022 impacts are grown into the future using the population growth rate from the latest demographic estimating conference.

Note that when this exemption applies, it only applies to special assessments levied by the municipalities. Whether or not the exemption applies is at the discretion of each individual municipality. We assume that this bill will not change the behavior of any municipality such that municipalities exempted the special assessments under current law will continue to if the bill passes, and municipalities that do not exempt special assessments under current law will continue to not exempt them if the bill passes. It is possible that, due to the loss of revenue, a municipality that is allowing the exemption today will choose not to going forward because of the bill, resulting in a positive impact for that municipality. This scenario is not quantified.

Similar to other impacts considering non-ad valorem assessments, the impacts identified may be understated because the available non-ad valorem assessment data does not encapsulate the whole state. Some non-ad valorem assessments are specifically set to pay back bonds, such as community development efforts and those related to sewer and water improvements. Those types of assessments are included in this analysis. The effective date of the bill is July 1, 2024 and it first impacts the Fiscal Year 2024-25 collections.

Identical language was considered at the April 21, 2023 Impact Conference. At the time, an adjusted high was adopted. The adjustment set the per assessment in the high to the average of private schools rather than the maximum of private schools. This is not produced for this impact for the sake of historical consistency as the adjustment puts the adopted impact between the middle and the low and could no longer be referred to as the high estimate.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Local Taxes and Fees
Issue: Preschool Special Assessments
Bill Number(s): CS/HB635 and CS/SB820

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	$(7.7 M)	$(7.7 M)	$(4.8 M)	$(4.8 M)	$(2.1 M)	$(2.1 M)
2025-26	$(7.8 M)	$(7.8 M)	$(4.8 M)	$(4.8 M)	$(2.1 M)	$(2.1 M)
2026-27	$(7.9 M)	$(7.9 M)	$(4.9 M)	$(4.9 M)	$(2.1 M)	$(2.1 M)
2027-28	$(8.0 M)	$(8.0 M)	$(5.0 M)	$(5.0 M)	$(2.2 M)	$(2.2 M)
2028-29	$(8.1 M)	$(8.1 M)	$(5.0 M)	$(5.0 M)	$(2.2 M)	$(2.2 M)

Revenue Distribution: Local Taxes and Fees

Section 5: Consensus Estimate (Adopted: 02/02/2024) - Updated: The Conference adopted an amended high estimate that uses the average value per assessment of private schools.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	0.0	0.0	0.0	0.0	(4.4)	(4.4)	(4.4)	(4.4)
2025-26	0.0	0.0	0.0	0.0	(4.5)	(4.5)	(4.5)	(4.5)
2026-27	0.0	0.0	0.0	0.0	(4.6)	(4.6)	(4.6)	(4.6)
2027-28	0.0	0.0	0.0	0.0	(4.6)	(4.6)	(4.6)	(4.6)
2028-29	0.0	0.0	0.0	0.0	(4.7)	(4.7)	(4.7)	(4.7)

	A	B	C	D	E	F	G
1	**Year**	**Population**	**Growth**				
2	2022	22,135					
3	2023	22,499	1.6%				
4	2024	22,829	1.5%				
5	2025	23,139	1.4%				
6	2026	23,440	1.3%				
7	2027	23,732	1.2%				
8	2028	24,015	1.2%				
9							
10		**Assumptions Leading to Low & Middle Impact**	**Low**	**Middle**			
11		Child Care Facilities Licensed Under S. 402.305 Serving Birth to School Age	6,060	6,060			
12		Total Parcels in Relevant Use Codes	101,131	101,131	AssessmentData!C25		
13		Share of Parcels that are Preschools	5.99%	5.99%	D11/D12		
14		Total Assessment Count in Relevant Use Codes	29,168	29,168	AssessmentData!P15		
15		Expected Assessment Count on Preschools	1,748	1,748	D13*D14		
16		Average Value Per Assessment (low) of Private Schools (mid)	$ 1,150	$ 2,648	ValuePerAssessment!G16		
17		**Low & Middle Impact**	**$ 2,009,381**	**$ 4,628,846**	D16*D15		
18							
19		**Assumptions Leading to High Impact**	**High**				
20		Child Care Facilities Licensed Under S. 402.305 Serving Birth to School Age	6,060				
21		Florida 2022 Incorporated Population	11,186,381				
22		Florida 2022 Unincorporated Population	10,989,750				
23		Share Incorporated	50.44%	C21/(C21+C22)			
24		Estimated Preschools in Municipalities	3,057	C11*C23			
25		Total Parcels with Municipal Assessments	21,040	AssessmentData!P16			
26		Total Parcels in Relevant Use Codes	101,131	AssessmentData!C25			
27		Estimated Total Parcels in Relevant Use Codes In Municipalities	51,014	C23*C26			
28		Est. Share of Municipalities that Assess Today	41.24%	C25/C27			
29		Number of Public School Parcels	4,820	AssessmentData!C24			
30		Number of Public Schools in Municipalities that are Assessed Today	69	AssessmentData!N16			
31		Estimated Number of Public Schools in Municipalities That Assess Today	1,003	C29*C23*C28			
32		Est. Share of Assessing Municipalities that Apply Exemption Today	93.12%	1-C30/C31			
33		Average Assessments per Parcel	1.4	AssessmentData!P15/AssessmentData!P16			
34		Avg. of the Avg. and Maximum Value Per Assessment of Private Schools	$ 2,648	D16		**Set cell C34 equal to D16 to produce the previously adopted adjusted high**	
35		**High Impact**	**$ 4,310,343**	C24*C28*C32*C33*C34			
36							
37	**Total Impact**						
38		High		Middle		Low	
39		Cash	Recurring	Cash	Recurring	Cash	Recurring
40	2024-25	$(4.4 M)	$(4.4 M)	$(4.8 M)	$(4.8 M)	$(2.1 M)	$(2.1 M)
41	2025-26	$(4.5 M)	$(4.5 M)	$(4.8 M)	$(4.8 M)	$(2.1 M)	$(2.1 M)
42	2026-27	$(4.6 M)	$(4.6 M)	$(4.9 M)	$(4.9 M)	$(2.1 M)	$(2.1 M)
43	2027-28	$(4.6 M)	$(4.6 M)	$(5.0 M)	$(5.0 M)	$(2.2 M)	$(2.2 M)
44	2028-29	$(4.7 M)	$(4.7 M)	$(5.0 M)	$(5.0 M)	$(2.2 M)	$(2.2 M)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	**2022 Assessment Data**															
2																
3	**Property Types Commonly Used for Preschools**		**Single Family with Non-Residential Value and no Classified Use (01)**		**Single Story Commercial (17)**		**Professional Services Building (19)**		**Church (71)**		**Private School (72)**		**Public School (83)**		**Total**	
4	**Function Code**	**Function**	**Assessment**	**Count**	**Assessment**	**Count**	**Assessment**	**Count**	**Assessment**	**Count**	**Assessment**	**Count**	**Assessment**	**Count**	**Assessment**	**Count**
5	1	**Community Development or Redevelopment**	$ -	-	$ 133,691	70	$ 19,078	33	$ 4,779	12	$ -	-	$ -	-	**$ 157,548**	115
6	2	**Drainage and Water Control / Management**	$ 3,278	29	$ 3,524,151	9,156	$ 2,126,337	4,574	$ 3,315,894	3,262	$ 1,735,266	876	$ 330,524	50	**$ 11,035,450**	17,947
7	3	**Fire Control**	$ 9,835	39	$ 6,797,698	5,113	$ 3,448,701	2,583	$ 1,026,685	824	$ 1,458,906	421	$ 41,620	19	**$ 12,783,444**	8,999
8	4	**Emergency Medical Services**	$ -	-	$ 303,922	166	$ 287,853	199	$ 14,560	33	$ 233,741	36	$ 708	3	**$ 840,784**	437
9	5	**Lighting**	$ 52	2	$ 14,058	119	$ 10,750	131	$ 17,051	83	$ 6,626	21	$ -	-	**$ 48,537**	356
10	6	**Mosquito Control**	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	**$ -**	-
11	7	**Water and Sewer**	$ 1,239	1	$ 183,438	64	$ 134,381	92	$ 167,474	52	$ 81,118	17	$ -	-	**$ 567,649**	226
12	8	**Solid Waste**	$ 1,138	3	$ 160,865	128	$ 31,475	32	$ 100,632	93	$ 17,310	9	$ -	-	**$ 311,420**	265
13	9	**Road Improvements**	$ 1,894	2	$ 27,378	66	$ 50,847	94	$ 11,357	23	$ 2,299	9	$ -	-	**$ 93,775**	194
14	10	**Other (includes County PACE assessments)**	$ -	-	$ 173,385	389	$ 180,282	171	$ 35,996	40	$ 57,476	29	$ -	-	**$ 447,139**	629
15		**Total:**	**$ 17,435**	**76**	**$ 11,318,586**	**15,271**	**$ 6,289,703**	**7,909**	**$ 4,694,428**	**4,422**	**$ 3,592,742**	**1,418**	**$ 372,852**	**72**	**$ 26,285,747**	**29,168**
16		Parcels		**71**		**11,115**		**5,597**		**3,165**		**1,023**		**69**		**21,040**
17																
18		**Use Code**	**Total Parcels In State**													
19		1 (reduced)	596													
20		17	43,016													
21		19	26,035													
22		71	22,505													
23		72	4,159													
24		83	4,820													
25		Total	101,131													

	A	B	C	D	E	F	G	H	I
1	**2022 Value Per Assessment**								
2									
3	**Property Types Commonly Used for Preschools**		**Single Family with Non-Residential Value and no Classified Use (01)**	**Single Story Commercial (17)**	**Professional Services Building (19)**	**Church (71)**	**Private School (72)**	**Public School (83)**	**Total**
4	**Function Code**	**Function**	**Value Per Assessment**	**Value Per Assessment**	**Value Per Assessment**	**Value Per Assessment**	**Value Per Assessment**	**Value Per Assessment**	**Value Per Assessment**
5	1	**Community Development or Redevelopment**		$ 1,910	$ 578	$ 398			$ 1,370
6	2	**Drainage and Water Control / Management**	$ 113	$ 385	$ 465	$ 1,017	$ 1,981	$ 6,610	$ 615
7	3	**Fire Control**	$ 252	$ 1,329	$ 1,335	$ 1,246	$ 3,465	$ 2,191	$ 1,421
8	4	**Emergency Medical Services**		$ 1,831	$ 1,446	$ 441	$ 6,493	$ 236	$ 1,924
9	5	**Lighting**	$ 26	$ 118	$ 82	$ 205	$ 316		$ 136
10	6	**Mosquito Control**							
11	7	**Water and Sewer**	$ 1,239	$ 2,866	$ 1,461	$ 3,221	$ 4,772		$ 2,512
12	8	**Solid Waste**	$ 379	$ 1,257	$ 984	$ 1,082	$ 1,923		$ 1,175
13	9	**Road Improvements**	$ 947	$ 415	$ 541	$ 494	$ 255		$ 483
14	10	**Other (includes County PACE assessments)**		$ 446	$ 1,054	$ 900	$ 1,982		$ 711
15		**Min**	$ 26	$ 118	$ 82	$ 205	$ 255	$ 236	$ 136
16		**Avg**	$ 493	$ 1,173	$ 883	$ 1,000	$ 2,648	$ 3,012	$ 1,150
17		**Max**	$ 1,239	$ 2,866	$ 1,461	$ 3,221	$ 6,493	$ 6,610	$ 2,512

REVENUE ESTIMATING CONFERENCE

Revenue Source: Severance Tax
Sales and Use Tax
Corporate Income Tax
ABT Excise Tax
Insurance Premium Tax
Issue: Child Care Tax Credits
Bill Number(s): CS/HB 635 and CS/SB 820

☐ **Entire Bill**
☑ **Partial Bill**: Sections 2, 3, 4, 5, 10, and 11
Sponsor(s): Representative McFarland, Senator Grall
Month/Year Impact Begins: January 2025
Date(s) Conference Reviewed: December 8th, 2023

Section 1: Narrative

a. Current Law: NA - Relevant sections of language create new sections in statute.

b. Proposed Change: $5 Million dollars in childcare tax credits are created for taxpayers to claim against their liabilities providing they meet the following requirements:

Severance Taxes: Must be claimed against liability incurred on production of Oil or Gas (sections 211.02 or 211.025). Total credits claimed (including those in sections 211.0251, 211.0252, 211.0253) cannot exceed more than 50% of liability. If total credits available exceed 50% of liability, all other credits must be exhausted before applying this one. Credit is available beginning January 1st, 2025.

Sales and Use Tax: Credit can be claimed by any tax imposed by the state and incurred by a direct pay permitholder as a result of the direct pay permit. Credit is available beginning January 1st, 2025.

Corporate Income Tax: The credit must be earned on or before the date the taxpayer is required to file the return on which they claim it. Consolidated filers are subject to the individual cap at the consolidated level. Credit is available for taxable years starting on or after January 1st, 2025.

ABT Excise Tax: Credit must be claimed against excise tax on malt beverages, liquor, or wine not both produced and grown in this state. Credit may not exceed 90% of tax liability on the return in which it is taken. Credit is available beginning January 1st, 2025.

Insurance Premium Tax: Credit must be taken after section 440.51 deductions, sections 175.101 and 185.08 credits, chapter 220 income tax credits, and subsection 624.509(5) credits. Credit is available for taxable years starting on or after January 1st, 2025.

Additionally, the sections on Severance Tax, Sales and Use Tax, and ABT Excise Tax contain provisions stating that any reduction in tax collections as a result of this credit only results in a reduction in distributions to the general revenue fund.

The credit is available via 3 possible pathways: Build a Child Care Facility, Operate a Child Care Facility, or Contract with a Child Care Facility. All 3 set up different individual caps based on the number of employees, described in the tables below.

Builds a Child Care Facility		
50% of startup costs		
Employee Range		*Up To*
1	19	$1,000,000
20	250	$500,000
251	+	$250,000

Operates a Child Care Facility		
$300 per child per month		
Employee Range		*Up To*
1	19	$50,000
20	250	$500,000
251	+	$1,000,000

Contracts With a Child Care Facility		
$3,600 per child per year		
Employee Range		*Up To*
1	19	$50,000
20	250	$500,000
251	+	$1,000,000

Section 2: Description of Data and Sources
Department Credit Reports

REVENUE ESTIMATING CONFERENCE

Revenue Source: Severance Tax
Sales and Use Tax
Corporate Income Tax
ABT Excise Tax
Insurance Premium Tax
Issue: Child Care Tax Credits
Bill Number(s): CS/HB 635 and CS/SB 820

Section 3: Methodology (Include Assumptions and Attach Details)
Given the broad applicability of the credit, we expect the $5 Million cap will be reached. In the event the cap is not reached, there is no reliable way to estimate how much will be claimed.

The credit becomes available for Severance, Sales, and ABT Excise taxes starting January 2025, allowing the potential for an impact in FY25. However, we expect the largest claims to be against Corporate Income and Insurance Premium Tax liabilities for which the credit is available for taxable years beginning January 2025, pushing the brunt of the impact to begin FY26.

In 2023, a CIT only Child Care Tax Credit was presented before the conference with a $2.5M cap. The conference adopted an estimate which assumed all the credit would be claimed. That impact can be found here:
http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/_pdf/page410-411.pdf

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	0	0			0	0
2025-26	(**)	(5M)			(**)	(**)
2026-27	(5M)	(5M)			(**)	(**)
2027-28	(5M)	(5M)			(**)	(**)
2028-29	(5M)	(5M)			(**)	(**)

Revenue Distribution: General Revenue

Section 5: Consensus Estimate (Adopted: 02/02/2024) - updated: The Conference adopted the high estimate with negative five million recurring the first year.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	0.0	(5.0)	0.0	0.0	0.0	0.0	0.0	(5.0)
2025-26	(**)	(5.0)	0.0	0.0	0.0	0.0	(**)	(5.0)
2026-27	(5.0)	(5.0)	0.0	0.0	0.0	0.0	(5.0)	(5.0)
2027-28	(5.0)	(5.0)	0.0	0.0	0.0	0.0	(5.0)	(5.0)
2028-29	(5.0)	(5.0)	0.0	0.0	0.0	0.0	(5.0)	(5.0)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Broadband Equipment
Bill Number(s): HB 1585 / SB 1468

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Steele and Senator Hutson
Month/Year Impact Begins: July 1, 2024
Date(s) Conference Reviewed: January 26, 2024; February 2, 2024

Section 1: Narrative

a. **Current Law**: Broadband communications equipment is taxable at 6%.

b. **Proposed Change**: The language exempts the purchase, use, or lease of "qualifying equipment" by a provider of communications services or internet access services receiving broadband grants administered by the Department of Commerce (COM) from Sales and Use Tax (SUT). Language defines "qualifying equipment" as equipment, machinery, software, or other infrastructure used to provide communications services or Internet access services, which must be located within a central office, headend, or hub operated by a provider of communications services or internet access services. The SUT exemption does not apply to: real property, improvements to real property; office furniture and fixtures; general office equipment and machinery that is not used to provide communications services or internet access services; vehicles; customer premise equipment.

Section 2: Description of Data and Sources

Data received from Florida Department of Commerce, Office of Broadband

Section 3: Methodology (Include Assumptions and Attach Details)

Step 1: Determine through conversations with COM the total estimated costs of grant projects by grant by fiscal year for qualifying broadband grants. Total estimated costs is a sum of grant and estimated private costs. Grant fund matching requirements for the Broadband Opportunity and Broadband Equity, Access, and Deployment (BEAD) Programs are 50% and 25% respectively. Grants through the Capital Projects Fund do not have a match requirement.

Assumption 1: Qualifying providers are those receiving Florida Office of Broadband administered grants from the Broadband Opportunity Program, the Capital Projects Fund, and the BEAD Program.

Assumption 2: No new funds will be made available for qualifying grants listed in Assumption 1 or new grants to be administered by the Florida Office of Broadband.

Assumption 3: BEAD project private funds are set at the minimum implied by the 25% match requirement.

Step 2: Apply a cost inflation factor equal to current inflation (3.35%)
Step 3: Determine life cycle of project expenditures. Conversations with COM suggest expenses are evenly distributed over the first years of the available period for each grant; first 2 years of 3 available for Broadband Opportunity and Capital Projects Fund grants, first 3 years of 4 available for BEAD grants. This even distribution of expenses is used for the Middle and Low impact estimates. A more rapid expenditure pattern is used in the High impact estimate.
Step 4: Apply the expenditure lifecycles from Step 3 to the table of total estimated costs for projects awarded grants from Step 2 to determine total expenses incurred in each fiscal year.
Step 5: Determine share of total expenses qualifying for the exemption. For the Middle and High impact estimates, a 35% share is applied based on independent analysis conducted by the Department of Revenue. The Low impact estimate applies a 25% share.
Step 6: Apply the 6% SUT to the eligible expenditure estimates from Step 5.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	($5.97)		($5.92)		($4.23)	
2025-26	($13.68)		($7.32)		($5.23)	
2026-27	($6.28)		($7.40)		($5.29)	
2027-28	($5.55)		($7.40)		($5.29)	
2028-29	($0.46)		($0.62)		($0.44)	

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Broadband Equipment
Bill Number(s): HB 1585 / SB 1468

Revenue Distribution: Sales and Use Tax

Section 5: Consensus Estimate (Adopted: 02/02/2024): The Conference adopted an adjusted middle, increasing the share of expenditures that would be qualifying to 40% and adjusting the implementation schedule to reflect greater expenditures in the latter stages of the projects.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(9.0)	0.0	(Insignificant)	0.0	(0.3)	0.0	(0.9)	0.0
2025-26	(10.7)	0.0	(Insignificant)	0.0	(0.4)	0.0	(1.0)	0.0
2026-27	(7.8)	0.0	(Insignificant)	0.0	(0.3)	0.0	(0.7)	0.0
2027-28	(7.5)	0.0	(Insignificant)	0.0	(0.3)	0.0	(0.7)	0.0
2028-29	(0.6)	0.0	(Insignificant)	0.0	(Insignificant)	0.0	(0.1)	0.0

	6% Sub-Total		Add: Local Option		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(10.2)	0.0	(1.2)	0.0	(11.4)	0.0
2025-26	(12.1)	0.0	(1.5)	0.0	(13.6)	0.0
2026-27	(8.8)	0.0	(1.1)	0.0	(9.9)	0.0
2027-28	(8.5)	0.0	(1.0)	0.0	(9.5)	0.0
2028-29	(0.7)	0.0	(0.1)	0.0	(0.8)	0.0

Communications Equipment Sales Tax (6%) Exemption Impact ($ millions)			
	35%	35%	25%
	High	Middle	Low
FY 24-25	($5.97)	($5.92)	($4.23)
FY 25-26	($13.68)	($7.32)	($5.23)
FY 26-27	($6.28)	($7.40)	($5.29)
FY 27-28	($5.55)	($7.40)	($5.29)
FY 28-29	($0.46)	($0.62)	($0.44)
	($31.96)	($28.67)	($20.48)

Project Expenditure Rates			
Broadband Opportunity & Capital Projects Fund	BEAD	Rapid	Year
50.00%	33.33%	50.00%	1
50.00%	33.33%	25.00%	2
0.00%	33.33%	25.00%	3
0.00%	0.00%	0.00%	4

Total Cost Estimate Parameters	
3.35%	Cost Inflation Factor
25.00%	BEAD Leverage Ratio

Note: US Telecom Capital Expenditures grew at a 3 year average rate of 5.59%

Total Estimated Expenditures of Broadband Grant Receiving Projects ($ millions)

	Broadband Opportunity	Capital Projects	BEAD
FY 17-18	$ -	$ -	$ -
FY 18-19	$ -	$ -	$ -
FY 19-20	$ -	$ -	$ -
FY 20-21	$ -	$ -	$ -
FY 21-22	$ -	$ -	$ -
FY 22-23	$ 626.20	$ -	$ -
FY 23-24	$ 189.27	$ 426.00	$ -
FY 24-25	$ -	$ -	$ -
FY 25-26	$ -	$ -	$ 1,058.17
FY 26-27	$ -	$ -	$ -
FY 27-28	$ -	$ -	$ -
FY 28-29	$ -	$ -	$ -

Annualized Expenditures ($ millions)

	High	Middle	Low
FY 21-22	*$ -*	*$ -*	*$ -*
FY 22-23	*$ 313.10*	*$ 313.10*	*$ 313.10*
FY 23-24	*$ 464.19*	*$ 620.73*	*$ 620.73*
FY 24-25	*$ 310.37*	*$ 307.64*	*$ 307.64*
FY 25-26	*$ 682.91*	*$ 352.69*	*$ 352.69*
FY 26-27	*$ 264.54*	*$ 352.69*	*$ 352.69*
FY 27-28	*$ 264.54*	*$ 352.69*	*$ 352.69*
FY 28-29	*$ -*	*$ -*	*$ -*

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Electric Mobility Exemption
Bill Number(s): CS/SB58 - Proposed Amendment

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Senator Stewart
Month/Year Impact Begins: August 1 – September 14 and November 1 – December 15, 2024 (Affecting September, October, December, 2024 and January 2025 collections with a one month collection lag)
Date(s) Conference Reviewed: 1/26/2024, 2/2/2024

Section 1: Narrative

a. Current Law:

The items specified or envisioned in the proposed bill are currently subject to sales tax, except for an exemption for vehicles used by the disabled.

Section 212.08(2), F.S. exempts wheelchairs. The Nontaxable Medical Items and General Grocery List (DR-46NT) lists "Wheelchairs, including powered models, their parts, and repairs" as an exempt item. The exemption is included in Rule 12A-1.021, F.A.C., since 1987. DOR has also determined that "... personal mobility scooters ... are functionally equivalent to powered wheelchairs and are therefore specifically exempt from Florida sales tax." The determination was provided in TAA 14A-014.

Section 316.003 (23), F.S. (2023) defines an electric bicycle as follows:
(23) ELECTRIC BICYCLE.—A bicycle or tricycle equipped with fully operable pedals, a seat or saddle for the use of the rider, and an electric motor of less than 750 watts which meets the requirements of one of the following three classifications:
(a) "Class 1 electric bicycle" means an electric bicycle equipped with a motor that provides assistance only when the rider is pedaling and that ceases to provide assistance when the electric bicycle reaches the speed of 20 miles per hour.
(b) "Class 2 electric bicycle" means an electric bicycle equipped with a motor that may be used exclusively to propel the electric bicycle and that ceases to provide assistance when the electric bicycle reaches the speed of 20 miles per hour.
(c) "Class 3 electric bicycle" means an electric bicycle equipped with a motor that provides assistance only when the rider is pedaling and that ceases to provide assistance when the electric bicycle reaches the speed of 28 miles per hour.

Section 316.003, F.S. (2023) also includes the following definitions:
(41) MICROMOBILITY DEVICE.—Any motorized transportation device made available for private use by reservation through an online application, website, or software for point-to-point trips and which is not capable of traveling at a speed greater than 20 miles per hour on level ground. This term includes motorized scooters and bicycles as defined in this chapter.

(48) MOTORIZED SCOOTER.—Any vehicle or micromobility device that is powered by a motor with or without a seat or saddle for the use of the rider, which is designed to travel on not more than three wheels, and which is not capable of propelling the vehicle at a speed greater than 20 miles per hour on level ground. The term does not include an electric bicycle.

b. Proposed Change:

The proposed amendment to CS for SB 58 exempts from sales tax the retail sale of the following items during the period August 1 – September 14 and November 1 – December 15, 2024.

(a) "Electric bicycle" as defined in s. 316.003, Florida Statutes.
(b) "Electric scooter" means a vehicle having two or fewer wheels, with or without a seat or saddle, which is equipped to be propelled by an electric motor and which weighs less than 75 pounds, is less than 2 feet wide, and is designed for a maximum speed of less than 35 miles per hour.
(c) "Protective clothing and equipment" means apparel designed and intended for use during the operation of an electric bicycle or electric scooter which incorporates padding to protect from or mitigate injury.
The bill has the following price limits.
(a) An electric bicycle: $1,750 or less.
(b) An electric scooter: $500 or less.

Revenue Source: Sales and Use Tax
Issue: Electric Mobility Exemption
Bill Number(s): CS/SB58 - Proposed Amendment

(c) The following protective clothing and equipment:
1. A helmet: $150 or less.
2. Knee pads: $50 or less.
3. Elbow pads: $50 or less.
4. A shirt, pants, a jacket, or gloves: $75 or less.
The bill does not speak to the battery that comes with an e-bike. In some cases, the battery is sold separately. In this case, the consumer will have to purchase the battery and be charged sales tax on it.

Section 1 (4) specifies: "The lease or rental of an electric bicycle, an electric scooter, or protective clothing and equipment does not qualify as an exempt retail sale under this exemption."

Section 2: Description of Data and Sources

- U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, 2022 and 2021, Table R-1 All consumer units: Annual detailed expenditure means, standard errors, coefficients of variation, and weekly (D) or quarterly (I) percents reporting, Table Florida Quintiles of Income, 2020-21.
- Florida Demographic Estimating Conference, November 2023.
- Florida Economic Estimating Conference, December 2023.
- Florida Sales Tax Contributions from Households, Businesses and Tourists, Contributions to General Revenue from Sales Tax Collections in FY 2020-21, by source http://edr.state.fl.us/Content/economy/FloridaSalesTaxContributions_FY20-21.pdf .
- United States Consumer Product Safety Commission, Micromobility Products-Related Deaths, Injuries, and Hazard Patterns: 2017-2022, September 2023, https://www.cpsc.gov/s3fs-public/Micromobility-Products-Related-Deaths-Injuries-and-Hazard-Patterns-2017-2022.pdf .

Section 3: Methodology (Include Assumptions and Attach Details)

Data Source - CE
The methodology uses the U.S. Bureau of Labor Statistics Consumer Expenditure Survey (CE) to estimate expenditures on the exempted items in Florida. The CE is the most detailed publicly available source of consumer expenditure data. BLS uses a direct interview survey and a consumer diary survey to collect data. Aggregate level data, such as income and total expenditures are available for Florida. However, data for the most detailed level of expenditures is not available for Florida but is available for the US.

Aggregate Expenditures
Florida number of consumer units (households), average annual income, and average annual consumer expenditures from the U.S. Bureau of Labor Statistics Consumer Expenditure Survey (CE) are grown to the impact year by the growth rate of resident households from the FDEC and the growth rate in personal income from the FEEC respectively, assuming that the ratio of expenditures to income remained constant in the adjustment period. This process estimates aggregate annual consumer expenditures by Florida residents in the impact year.

Item's Category and Share of Aggregate Expenditures
For each item or group of items, the analysis selects an expenditure category deemed most appropriate and likely to contain the exempt item or group of items. The decision is based on a review of the broad and detailed expenditure categories in the hierarchical structure of the CE, a review of adjacent categories, and a review of instructions to survey respondents.

A further determination is made on whether the exempt items would comprise the entire expenditure category or only a relatively small share of the category. This step is now shown separately for each category as a **lever** for the conference to adjust as needed.

Annual to Daily
The annual taxable expenditures for each category are used to calculate annual and average daily sales tax collections. Since the expenditure data include state and local sales tax, an adjustment is made to deduct state and local sales taxes from the expenditures to estimate taxable expenditures.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Electric Mobility Exemption
Bill Number(s): CS/SB58 - Proposed Amendment

Length of Holiday, Shifted Timing of Purchases
The length of the holiday multiplied by average daily tax collections produces the base impact of the holiday, affecting purchases that happen on average regardless of any sales tax holidays. This forms the base impact of the holiday. It is further assumed that consumers are sensitive to pre-announced sales tax holidays and they will shift purchases from periods adjacent to the holiday into the holiday to take advantage of the sales tax savings. Another **lever** allows to vary assumptions about how many days of spending is shifted from outside the holiday window into the holiday window. These additional days are added to the base holiday impact.

Factor Adjustments
The methodology uses the following adjustment factors that can also be used as **levers**.

- Business purchases factor: A ratio of business purchases to household purchases subject to sales tax based on Florida Sales Tax Contributions from Households, Businesses, and Tourists as published on the EDR website. Expenditure data in the CE reflects consumer purchases only. However, sales tax in Florida is generally paid by businesses as well, except in conditions as specified in statute. To account for business purchases of the exempt items, a business purchases factor is applied to sales tax collection from consumers to estimate additional business purchases of the exempt items. This is an estimate of business purchases that occur on average in Florida regardless of the holiday. This factor may be varied to account for induced activity in addition to average activity or to account for reduced activity since the item does not have a business application.
- Tourists purchases factor: A ratio of tourists purchases to household purchases based on Florida Sales Tax Contributions from Households, Businesses, and Tourists as published on the EDR website. Expenditure data in the CE reflects resident consumer purchases only. In addition, the number of consumer units and FDEC household data only reflect resident households, not snowbirds or other types of visitors. A tourist purchases factor is applied to sales tax collection from resident households to estimate additional tourists purchases of the exempt items. This is an estimate of average tourist purchases that occur on average in Florida regardless of the holiday. This factor may be varied to account for induced activity in addition to average activity or to account for reduced activity since the item may rarely be purchased by tourists. The consumer expenditure data for residents also includes resident purchases out-of-state (tourism etc.). These expenditures have not been subtracted at present.
- Bill language conditions & exclusions factor: This **lever** includes price limits, bill modifications from price caps to "first XXX Dollars of" price and other price conditions, certain tourism-related dealers, impulse purchases, and other bill language exclusions not explicitly accounted for elsewhere.

Motorized mobility aid devices, primarily used by persons with disabilities or difficulties walking, are already exempt from sales tax. Devices, such as powered wheelchairs and mobility scooters are categorized in the CE category "Supportive and convalescent medical equipment."

As in the prior version, this bill version does not address whether the electric scooter vehicles must be operated by a human, but due to the reference to the definition of an electric bicycle, this analysis assumes an electric bicycle by definition must be operated by a human.

Due to the changes in the bill language, relative to the REC impact dated 11/17/2023, the 1/26/2024 analysis changed as follows.

1. The bill no longer uses the "micromobility" language as a definition and instead uses the "electric transportation" language.
2. The bill specifies two vehicles as exempt: electric bicycle and electric scooter. While electric bicycle is interpreted to mean a specific vehicle, the definition of an electric scooter is interpreted to include an assortment of vehicles.
3. The bill now excludes regular bicycles. Human-powered bicycles were exempted in the November version but not in this version.
4. To define electric bicycles, the bill now cites Section 316.003 (23), F.S. (2023).
5. The bill introduces price caps by category.
6. The bill removed the general other small micromobility vehicle category. However, electric scooter now still includes a somewhat tightened (by weight and width limitations) version of this "other" category. This category can be open to interpretation as to what is included.
7. The bill reduces the eligible width to two (2) feet from three (3) feet in the prior version.

8. The bill now specifically includes protective clothing with the qualification that it is "apparel designed and intended for use during the operation of an electric bicycle or electric scooter."
9. The bill provides for two sales tax holidays of 45 days each rather than six months (90 days vs. 180 days).

Relative to the 11/17/2023 analysis, the 1/26/2024 analysis includes the following.
1. Updated data with new FDEC and FEEC conference data.
2. Reduces the bicycle category by removing expenditures on already existing sales tax exemptions for child bicycle seats, carriers, and trailers, and child bicycle helmets.
3. Reduces the bicycle category by only including assumed expenditures on electric bicycles based on product shares from an IBIS World report on bicycle manufacturing.
4. Reduces the bill factors due to the introduction of price caps.
5. Includes certain categories of clothing, less assumed expenditures on already existing permanent sales tax exemptions for toddler clothing.
6. Adjusts the duration of the holiday.
7. Clarifies that if a commercial entity takes advantage of the holiday as a final sale, rather than sale for resale, then this sale will be exempt and have an impact according to this bill.

Due to the changes in the bill language, relative to the REC impact dated 1/26/2024, the 2/2/2024 analysis changed as follows.
1. The bill language qualifies the term "motor" by adding the adjective "electric" to "motor" in the definition of "electric scooter." The 1/26/2024 analysis already narrowly construed the word "motor" to mean only electric motors. No gasoline motor products were included in the assumptions or calculations.
2. The "protective clothing" language (definition and itemization) in the 2/2/2024 analysis remained the same as the prior language in the 1/26/2024 analysis.

Relative to the 1/26/2024 analysis, the 2/2/2024 analysis includes the following.
1. No change was made to the impact since a motor was assumed to be electric even though not explicitly specified.
2. In the 2/2/2024 analysis and the 1/26/2024 analysis, "protective clothing" and the itemized list were narrowly construed to mean that the exemption applies only to specialized protective clothing even though the language "A shirt, pants, a jacket, or gloves" as a standalone is and remains unqualified in both bill versions. The 1/26/2024 impact was already narrowly construed and calculated to only include assumed portions of clothing that represent protective clothing only. No change was made to the impact.
3. The assumptions for the HIGH estimate were modified in the 2/2/2024 analysis. The HIGH assumes that the induced, or shifted, purchases will amount to 90 additional days of average daily purchases for all three categories because consumers are expected to shift their purchases just to save on the sales tax. Effectively, the induced purchases will double the number of effective days from 90 to 180 total purchasing days, resulting in a HIGH impact equal to 1.6 times the middle impact.

Several categories from the CE survey are assumed to encompass the electric transportation vehicles envisioned by the bill.

The CE category "bicycles" contains both regular and electric bicycles. The category is reduced to include only electric bicycles. Based on internet research, it appears that most electric bikes reach maximum speeds of less that 30 mph, so most will qualify for the exemption. However, not all fall under the set price cap.

The CE category "scooters" includes both manual and electric devices as well. The category is reduced to include only electric scooters. It appears that most scooters will qualify for the exemption because the maximum speeds they reach appear to be most likely below the maximum set in the bill.

The category "motorcycles" is included to account for motorcycle helmet purchases. The US Consumer Product Safety Commission report "Micromobility Products-Related Deaths, Injuries, and Hazard Patterns: 2017-2022" discusses deaths and injuries associated with the use of micromobility devices. It appears that bicycle helmets may not provide the necessary protection for such devices. For this reason, motorcycle helmets under the motorcycle category are included in the impact under the assumption that consumers may opt for the maximum possible head protection device considering the risks associated with micromobility devices. Also, micromobility products advertised on the internet seem to feature riders with motorcycle-type helmets rather than bicycle-type helmets.

The estimate for electric scooters includes the category "scooters" as well as the categories "Other sports equipment" and "Toys, games, arts and crafts, and tricycles" to capture the "other electric scooters" term, which is interpreted to include two-wheeled items for adults or for children that may not be captured in scooters, such as electric sit-down toys, electric skateboards, electric hoverboards, etc.

"Related personal safety equipment" is generally included in the main equipment category in the Consumer Expenditure Survey. For example, kneepads expenditures for bicycles are included in the bicycles category.

A reduced business purchases factor is used to account for potential purchases of scooters etc. by businesses.

A significantly reduced tourist factor is proposed assuming that most tourists are not likely to make such purchases while traveling to Florida.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Electric Mobility Exemption
Bill Number(s): CS/SB58 - Proposed Amendment

Examples of Electric Transportation Vehicles and Equipment

Source: Harley-Davidson Electric Balance Bike, https://www.harley-davidson.com/us/en/shop/c/electric-balance-bikes?format=json;i=1;locale=en_US;q1=kids;q2=electric-balance-bikes;sp_cs=UTF-8;x1=primaryCategoryCode;x2=superCategoryCodes

Source: TREK FX + 2, https://www.trekbikes.com/us/en_US/bikes/hybrid-bikes/electric-hybrid-bikes/fx/fx-2/p/35842/?colorCode=black

Source: Razor Pocket Mod, https://razor.com/products/electric-rides/pocket-mod/

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
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Bill Number(s): CS/SB58 - Proposed Amendment

Source:Segway Ninebot-2, https://store.segway.com/ninebot-s2

Source: GoTrax GMax Ultra-Electric Scooter, Joseph Kaminski, CNET, https://www.cnet.com/roadshow/news/best-electric-scooter/

Source: Hover-1 Titan Hoverboard, https://www.hover-1.com/products/hover-1-titan-hoverboard

Source: http://onlinetips.altervista.org/wp-content/uploads/2018/06/protective-gear.jpg

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Electric Mobility Exemption
Bill Number(s): CS/SB58 - Proposed Amendment

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(8.1 m)		(5.2 m)			
2025-26						
2026-27						
2027-28						
2028-29						

Revenue Distribution: Sales and Use Tax

Section 5: Consensus Estimate (Adopted: 02/02/2024): The Conference adopted an adjusted high assuming 60 days of additional purchases.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(6.0)	0.0	(Insignificant)	0.0	(0.2)	0.0	(0.6)	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	(6.8)	0.0	(0.8)	0.0	(7.6)	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	H	I
3	2/2/2024	CS/SB58 - Proposed Amendment						90	Days
4		Sales Tax Holiday - Electric Mobility Exemption						6	Weeks
5							8/1/2024	11/1/2024	Start
6			**NOTE: All Levers are in yellow.**				9/14/2024	12/15/2024	End
7									
8		**I.**	**GENERAL PURCHASING ASSUMPTIONS**						
9				**ADJUSTMENT FACTORS**					
10				Business purchases factor based on Florida Sales Tax Contributions from Businesses	0.2802				
11				Tourists purchases factor based on Florida Sales Tax Contributions from Tourists	0.2101				
12				Bill language conditions & exclusions*	1.00				
13				Effective sales tax factor (State + Local Option	6.8%				
14			* Includes price limits and other price exclusions, certain tourism-related dealers, impulse purchases, and other bill language exclusions not explicitly accounted for elsewhere.						
15									
16		**II.**	**GROWTH RATE ASSUMPTIONS**						
17					**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**
18				*FDEC growth in population*	*1.67%*	*1.71%*	*1.64%*	*1.53%*	*1.41%*
19				*FDEC growth in resident households*	*1.70%*	*1.84%*	*1.73%*	*1.59%*	*1.49%*
20				*FEEC growth in personal income*	*10.29%*	*6.61%*	*7.87%*	*6.35%*	*6.43%*
22									
23			AGGREGATE EXPENDITURE CALCULATIONS						
24		**III.**	**FLORIDA CONSUMER EXPENDITURES**						
25				**Florida** Consumer Expenditures	***ACTUAL***				
26					**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**
27					**2020-2021 Avg.**				
28	CE		Florida	Number of Consumer Units	9,200,869	9,370,362	9,532,569	9,683,708	9,827,773
29				*by growth in households*					
30									
31	CE		Florida	Income before taxes per Consumer Unit	$72,775.52	$77,588	$83,691	$89,002	$94,725
32				*by growth in personal income*					
33									
34	CE		Florida	Average annual expenditures per Consumer U	$55,533	$59,205	$63,862	$67,915	$72,281
35				*constant share (2019-2020) of income before taxes*					
36									
37	Calculated		Florida	Aggregate income before taxes	$669,598,025,927	$727,026,606,033	$797,787,990,190	$861,871,459,304	$930,931,550,348
38									
39	Calculated		Florida	**Aggregate expenditures****	**$510,949,925,995**	**$554,771,932,062**	**$608,767,796,145**	**$657,667,945,987**	**$710,365,604,943**
40				*constant share of income before taxes*	76.3%	76.3%	76.3%	76.3%	76.3%
41				** Includes state and local sales tax					

2/2/2024	**CS/SB58 - Proposed Amendment**	90 Days
	Sales Tax Holiday - Electric Mobility Exemption	6 Weeks

IV. EXPENDITURE CALCULATIONS

ITEMS SPECIFIED IN BILL		CE CATEGORY	CE SUBCATEGORY/ ITEM	% of Expenditures	Percent of Category for Item	FY 2024-25 Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily
• Electric bicycles • Electric-assist bicycles • Protective equipment		Sports, recreation, and exercise equipment	Bicycles [I]	0.08304%	**16.170%**	$89,344,903	$5,360,694	$14,687
			E-bikes share of bicycles, IBIS World	11.50%				
			E-bikes protective equipment	5.00%				
			Existing exemption for child bicycle seats (-)	1.00%				
			Existing exemption for child bicycle helmets (-)	1.00%				
• Protective equipment (helmets)		Vehicle purchases (net outlay) [I]	New motorcycles [I]	0.04629%	**5.00%**	$15,400,404	$924,024	$2,532

A. ***Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)***

	MIDDLE		HIGH	
	Days	**Sales Tax (State)**	**Days**	**Sales Tax (State)**
Holiday duration	90	$1,549,656.60	90	$1,549,656.60
Additional days - time shifting of purchases	30	$516,552.20	60	$1,033,104.40
Total consumer purchases for days impacted	120	$2,066,209	150	$2,582,761

B. ***Other Florida purchases***

	MIDDLE		HIGH	
	Factors	**Sales Tax (State)**	**Factors**	**Sales Tax (State)**
Business purchases factor	0.28018	$578,908	0.14009	$361,817
Visitor purchases factor	0.02101	$43,418	0.02101	$54,273
Total other Florida purchases		$622,326		$416,090
A. & B. ***Total Florida purchases***		$2,688,535		$2,998,851
Bill language conditions & exclusions*	0.800		0.800	
SALES TAX IMPACT		**$2,150,828**		**$2,399,081**

2/2/2024

CS/SB58 - Proposed Amendment

Sales Tax Holiday - Electric Mobility Exemption

90 Days

6 Weeks

ITEMS SPECIFIED IN BILL		CE CATEGORY	CE SUBCATEGORY/ ITEM	% of Expenditures	Percent of Category for Item	FY 2024-25 Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily
Electric scooters				0.22773%		$147,105,938	$8,826,356	$24,182
• Electric scooters • Protective equipment		Sports, recreation, and exercise equipment	Scooters and other single-rider transportation [D]	0.00012%	80.00%	$636,298	$38,178	$105
• A vehicle having two or fewer wheels, with or without a seat or a saddle, equipped to be propelled by a motor, weighs less than 75 pounds, is less than 2 feet in width, and is designed for a max speed of less than 35 mph.		Sports, recreation, and exercise equipment	Other sports equipment [I]	0.00936%	2.00%	$1,245,689	$74,741	$205
• Powered ride-ons (Razor). • Electric skateboards (one-wheeled). • Electric hoverboards.		Toys, hobbies, and playground equipment	Toys, games, arts and crafts, and tricycles [D]	0.21825%	10.00%	$145,223,952	$8,713,437	$23,872

		MIDDLE		HIGH	
A.	***Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)***				
		Days	**Sales Tax (State)**	**Days**	**Sales Tax (State)**
	Holiday duration	90	$2,176,362	90	$2,176,362
	Additional days - time shifting of purchases	30	$725,454	60	$1,450,908
	Total consumer purchases for days impacted	120	$2,901,816	150	$3,627,270
B.	***Other Florida purchases***				
		Factors	**Sales Tax (State)**	**Factors**	**Sales Tax (State)**
	Business purchases factor	0.28018	$813,027	0.14009	$508,142
	Visitor purchases factor	0.02101	$60,977	0.02101	$76,221
	Total other Florida purchases		$874,004		$584,363
A. & B.	***Total Florida purchases***		$3,775,820		$4,211,633
	Bill language conditions & exclusions*	0.600		0.800	
	SALES TAX IMPACT		**$2,265,492**		**$3,369,307**

ITEMS SPECIFIED IN BILL		CE CATEGORY	CE SUBCATEGORY/ ITEM	% of Expenditures	Percent of Category for Item	FY 2024-25 Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily
• Protective clothing		Apparel and services		0.63048%		$43,878,754	$2,632,725	$7,213
		Men 16+	Men's sportcoats and tailored jackets [D]	0.00338%	5.00%	$1,123,464	$67,408	$185
			Men's shirts, sweaters, and vests [D]	0.11293%	1.00%	$7,514,284	$450,857	$1,235
			Men's pants and shorts [D]	0.11306%	1.00%	$7,523,232	$451,394	$1,237
		Boys, 2 - 15, less baby&toddler exemptions	Boys' suits, sportcoats, and vests [D]	0.00021%	5.00%	$68,564	$4,114	$11
			Boys' shirts and sweaters [D]	0.00943%	1.00%	$627,502	$37,650	$103
			Boys' pants and shorts [D]	0.00877%	1.00%	$583,895	$35,034	$96
		Women 16+	Women's sportcoats and tailored jackets [D]	0.00152%	5.00%	$507,050	$30,423	$83
			Women's sweaters, shirts, tops, and vests [D]	0.21501%	1.00%	$14,306,767	$858,406	$2,352
			Women's pants and shorts [D]	0.14330%	1.00%	$9,535,525	$572,131	$1,567
		Girls, 2 - 15, less baby&toddler exemptions	Girls' coats and jackets [D]	0.00213%	5.00%	$708,956	$42,537	$117
			Girls' shirts, blouses, sweaters, and vests [D]	0.01148%	1.00%	$764,082	$45,845	$126
			Girls' skirts, pants, and shorts [D]	0.00925%	1.00%	$615,434	$36,926	$101

2/2/2024

CS/SB58 - Proposed Amendment

Sales Tax Holiday - Electric Mobility Exemption

90 Days
6 Weeks

A. ***Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)***

	MIDDLE		HIGH	
	Days	**Sales Tax (State)**	**Days**	**Sales Tax (State)**
Holiday duration	90	$649,165.12	90	$649,165.12
Additional days - time shifting of purchases	30	$216,388.37	60	$432,776.75
Total consumer purchases for days impacted	120	$865,553	150	$1,081,942

B. ***Other Florida purchases***

	MIDDLE		HIGH	
	Factors	**Sales Tax (State)**	**Factors**	**Sales Tax (State)**
Business purchases factor	0.14009	$121,255	0.14009	$151,569
Visitor purchases factor	0.02101	$18,188	0.02101	$22,735
Total other Florida purchases		$139,443		$174,304
A. & B. ***Total Florida purchases***		$1,004,997		$1,256,246
Bill language conditions & exclusions*	0.800		0.800	
SALES TAX IMPACT		**$803,997**		**$1,004,997**

V. TOTAL IMPACT

TOTAL IMPACT	**MIDDLE**	**HIGH**
	FY 2024-25	**FY 2024-25**
Electric bicycle	**$2,150,828**	**$2,399,081**
Electric scooter	**$2,265,492**	**$3,369,307**
Protective clothing and equipment	**$803,997**	**$1,004,997**
Total	**$ 5,220,317**	**$ 6,773,385**

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax
Issue: Railroad Credit Addback
Bill Number(s): Proposed Language

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s):
Month/Year Impact Begins: July 1, 2024
Date(s) Conference Reviewed: February 2, 2024

Section 1: Narrative

a. Current Law:

A qualifying railroad must submit to the department, with its return, an application to demonstrate eligibility for the credit.

b. Proposed Change:

This application may be submitted during the calendar year in which the qualified expenditures were incurred but no later than May 1 of the calendar year following the year in which the qualified expenditures were incurred. Also removes the addback for CIT by allowing the credit to not be included in taxable income.

Section 2: Description of Data and Sources

DOR Qualified Railroad credits

Section 3: Methodology (Include Assumptions and Attach Details)

Most of the bill addresses the changes to applications for the credit with the only fiscal change occurring being that proposed language would drop the addback required in current law. Currently we have no applications in for the qualified railroads credit which in turn makes it unclear what effect removing the addback would have as we have no credit data available. Changes to transfer language in the bill also appear to allow the railroad to sell the credit/carryover credit and for the purchaser to use the credit in any year from the year it was earned to 5 years thereafter. It is possible a purchaser could use it on a return that it already filed for the previous year or the one prior to that.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			(**)	(**)		
2025-26			(**)	(**)		
2026-27			(**)	(**)		
2027-28			(**)	(**)		
2028-29			(**)	(**)		

Revenue Distribution: Corporate Income Tax

Section 5: Consensus Estimate (Adopted: 02/02/2024): The Conference adopted an adjusted middle using 0/(**) in any given year as the cash impact. The Conference notes that the maximum annual impact from the new addback provision would be 5.5% times ($6.9m) or ($0.4), assuming the number of miles owned or leased by short line railroads remain the same.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	0/(**)	(**)	0.0	0.0	0.0	0.0	0/(**)	(**)
2025-26	0/(**)	(**)	0.0	0.0	0.0	0.0	0/(**)	(**)
2026-27	0/(**)	(**)	0.0	0.0	0.0	0.0	0/(**)	(**)
2027-28	0/(**)	(**)	0.0	0.0	0.0	0.0	0/(**)	(**)
2028-29	0/(**)	(**)	0.0	0.0	0.0	0.0	0/(**)	(**)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax / Corporate Income Tax
Issue: Automatic Deadline Extension in a State of Emergency
Bill Number(s): SB 1770

☒ **Entire Bill:**
☐ **Partial Bill**:
Sponsor(s): Senator Gruters
Month/Year Impact Begins: July 1, 2024
Date(s) Conference Reviewed: February 2, 2024

Section 1: Narrative

a. **Current Law**: There is currently no automatic extension in the event of a state of emergency declaration.

b. **Proposed Change**: Notwithstanding this paragraph, when a state of emergency is declared pursuant to s. 252.36 within 5 business days before the 20th day of the month, a dealer located in a county to which such emergency declaration applies is granted an automatic 10-day extension from the due date for filing a return and remitting the tax.
When a taxpayer has been granted an extension or extensions of time within which to file its federal income tax return for any taxable year due to a federally declared disaster, and if the requirements of s. 220.32 are met, the department shall automatically extend the due date of the return required under this code until the 15th day after the due date, including any extensions provided for such federally declared disaster.

Section 2: Description of Data and Sources
SB 1770

Section 3: Methodology (Include Assumptions and Attach Details)
SB 1770 allows for an automatic 10-day extension if a state of emergency is declared in a county within 5 business days before the 20th day of the month. And allows an automatic 15-day extension on federally declared disasters where federal income tax is extended. Because this merely extends payments in the event of a state of emergency the base should be unaffected by the proposed changes; however if the emergency occurs at the end of the year, the new provision could shift funds from one fiscal year into another.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			$0	$0		
2025-26			$0	$0		
2026-27			$0	$0		
2027-28			$0	$0		
2028-29			$0	$0		

Revenue Distribution: Corporate Income Tax, Sales and Use Tax

Section 5: Consensus Estimate (Adopted: 02/02/2024): The Conference adopted the proposed estimate. For any given emergency, there could be a shifting of funds between fiscal years.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Construction Work in Progress
Bill Number(s): Proposed Language

☑ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): N/A
Month/Year Impact Begins: January 2024 Tax Roll
Date(s) Conference Reviewed: February 2, 2024

Section 1: Narrative

a. **Current Law**: Section 192.001, Florida Statutes, indicates that tangible personal property (TPP) that is construction work in progress shall be deemed substantially completed when connected with the preexisting, taxable, operational system or facility.

"Construction work in progress" consists of those items of tangible personal property commonly known as fixtures, machinery, and equipment when in the process of being installed in new or expanded improvements to real property and whose value is materially enhanced upon connection or use with a preexisting, taxable, operational system or facility.

b. **Proposed Change**: The following is added to 192.001:

"*For the purposes of tangible personal property constructed or installed by an electric utility, construction work in progress shall be deemed substantially completed upon the earlier of when all permits or approvals required for commercial operation have been received or approved, or 1 year after the construction work in progress has been connected with the preexisting, taxable, operational system or facility.*"

Section 2: Description of Data and Sources

2023 Millage and Taxes Levied Report, 2023 Final Data Book published by Property Tax Oversight
Results of the Ad Valorem Estimating Conference, January 5, 2023
2022 and 2023 Final NAP TPP Tax Roll
2021 Session impact of proposed language

Section 3: Methodology (Include Assumptions and Attach Details)

The effective impact of this language is that, for some equipment installed by an electric utility, the TPP would be due 1-year later. Between the 2022 and 2023 roll years, based on NAICS 2211, electric utilities had approximately $14.1 billion in taxable equipment added.

The previously adopted impact took approximately the lowest 80% of values and assumed 15% of those would qualify for this delay. Based on the 2022 and 2023 NAP rolls, the impacted taxable value is $168,776,843. Applying the millage rates results in a tax impact of $2.76 million if the language had been in effect in 2023. This is grown over the forecast horizon using the TPP growth rate from the latest ad valorem estimating conference to arrive at the high impact.

Alternatively, a low impact is produced, using the adopted value from the 2021 impact and growing it forward using the TPP growth rates from the latest ad valorem conference.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	$(2.9 M)	$(2.9 M)			$(1.6 M)	$(1.6 M)
2025-26	$(3.0 M)	$(3.0 M)			$(1.6 M)	$(1.6 M)
2026-27	$(3.1 M)	$(3.1 M)			$(1.7 M)	$(1.7 M)
2027-28	$(3.2 M)	$(3.2 M)			$(1.8 M)	$(1.8 M)
2028-29	$(3.4 M)	$(3.4 M)			$(1.9 M)	$(1.9 M)

Revenue Distribution: Ad Valorem

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Construction Work in Progress
Bill Number(s): Proposed Language

Section 5: Consensus Estimate (Adopted: 02/02/2024): The Conference adopted the high estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(1.1)	(1.1)	(1.8)	(1.8)	(2.9)	(2.9)
2025-26	(1.1)	(1.1)	(1.9)	(1.9)	(3.0)	(3.0)
2026-27	(1.1)	(1.1)	(2.0)	(2.0)	(3.1)	(3.1)
2027-28	(1.2)	(1.2)	(2.1)	(2.1)	(3.2)	(3.2)
2028-29	(1.2)	(1.2)	(2.1)	(2.1)	(3.4)	(3.4)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	0.0	0.0	0.0	0.0	(2.9)	(2.9)	(2.9)	(2.9)
2025-26	0.0	0.0	0.0	0.0	(3.0)	(3.0)	(3.0)	(3.0)
2026-27	0.0	0.0	0.0	0.0	(3.1)	(3.1)	(3.1)	(3.1)
2027-28	0.0	0.0	0.0	0.0	(3.2)	(3.2)	(3.2)	(3.2)
2028-29	0.0	0.0	0.0	0.0	(3.4)	(3.4)	(3.4)	(3.4)

2023 Aggregate Millage Rates	
School	5.99
Non-School	10.38

2022 to 2023 Increase in TPP Value	$ 14,101,603,083
lowest 80% of values	$ 1,125,178,954
Percent That Qualify	15%
Taxable Value Impact	$ 168,776,843
2023 School Impact	$ 1,011,361
2023 Non-School Impact	$ 1,751,769
2021 Adopted School Impact	$ 465,097
2021 Adopted Non-School Impact	$ 782,204

Roll Year	TPP	Growth
2021	$ 141,027,971,754	
2022	$ 151,121,861,990	7.2%
2023	$ 171,598,260,663	13.5%
2024	$ 178,591,813,599	4.1%
2025	$ 185,795,112,497	4.0%
2026	$ 193,283,950,901	4.0%
2027	$ 201,069,750,391	4.0%
2028	$ 209,164,389,410	4.0%
2029	$ 217,580,221,540	4.0%

Impact on School

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	$(1.1 M)	$(1.1 M)			$(0.6 M)	$(0.6 M)
2025-26	$(1.1 M)	$(1.1 M)			$(0.6 M)	$(0.6 M)
2026-27	$(1.1 M)	$(1.1 M)			$(0.6 M)	$(0.6 M)
2027-28	$(1.2 M)	$(1.2 M)			$(0.7 M)	$(0.7 M)
2028-29	$(1.2 M)	$(1.2 M)			$(0.7 M)	$(0.7 M)

Impact on Non-School

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	$(1.8 M)	$(1.8 M)			$(1.0 M)	$(1.0 M)
2025-26	$(1.9 M)	$(1.9 M)			$(1.0 M)	$(1.0 M)
2026-27	$(2.0 M)	$(2.0 M)			$(1.1 M)	$(1.1 M)
2027-28	$(2.1 M)	$(2.1 M)			$(1.1 M)	$(1.1 M)
2028-29	$(2.1 M)	$(2.1 M)			$(1.2 M)	$(1.2 M)

Total Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	$(2.9 M)	$(2.9 M)			$(1.6 M)	$(1.6 M)
2025-26	$(3.0 M)	$(3.0 M)			$(1.6 M)	$(1.6 M)
2026-27	$(3.1 M)	$(3.1 M)			$(1.7 M)	$(1.7 M)
2027-28	$(3.2 M)	$(3.2 M)			$(1.8 M)	$(1.8 M)
2028-29	$(3.4 M)	$(3.4 M)			$(1.9 M)	$(1.9 M)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: VAB Appeal Timing
Bill Number(s): Proposed Language

☐ **Entire Bill**
☑ **Partial Bill**: Section 1
Sponsor(s): N/A
Month/Year Impact Begins: July 2024
Date(s) Conference Reviewed: February 2, 2024

Section 1: Narrative

a. Current Law: Subsection 193.122(4), F.S., indicates that if a county extends their final (post VAB) property tax roll then the property appraiser (PA) can challenge VAB decisions within 30 days of final certification.

The majority of counties extend their final roll.

b. Proposed Change: Subsection 193.122(4), F.S., is amended such that, for counties with extended rolls, the PA can challenge VAB decisions within 30 days of the decision.

Section 2: Description of Data and Sources

Discussion with Property Appraisers

Section 3: Methodology (Include Assumptions and Attach Details)

The proposed language does not directly impact revenue collection but will require workflow changes that may result in more or less appeals, which in turn may result in more or less revenue. If the PA has less time to consider an appeal, it is unclear if this would lead to an increase or decrease of total appeals, but either is reasonable. With more time, they may appeal a decision they otherwise would not have, or may not appeal a decision they otherwise would have. This would result in an indeterminate amount of positive or negative revenue change. The bill goes into effect July 1, 2024, so there can be a cash impact to Fiscal Year 2024-25. Section 5 of this bill is expected to exacerbate this impact by increasing the scope of what VABs can consider.

In 2023 this language was heard and an impact was adopted.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			+/-	+/-		
2025-26			+/-	+/-		
2026-27			+/-	+/-		
2027-28			+/-	+/-		
2028-29			+/-	+/-		

Revenue Distribution: Ad Valorem

Section 5: Consensus Estimate (Adopted: 02/02/2024): The Conference adopted the proposed estimate.

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

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Treatment of Errors
Bill Number(s): Proposed Language

☐ **Entire Bill**
☑ **Partial Bill**: Section 2, 3, 4, and 6
Sponsor(s): N/A
Month/Year Impact Begins: July 2024
Date(s) Conference Reviewed: February 2, 2024

Section 1: Narrative

a. Current Law: Florida Statute indicates that if an error is made in the assessment of a homestead [193.155(9)] property, nonhomestead residential [193.1554(9)] property, or nonresidential [193.1555(9)] property, be it either (9)(a) the property appraiser (PA) had a material mistake of fact or (9)(b) there was new construction that the PA was unaware of, the PA must recalculate the just and assessed values for all years going back to when the mistake first occurred and back taxes are due on the difference.

Further, Florida Statute indicates that, among other things, if the PA grants a homestead [193.155(10)], nonhomestead residential [193.1554(10)], or nonresidential [193.1555(10)] assessment limitation as a result of a clerical mistake or omission, the property owner may not be assessed a penalty or interest.

Finally, 196.011(9)(a) indicates that any parcel the PA determines to have received a homestead exemption within the prior ten years that was not entitled to is subject to taxes, interest, and penalties.

b. Proposed Change: Florida Statute is amended such that if an error is made in the assessment of a homestead [193.155(9)] property, nonhomestead residential [193.1554(9)] property, or nonresidential [193.1555(9)] property, be it either (9)(a) the property appraiser (PA) had a material mistake of fact or (9)(b) there was new construction that the PA was unaware of, the PA recalculates just value and assessed value in the year the mistake is discovered (rather than going back to when the mistake was first made) and no back taxes can be collected.

Further, Florida Statute is amended such that if the PA grants a homestead [193.155(10)], nonhomestead residential [193.1554(10)], or nonresidential [193.1555(10)] assessment limitation as a result of a clerical mistake or omission, the property owner may not be assessed a penalty or interest and they need not pay the unpaid taxes.

Finally, 196.011(9)(a) is amended to indicate that any parcel the PA determines to have received a homestead exemption within the prior ten years that was not entitled to is subject to taxes, interest, and penalties, unless the exemption was granted as a result of an error by the property appraiser.

Section 2: Description of Data and Sources

2023 Millage and Taxes Levied Report, 2023 Final Data Book published by Property Tax Oversight
Results of the Ad Valorem Estimating Conference, January 5, 2023
Discussion with Property Appraisers

Section 3: Methodology (Include Assumptions and Attach Details)

Data was requested in 2023 and responses were received from the PAs of Broward, Miami-Dade, Palm Beach, and Pinellas counties. This data represents the back taxes assessed in recent years of the variety that would be eliminated by the bill language. The majority of the backtaxes data received was from Miami-Dade and represented approximately 0.24 percent of their total collections. The middle estimate assumes that 2 percent of the remaining value in the state (value in counties we did not receive data from) would assess backtaxes at the 0.24 percent rate found in Miami-Dade. This translates to a 10.3% share-up of the given data. Further, the middle estimate uses the 2-year average value from the history as the starting point. As values increase, value of backtaxes owed will also increase, and as such the taxable value growth rates from the Ad Valorem Conference are used to grow the estimate. The bill goes into effect July 1, 2024, so there is potential for a cash impact to Fiscal Year 2024-25.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Treatment of Errors
Bill Number(s): Proposed Language

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			$(33.8 M)	$(33.8 M)		
2025-26			$(36.1 M)	$(36.1 M)		
2026-27			$(38.4 M)	$(38.4 M)		
2027-28			$(40.7 M)	$(40.7 M)		
2028-29			$(42.9 M)	$(42.9 M)		

Revenue Distribution: Ad Valorem

Section 5: Consensus Estimate (Adopted: 02/02/2024): The Conference adopted the proposed estimate; however, notes that the language in the bill may cause taxpayer behavioral changes by removing an incentive for the taxpayer to disclose known errors to the property appraiser. This would lead to a higher impact than shown in the middle.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(13.8)	(13.8)	(20.1)	(20.1)	(33.8)	(33.8)
2025-26	(14.5)	(14.5)	(21.6)	(21.6)	(36.1)	(36.1)
2026-27	(15.3)	(15.3)	(23.1)	(23.1)	(38.4)	(38.4)
2027-28	(16.1)	(16.1)	(24.6)	(24.6)	(40.7)	(40.7)
2028-29	(16.9)	(16.9)	(25.9)	(25.9)	(42.9)	(42.9)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	0.0	0.0	0.0	0.0	(33.8)	(33.8)	(33.8)	(33.8)
2025-26	0.0	0.0	0.0	0.0	(36.1)	(36.1)	(36.1)	(36.1)
2026-27	0.0	0.0	0.0	0.0	(38.4)	(38.4)	(38.4)	(38.4)
2027-28	0.0	0.0	0.0	0.0	(40.7)	(40.7)	(40.7)	(40.7)
2028-29	0.0	0.0	0.0	0.0	(42.9)	(42.9)	(42.9)	(42.9)

	A	B	C	D	E	F	G
1	**Roll Year**	**Aggregated Back Taxes Owed**	**School Estimate**	**Non-School Estimate**			
2	2020	$ 18,645,541	*$ 6,824,645*	*$ 11,820,896*			
3	2021	$ 28,604,247	*$ 10,469,733*	*$ 18,134,514*			
4							
5		**Non-School TV**	**School TV**				
6	2022	14.28%	20.07%				
7	2023	13.38%	14.79%				
8	2024	7.09%	4.78%				
9	2025	7.87%	5.15%				
10	2026	6.75%	5.31%				
11	2027	6.31%	5.55%				
12	2028	5.62%	5.11%				
13							
14	**2023 Aggregate Millage Rates**						
15	School	5.99					
16	Non-School	10.38					
17							
18	**Assumptions**	**Middle**					
19	**Remaining State Value BackTaxed like Miami-Dade**	2%					
20	**Implied Share-up Rest of State**	10.3%					
21	**Use History**	2-year average					
22							
23	**School Impact**						
24		High		Middle		Low	
25		Cash	Recurring	Cash	Recurring	Cash	Recurring
26	2023-24			$(13.1 M)	$(13.1 M)		
27	2024-25			$(13.8 M)	$(13.8 M)		
28	2025-26			$(14.5 M)	$(14.5 M)		
29	2026-27			$(15.3 M)	$(15.3 M)		
30	2027-28			$(16.1 M)	$(16.1 M)		
31	2028-29			$(16.9 M)	$(16.9 M)		
32							
33	**Non-School Impact**						
34		High		Middle		Low	
35		Cash	Recurring	Cash	Recurring	Cash	Recurring
36	2023-24			$(18.7 M)	$(18.7 M)		
37	2024-25			$(20.1 M)	$(20.1 M)		
38	2025-26			$(21.6 M)	$(21.6 M)		
39	2026-27			$(23.1 M)	$(23.1 M)		
40	2027-28			$(24.6 M)	$(24.6 M)		
41	2028-29			$(25.9 M)	$(25.9 M)		
42							
43	**Total Impact**						
44		High		Middle		Low	
45		Cash	Recurring	Cash	Recurring	Cash	Recurring
46	2023-24			$(31.9 M)	$(31.9 M)		
47	2024-25			$(33.8 M)	$(33.8 M)		
48	2025-26			$(36.1 M)	$(36.1 M)		
49	2026-27			$(38.4 M)	$(38.4 M)		
50	2027-28			$(40.7 M)	$(40.7 M)		
51	2028-29			$(42.9 M)	$(42.9 M)		

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Expansion of VAB Appeals
Bill Number(s): Proposed Language

☐ **Entire Bill**
☑ **Partial Bill**: Section 5
Sponsor(s): N/A
Month/Year Impact Begins: July 2024
Date(s) Conference Reviewed: February 2, 2024

Section 1: Narrative

a. Current Law: Paragraph 194.032(1)(a), F.S., identifies five purposes for which the value adjustment boards (VABs) shall meet. They are:

1. Hearing petitions relating to assessments filed pursuant to s. 194.011(3).
2. Hearing complaints relating to homestead exemptions as provided for under s. 196.151.
3. Hearing appeals from exemptions denied, or disputes arising from exemptions granted, upon the filing of exemption applications under s. 196.011.
4. Hearing appeals concerning ad valorem tax deferrals and classifications.
5. Hearing appeals from determinations that a change of ownership under s. 193.155(3), a change of ownership or control under s. 193.1554(5) or s. 193.1555(5), or a qualifying improvement under s. 193.1555(5) has occurred.

Section 196.183, F.S., indicates that tangible personal property (TPP) returns filed by April first are eligible for an exemption of up to $25,000 of the assessed value. Late filers do not receive the exemption and are subject to a penalty.

b. Proposed Change: The bill adds two new purposes for which VABs shall meet. They are:

6. Hearing appeals concerning the validity or amount, or both, of assessments created under s. 193.092.
7. Hearing appeals on the issue of whether a tangible personal property return as required under s. 193.052 was timely filed so as to allow such assessment to be contested at the value adjustment board and to waive penalties imposed under s. 193.072.

The new purpose 6 allows the VAB to consider appeals of back taxes. Note that Section 2, Section 3 [193.1554(9)&(10)], Section 4 [193.1555(9)&(10)], and Section 6 of this same bill eliminate many of the mechanisms for which back taxes are applied.

Although 196.183 is not modified, it is assumed that, in the instance of a favorable ruling on the new purpose 7, in addition to the penalties being waived as indicated, the TPP owner would also receive the denied exemption.

Section 2: Description of Data and Sources

2023 Millage and Taxes Levied Report, 2023 Final Data Book published by Property Tax Oversight
Results of the Ad Valorem Estimating Conference, January 5, 2023
Various Final NAL Real Property Tax Roll

Section 3: Methodology (Include Assumptions and Attach Details)

There are three main reasons for which backtaxes are assessed on a property.

1. A homestead exemption is determined to have been fraudulently claimed
2. There has been improvement to a property in a prior year of which the property appraiser (PA) was unaware
3. The PA made a material mistake of fact

Section 2 of this bill eliminates reasons 2 and 3 and, as such, the potential for VAB petitions regarding those have been excluded from this analysis.

Regarding homestead fraud, data was requested from property taxes and received from Broward County. Broward represents approximately 10 percent of the taxable value in the state, so their homestead fraud lien values are inflated to represent the whole state based on the taxable value ratio. Unlike VAB activity, homestead fraud is assumed to be equally enforced in all counties. This value is broken into school and non-school amounts by the ratio of 2023 statewide aggregate millage rates and grown forward using the respective taxable value growth rates from the ad valorem estimating conference. There is no mechanism by which participation rates in a new VAB appeal can be estimated. The middle assumes 35 percent of these cases will appeal and be ruled favorably. Further, it is expected that the primary function of these appeals is to disagree with the amount of backtaxes due rather than disputing the homestead fraud itself. As such, when an appeal is successful, only a portion of the backtaxes would be removed. For the middle this is assumed to be 30 percent. These percentages correspond to the estimate adopted in 2023.

Backtaxes Impact (new 6.)	Middle
2024-25	$(6.2 M)
2025-26	$(6.6 M)
2026-27	$(7.0 M)
2027-28	$(7.4 M)
2028-29	$(7.8 M)

Subsection 196.183, F.S., indicates that the standard $25,000 TPP exemption does not apply in any year a taxpayer fails to timely file a return. It is assumed that if the VAB overturns the property appraiser's declaration that the TPP was not timely filed, the taxpayer would receive the exemption. In 2022 there were 53,036 TPP accounts that paid a penalty and did not receive the exemption received if timely filed and complete. The total value of unrealized exemption was $586,872,969. The total taxable value of those properties was just over $3 billion. If the VAB agrees with the taxpayer, they will be eligible to receive the exemption and will receive the difference between what the PA determined their value to be and their original ("incomplete") filing. This maximum potential impact is grown out to 2028 using the TPP growth rates from the Ad Valorem Conference and the 2023 aggregate millage rate is applied. It is reasonable to expect that some portion of this will be appealed and overturned, and that some portion of the taxable value will be reduced by the VAB. Similarly to the backtaxes above, the middle assumes 35% will appeal and prevail. Along those lines, the middle assumes that the average original filing was 30% lower than the PAs ultimate determination of the value.

TPP Exemption Impact (new 7.)	High
2024-25	$(21.7 M)
2025-26	$(22.5 M)
2026-27	$(23.5 M)
2027-28	$(24.4 M)
2028-29	$(25.4 M)

The bill goes into effect July 1, 2024, so there is potential for a cash impact to Fiscal Year 2024-25.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			$(27.9 M)	$(27.9 M)		
2025-26			$(29.2 M)	$(29.2 M)		
2026-27			$(30.5 M)	$(30.5 M)		
2027-28			$(31.8 M)	$(31.8 M)		
2028-29			$(33.2 M)	$(33.2 M)		

Revenue Distribution: Ad Valorem

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem
Issue: Expansion of VAB Appeals
Bill Number(s): Proposed Language

Section 5: Consensus Estimate (Adopted: 02/02/2024): The Conference adopted the proposed estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(10.2)	(10.2)	(17.7)	(17.7)	(27.9)	(27.9)
2025-26	(10.7)	(10.7)	(18.5)	(18.5)	(29.2)	(29.2)
2026-27	(11.2)	(11.2)	(19.3)	(19.3)	(30.5)	(30.5)
2027-28	(11.6)	(11.6)	(20.2)	(20.2)	(31.8)	(31.8)
2028-29	(12.2)	(12.2)	(21.0)	(21.0)	(33.2)	(33.2)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	0.0	0.0	0.0	0.0	(27.9)	(27.9)	(27.9)	(27.9)
2025-26	0.0	0.0	0.0	0.0	(29.2)	(29.2)	(29.2)	(29.2)
2026-27	0.0	0.0	0.0	0.0	(30.5)	(30.5)	(30.5)	(30.5)
2027-28	0.0	0.0	0.0	0.0	(31.8)	(31.8)	(31.8)	(31.8)
2028-29	0.0	0.0	0.0	0.0	(33.2)	(33.2)	(33.2)	(33.2)

	A	B	C	D	E	F	G
1	**Section 5 Total Impact**						
2	**Total Impact**						
3		High		Middle		Low	
4		Cash	Recurring	Cash	Recurring	Cash	Recurring
5	2024-25			$(27.9 M)	$(27.9 M)		
6	2025-26			$(29.2 M)	$(29.2 M)		
7	2026-27			$(30.5 M)	$(30.5 M)		
8	2027-28			$(31.8 M)	$(31.8 M)		
9	2028-29			$(33.2 M)	$(33.2 M)		

	A	B	C	D	E	F	G
1	**Impact of Backtaxes VAB Hearings**						
2	**Roll Year**	**Count**	**Homestead Liens - Fraud**	**County**			
3	2020	241	$ 2,234,836	Broward			
4	2021	454	$ 3,460,137	Broward			
5	2022	325	$ 3,371,460	Broward			
6							
7	**Add 2022 Back Taxes from Section 2:**	1					
8							
9		**2022**					
10	Broward - Total TV	$ 275,636,832,860					
11	Remaining - Total TV	$ 2,687,233,540,135					
12	Broward share of State	9.30%					
13	Expected Homestead Liens - Fraud in Rest of State	$ 36,240,439					
14	Total Estimate - Max Impact	$ 49,189,407					
15							
16	**2023 Aggregate Millage Rates**						
17	School	5.99					
18	Non-School	10.38					
19							
20	**AV Conference**	**School TV**	**Non-School TV**				
21	2023	13.38%	14.79%				
22	2024	7.09%	4.78%				
23	2025	7.87%	5.15%				
24	2026	6.75%	5.31%				
25	2027	6.31%	5.55%				
26	2028	5.62%	5.11%				
27							
28	**Roll Year**	**School Max Estimate**	**Non-School Max Estimate**				
29	2022	$ 18,004,318	$ 31,185,090				
30	2023	$ 20,413,165	$ 35,796,233				
31	2024	$ 21,859,890	$ 37,506,911				
32	2025	$ 23,580,922	$ 39,437,914				
33	2026	$ 25,173,503	$ 41,530,520				
34	2027	$ 26,761,567	$ 43,836,726				
35	2028	$ 28,266,005	$ 46,078,929				
36							
37		**Middle**					
38	**Share will Appeal and Win:**	35%					
39	**Average Amount Appealed:**	30%					
40							
41	**School Impact**						
42		High		Middle		Low	
43		Cash	Recurring	Cash	Recurring	Cash	Recurring
44	2024-25			$(2.3 M)	$(2.3 M)		
45	2025-26			$(2.5 M)	$(2.5 M)		
46	2026-27			$(2.6 M)	$(2.6 M)		
47	2027-28			$(2.8 M)	$(2.8 M)		
48	2028-29			$(3.0 M)	$(3.0 M)		
49							
50	**Non-School Impact**						
51		High		Middle		Low	
52		Cash	Recurring	Cash	Recurring	Cash	Recurring
53	2024-25			$(3.9 M)	$(3.9 M)		
54	2025-26			$(4.1 M)	$(4.1 M)		
55	2026-27			$(4.4 M)	$(4.4 M)		
56	2027-28			$(4.6 M)	$(4.6 M)		
57	2028-29			$(4.8 M)	$(4.8 M)		
58							
59	**Total Impact**						
60		High		Middle		Low	
61		Cash	Recurring	Cash	Recurring	Cash	Recurring
62	2024-25			$(6.2 M)	$(6.2 M)		
63	2025-26			$(6.6 M)	$(6.6 M)		
64	2026-27			$(7.0 M)	$(7.0 M)		
65	2027-28			$(7.4 M)	$(7.4 M)		
66	2028-29			$(7.8 M)	$(7.8 M)		

	A	B	C	D	E	F	G
1	**Impact of TPP Timely Filed VAB Hearings**						
2	**Roll Year**	**Total TPP Collection**	**TPP Growth**				
3	2022	$ 151,121,861,990					
4	2023	$ 171,598,260,663	13.5%				
5	2024	$ 178,591,813,599	4.1%				
6	2025	$ 185,795,112,497	4.0%				
7	2026	$ 193,283,950,901	4.0%				
8	2027	$ 201,069,750,391	4.0%				
9	2028	$ 209,164,389,410	4.0%				
10							
11	**Roll Year**	**Accounts with Penalty & No Exemption**	**Unrealized Exemption Amount**	**Taxable Value of Property - Penalty & No Exemption**			
12	2022	53,036	$ 586,872,969	$ 3,048,533,612			
13	2023	60,222	$ 666,391,873	$ 3,461,597,538			
14	2024	62,677	$ 693,550,930	$ 3,602,676,273			
15	2025	65,205	$ 721,524,522	$ 3,747,986,148			
16	2026	67,833	$ 750,606,991	$ 3,899,056,121			
17	2027	70,565	$ 780,842,691	$ 4,056,116,596			
18	2028	73,406	$ 812,277,751	$ 4,219,407,193			
19							
20		**Middle**					
21	**Share Appealed and Prevail**	35%					
22	**Taxable Value Reduction from Appeal**	30%					
23							
24	**2023 Statewide Aggregate Millage Rates**						
25	Rate	16.37					
26							
27	**Total Impact**						
28		High		Middle		Low	
29		Cash	Recurring	Cash	Recurring	Cash	Recurring
30	2024-25			$(21.7 M)	$(21.7 M)		
31	2025-26			$(22.5 M)	$(22.5 M)		
32	2026-27			$(23.5 M)	$(23.5 M)		
33	2027-28			$(24.4 M)	$(24.4 M)		
34	2028-29			$(25.4 M)	$(25.4 M)		

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Collection Allowance – First $45
Bill Number(s): Proposed Language

☐ **Entire Bill**
☑ **Partial Bill**: Section 2
Sponsor(s): N/A
Month/Year Impact Begins: July 1st, 2024
Date(s) Conference Reviewed: December 15th, 2023 (First $60)
February 2nd, 2024 (First $45)
March 5th, 2024 (First $45 – corrected lag)

Section 1: Narrative

a. Current Law: Collection allowance is awarded on 2.5% of the first $1,200 of tax due on each electronically filed return.

b. Proposed Change: Under the proposed language, collection allowance would be awarded on the first $45 dollars of tax due.

Section 2: Description of Data and Sources

Direct return data from 2015-Current

Section 3: Methodology (Include Assumptions and Attach Details)

To properly analyze this language, we pulled all sales tax returns for the past five years. We started by dropping all paper-filed returns and separating the consolidated returns from the DR-15s, DR-15ezs, and DR-38s. We also set aside all returns that donate their collection allowance to education. Though they elect to let the state retain the collection allowance, the money does leave the general revenue fund. This effect is measured separately.

Part 1 A: Consolidated Filers

As consolidated filers get to claim collection allowance on every location for which they file positive tax due, we need to determine the number of such locations in each DR-7 return. We drop locations with no tax due and match the remaining DR-15con location level returns to the top-level DR-7 through internal identifiers, then tally the matches. Each DR-7 then calculates its max collection allowance under this language as the number of matched locations times $45. The collections allowance that would be claimed on this return is then the lesser of this maximum or the tax due before penalty and interest. The impact per return is the difference between collection allowance claimed and the collection allowance assessed under the new language.

Part 1 B: All the Rest

The other sales tax returns are more straightforward, they each calculate their maximum collection allowance under this language as the lesser of $45 or tax due before penalty and interest. The impact per return is then the difference between the collection allowance claimed and the collection allowance assessed under the new language. To arrive at the impact for a fiscal year, all returns filed within that year are aggregated together.

Part 2: Allowance for Education

A relatively small number of filers opt to donate their collection allowance to education. The state still collects the allowances designated for education, but under this language, assuming consistent taxpayer behavior, the amount collected would increase. This was measured by pulling only those returns which donated and taking the difference between what was donated and the calculated amount from Part 1.

Impact:

The last year for which we have complete data is FY23, so that is our starting point. True growth of this impact is a function of (1) growth of returns which have at least $45 tax due and (2) growth of the volume of tax due on returns with less than $45 in tax. In previous year's impacts, population growth was used to proxy this growth function. This year, we have pulled enough history to look at how this impact would have grown had it been implemented in the past. To avoid pandemic noise, we use the average growth per annum from FY21 – FY23, which is 3.6%.

In FY23, approximately $14M of the impact is coming from returns where taxpayers were not in compliance and thus received no collection allowance. This amount is removed from the first-year impact and, as such, those taxpayers are assumed to remain non-compliant.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Collection Allowance – First $45
Bill Number(s): Proposed Language

The included impact is the total impact to GR which is the impact to the state plus the increased transfer to DOE from manual election to education. A lever is included in the attached spreadsheet to explore behavior changes related to this election.

Section 4: Proposed Fiscal Impact to GR

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			($113.51) M	($113.51) M		
2025-26			($117.59) M	($117.59) M		
2026-27			($121.82) M	($121.82) M		
2027-28			($126.20) M	($126.20) M		
2028-29			($130.73) M	($130.73) M		

Revenue Distribution:

Section 5: Consensus Estimate (Adopted: 03/05/2024) The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(118.2)	(118.2)	4.7	4.7	0.0	0.0	(113.5)	(113.5)
2025-26	(122.4)	(122.4)	4.8	4.8	0.0	0.0	(117.6)	(117.6)
2026-27	(126.8)	(126.8)	5.0	5.0	0.0	0.0	(121.8)	(121.8)
2027-28	(131.4)	(131.4)	5.2	5.2	0.0	0.0	(126.2)	(126.2)
2028-29	(136.1)	(136.1)	5.4	5.4	0.0	0.0	(130.7)	(130.7)

Impact Part 1: No Complications

FY	Top Level Returns	Location Level Returns	First 45 of Amount Due	Current Collection Allowance	Basic Impact
2018	3,366,841	4,272,835	184,512,573	73,447,826	(111,064,747)
2019	3,472,783	4,391,430	189,417,233	75,985,241	(113,431,992)
2020	3,436,638	4,354,289	187,023,722	74,915,731	(112,107,991)
2021	3,573,354	4,518,987	194,165,873	78,015,969	(116,149,904)
2022	3,716,200	4,677,355	201,597,199	82,217,697	(119,379,502)
2023	3,875,394	4,869,566	210,464,983	85,835,832	(124,629,151)

Impact Part 2: Collection Allowance For Education

FY	Top Level Returns	Location Level Returns	First 45 of Amount Due	Collection Allowance For Education	Education Impact
2018	79,201	85,474	$ 4,564,062	$ 1,011,944	$ 3,552,119
2019	84,972	91,602	$ 4,942,581	$ 1,111,421	$ 3,831,159
2020	85,583	92,617	$ 4,972,377	$ 1,119,000	$ 3,853,377
2021	91,875	98,436	$ 5,280,377	$ 1,200,030	$ 4,080,346
2022	97,295	105,731	$ 5,688,440	$ 1,348,893	$ 4,339,548
2023	99,131	109,030	$ 5,947,718	$ 1,432,380	$ 4,515,338

In FY23, 70% of returns donating their collection allowance to education were claiming less then the $30 cap. In aggregate, only about half of returns claim less than the cap. This section is built to recognize the possibilibty that some filers may elect to **stop** donating their collection allowance, increasing the impact to the state. This behavior change would likely occur at an increased magnitude among below-the-cap filers.

Behavior Change Consideration

Allowance For Education Drop Out Rate		0%
	Under Current Cap	0%
	At Current Cap	0%
2023 Allowance For Education with First 45		$ 5,947,717.87
	Under Current Cap	$ 4,002,259.09
	At Current Cap	$ 1,278,117.46
Amount Reclaimed by Taxpayers		$ -
	Under Current Cap	$ -
	At Current Cap	$ -

FY 2023 Impact

Law	$ (124,629,151)
Donation	$ 4,515,338
Behavior	$ -
Compliance	$ 14,343,874
	$ (105,769,938)

First years cash is 11/12ths recurring, recognizing DOR administration in treating a return in accordance with the law at the time the tax was incurred. If the intent is for returns filed in July 2024 to be covered by the language, clarification would be necessary.

The Compliance modifier is set up in keeping with an assumption made by the conference during the 2023 session. It is assumed that taxpayers denied collection allowance due to non-compliance would also be denied in the future.

Middle Impact

FY	Cash	Recurring
2022-23		($105.77)M
2023-24		($109.57)M
2024-25	($113.51)M	($113.51)M
2025-26	($117.59)M	($117.59)M
2026-27	($121.82)M	($121.82)M
2027-28	($126.20)M	($126.20)M
2028-29	($130.73)M	($130.73)M

2021-2023 Growth	
2023	3.59%
2024	3.59%
2025	3.59%
2026	3.59%
2027	3.59%
2028	3.59%
2029	3.59%

Impact to the State

FY	Cash	Recurring
2022-23		($105.77)M
2023-24		($109.57)M
2024-25	($113.51)M	($113.51)M
2025-26	($117.59)M	($117.59)M
2026-27	($121.82)M	($121.82)M
2027-28	($126.20)M	($126.20)M
2028-29	($130.73)M	($130.73)M

True growth of this impact is a function of two series:

- The number of returns filed with at least $45 in tax
- The volume of tax due on returns with less than $45 in tax

In previous impacts, we have assumed population growth would be an adequate proxy, however, we have now been able to do long lookbacks and see how this estimate would have grown had it been impemented in the past. This allows us to construct 3 new growth scenarios:

Average Growth From 2017-2019: 3.3%
Average Growth From 2021-2023: 3.6%
Average Growth From 2017-2023: 2.8%

Impact to DOE

FY	Cash	Recurring
2022-23		$4.34 M
2023-24		$4.50 M
2024-25	$4.66 M	$4.66 M
2025-26	$4.82 M	$4.82 M
2026-27	$5.00 M	$5.00 M
2027-28	$5.18 M	$5.18 M
2028-29	$5.36 M	$5.36 M

Impact to GR

FY	Cash	Recurring
2022-23		($110.11)M
2023-24		($114.07)M
2024-25	($118.17)M	($118.17)M
2025-26	($122.41)M	($122.41)M
2026-27	($126.82)M	($126.82)M
2027-28	($131.37)M	($131.37)M
2028-29	($136.10)M	($136.10)M

Historical Growth

FY	Impact	Growth
2016	$ (102,642,745)	
2017	$ (106,597,888)	3.85%
2018	$ (111,064,747)	4.19%
2019	$ (113,431,992)	2.13%
2020	$ (112,107,991)	-1.17%
2021	$ (116,149,904)	3.61%
2022	$ (119,379,502)	2.78%
2023	$ (124,629,151)	4.40%

Proposed Growth Rates	
FY17 - FY19	3.39%
FY17 - FY23	2.83%
FY21 - FY23	3.59%

By Return Type

	Returns	*Locations*	*Tax Due*	*First 45 CA*	*Current CA*	*Impact*
2016	**3,117,836**	**3,982,041**	**25,432,021,761**	**171,840,002**	**69,197,257**	**(102,642,745)**
DR-15	1,607,658	1,607,658	12,265,505,919	70,217,568	28,681,886	(41,535,682)
DR-15con	46,042	910,247	10,387,294,380	37,610,023	16,938,104	(20,671,919)
DR-15ez	1,456,439	1,456,439	2,513,166,831	63,666,197	23,350,570	(40,315,627)
DR-38	7,697	7,697	266,054,631	346,214	226,697	(119,517)
2017	**3,251,443**	**4,124,434**	**26,899,285,294**	**178,115,437**	**71,517,549**	**(106,597,888)**
DR-15	1,780,111	1,780,111	13,314,754,070	77,702,800	31,525,304	(46,177,496)
DR-15con	46,852	919,843	10,833,874,139	38,153,661	17,070,911	(21,082,750)
DR-15ez	1,416,801	1,416,801	2,467,656,429	61,913,836	22,695,546	(39,218,290)
DR-38	7,679	7,679	283,000,656	345,140	225,787	(119,352)
2018	**3,366,841**	**4,272,835**	**28,640,677,351**	**184,512,573**	**73,447,826**	**(111,064,747)**
DR-15	1,952,631	1,952,631	14,420,680,896	85,213,639	34,289,901	(50,923,738)
DR-15con	47,941	953,935	11,520,156,362	39,615,875	17,201,491	(22,414,383)
DR-15ez	1,358,825	1,358,825	2,400,902,815	59,348,364	21,738,309	(37,610,055)
DR-38	7,444	7,444	298,937,278	334,696	218,126	(116,570)
2019	**3,472,783**	**4,391,430**	**30,513,003,162**	**189,417,233**	**75,985,241**	**(113,431,992)**
DR-15	2,120,975	2,120,975	15,628,110,167	92,555,891	37,401,848	(55,154,044)
DR-15con	49,076	967,723	12,209,066,600	39,957,539	17,451,251	(22,506,288)
DR-15ez	1,295,223	1,295,223	2,371,333,198	56,566,402	20,910,727	(35,655,676)
DR-38	7,509	7,509	304,493,197	337,401	221,415	(115,985)
2020	**3,436,638**	**4,354,289**	**30,383,424,970**	**187,023,722**	**74,915,731**	**(112,107,991)**
DR-15	2,150,597	2,150,597	15,308,058,589	93,660,907	38,024,753	(55,636,154)
DR-15con	50,342	967,993	12,584,962,143	39,505,034	17,090,896	(22,414,137)
DR-15ez	1,228,461	1,228,461	2,200,801,636	53,532,382	19,587,719	(33,944,663)
DR-38	7,238	7,238	289,602,602	325,401	212,363	(113,037)
2021	**3,573,354**	**4,518,987**	**33,370,435,894**	**194,165,873**	**78,015,969**	**(116,149,904)**
DR-15	2,296,770	2,296,770	16,857,053,007	99,933,490	40,717,924	(59,215,566)
DR-15con	51,055	996,688	13,736,643,112	40,810,072	17,513,106	(23,296,966)
DR-15ez	1,218,323	1,218,323	2,354,354,244	53,098,242	19,572,048	(33,526,194)
DR-38	7,206	7,206	422,385,532	324,069	212,891	(111,178)
2022	**3,716,200**	**4,677,355**	**42,212,340,397**	**201,597,199**	**82,217,697**	**(119,379,502)**
DR-15	2,464,901	2,464,901	23,161,529,681	107,581,894	44,079,980	(63,501,914)
DR-15con	51,744	1,012,899	15,944,527,604	41,558,900	18,158,559	(23,400,341)
DR-15ez	1,192,222	1,192,222	2,606,804,005	52,126,595	19,761,367	(32,365,228)
DR-38	7,333	7,333	499,479,106	329,810	217,791	(112,019)
2023	**3,875,394**	**4,869,566**	**45,717,538,193**	**210,464,983**	**85,835,832**	**(124,629,151)**
DR-15	2,638,798	2,638,798	25,398,645,786	115,437,966	47,279,211	(68,158,755)
DR-15con	53,072	1,047,244	17,229,239,321	43,226,422	18,658,165	(24,568,257)
DR-15ez	1,176,144	1,176,144	2,581,811,646	51,469,077	19,680,025	(31,789,051)
DR-38	7,380	7,380	507,841,440	331,518	218,431	(113,087)

By Current Collection Allowance

	Returns	Locations	Tax Due	First 45 CA	Current CA	Impact
2016	**3,117,836**	**3,982,041**	**25,432,021,761**	**171,840,002**	**69,197,257**	**(102,642,745)**
Extra	89	89	39,256,364	4,005	809,025	805,020
Capped	1,191,641	1,290,275	16,268,262,130	58,062,358	38,708,250	(19,354,108)
Partial	1,734,938	2,453,683	8,587,178,498	105,125,618	29,679,982	(75,445,636)
Zero	191,168	237,994	537,324,769	8,648,020	-	(8,648,020)
2017	**3,251,443**	**4,124,434**	**26,899,285,294**	**178,115,437**	**71,517,549**	**(106,597,888)**
Extra	95	94	38,923,008	4,230	802,633	798,403
Capped	1,245,004	1,345,154	17,362,473,715	60,531,930	40,354,620	(20,177,310)
Partial	1,803,086	2,528,889	8,936,954,623	108,277,723	30,360,295	(77,917,428)
Zero	203,258	250,297	560,933,948	9,301,553	-	(9,301,553)
2018	**3,366,841**	**4,272,835**	**28,640,677,351**	**184,512,573**	**73,447,826**	**(111,064,747)**
Extra	105	105	42,060,269	4,725	867,713	862,988
Capped	1,285,392	1,384,498	18,424,124,169	62,302,369	41,534,940	(20,767,429)
Partial	1,862,807	2,616,688	9,588,150,743	112,054,527	31,045,173	(81,009,354)
Zero	218,537	271,544	586,342,169	10,150,952	-	(10,150,952)
2019	**3,472,783**	**4,391,430**	**30,513,003,162**	**189,417,233**	**75,985,241**	**(113,431,992)**
Extra	101	101	44,897,242	4,545	928,361	923,816
Capped	1,344,716	1,437,669	19,543,701,994	64,695,062	43,130,070	(21,564,992)
Partial	1,901,037	2,672,085	10,341,423,977	114,295,293	31,926,810	(82,368,483)
Zero	226,929	281,575	582,979,950	10,422,333	-	(10,422,333)
2020	**3,436,638**	**4,354,289**	**30,383,424,970**	**187,023,722**	**74,915,731**	**(112,107,991)**
Extra	95	95	46,311,474	4,275	962,139	957,864
Capped	1,323,747	1,404,838	18,894,557,258	63,217,035	42,145,140	(21,071,895)
Partial	1,882,585	2,656,500	10,599,268,847	113,203,078	31,808,452	(81,394,625)
Zero	230,211	292,856	843,287,391	10,599,335	-	(10,599,335)
2021	**3,573,354**	**4,518,987**	**33,370,435,894**	**194,165,873**	**78,015,969**	**(116,149,904)**
Extra	93	93	54,475,719	4,185	1,132,579	1,128,394
Capped	1,403,151	1,476,761	20,697,641,910	66,454,180	44,302,830	(22,151,350)
Partial	1,889,917	2,698,127	11,895,052,835	114,936,685	32,580,560	(82,356,125)
Zero	280,193	344,006	723,265,430	12,770,823	-	(12,770,823)
2022	**3,716,200**	**4,677,355**	**42,212,340,397**	**201,597,199**	**82,217,697**	**(119,379,502)**
Extra	15	15	15,532,757	675	318,668	317,993
Capped	1,539,992	1,623,504	27,570,626,763	73,057,646	48,705,120	(24,352,526)
Partial	1,886,752	2,700,226	13,798,495,980	115,489,229	33,193,909	(82,295,320)
Zero	289,441	353,610	827,684,897	13,049,649	-	(13,049,649)
2023	**3,875,394**	**4,869,566**	**45,717,538,193**	**210,464,983**	**85,835,832**	**(124,629,151)**
Extra	-	-	-	-	-	-
Capped	1,625,608	1,702,584	29,748,659,999	76,616,280	51,077,520	(25,538,760)
Partial	1,929,807	2,784,025	14,979,333,406	119,504,828	34,758,312	(84,746,516)
Zero	319,979	382,957	989,544,788	14,343,874	-	(14,343,874)

By Proposed Collection Allowance

	Returns	Locations	Tax Due	First 45 CA	Current CA	Impact
2016	**3,117,836**	**3,982,041**	**25,432,021,761**	**171,840,002**	**69,197,257**	**(102,642,745)**
Full $45	2,939,859	3,714,011	25,426,669,800	167,130,495	69,090,615	(98,039,880)
>= $30	56,994	111,271	3,145,117	2,975,370	67,224	(2,908,146)
< $30	118,405	122,170	2,203,594	1,734,137	39,418	(1,694,719)
Zero	2,578	34,589	3,250	-	-	-
2017	**3,251,443**	**4,124,434**	**26,899,285,294**	**178,115,437**	**71,517,549**	**(106,597,888)**
Full $45	3,064,203	3,848,702	26,893,632,515	173,191,590	71,405,855	(101,785,735)
>= $30	59,089	113,686	3,292,417	3,100,678	70,283	(3,030,396)
< $30	125,491	129,776	2,357,162	1,823,168	41,411	(1,781,757)
Zero	2,660	32,270	3,200	-	-	-
2018	**3,366,841**	**4,272,835**	**28,640,677,351**	**184,512,573**	**73,447,826**	**(111,064,747)**
Full $45	3,170,772	3,988,298	28,634,879,415	179,473,410	73,333,933	(106,139,477)
>= $30	62,091	116,129	3,356,011	3,148,802	71,002	(3,077,800)
< $30	131,117	134,682	2,439,625	1,890,361	42,891	(1,847,471)
Zero	2,861	33,726	2,300	-	-	-
2019	**3,472,783**	**4,391,430**	**30,513,003,162**	**189,417,233**	**75,985,241**	**(113,431,992)**
Full $45	3,270,633	4,092,732	30,506,999,596	184,172,940	75,867,206	(108,305,734)
>= $30	63,773	122,536	3,507,025	3,309,548	73,767	(3,235,781)
< $30	135,196	138,900	2,491,931	1,934,745	43,884	(1,890,862)
Zero	3,181	37,262	4,610	-	384	384
2020	**3,436,638**	**4,354,289**	**30,383,424,970**	**187,023,722**	**74,915,731**	**(112,107,991)**
Full $45	3,225,627	4,033,431	30,377,099,081	181,504,395	74,786,197	(106,718,198)
>= $30	64,494	130,805	3,710,716	3,505,963	80,365	(3,425,599)
< $30	142,496	147,409	2,605,234	2,013,364	45,665	(1,967,699)
Zero	4,021	42,644	9,939	-	3,505	3,505
2021	**3,573,354**	**4,518,987**	**33,370,435,894**	**194,165,873**	**78,015,969**	**(116,149,904)**
Full $45	3,352,624	4,188,293	33,363,583,818	188,473,185	77,875,471	(110,597,714)
>= $30	65,752	133,354	3,870,837	3,572,959	94,054	(3,478,905)
< $30	150,943	157,077	2,975,589	2,119,729	46,298	(2,073,431)
Zero	4,035	40,263	5,650	-	145	145
2022	**3,716,200**	**4,677,355**	**42,212,340,397**	**201,597,199**	**82,217,697**	**(119,379,502)**
Full $45	3,508,210	4,363,778	42,205,993,803	196,370,010	82,103,494	(114,266,516)
>= $30	61,652	120,590	3,524,857	3,233,390	70,589	(3,162,801)
< $30	142,353	147,410	2,816,587	1,993,799	43,459	(1,950,340)
Zero	3,985	45,577	5,150	-	155	155
2023	**3,875,394**	**4,869,566**	**45,717,538,193**	**210,464,983**	**85,835,832**	**(124,629,151)**
Full $45	3,670,189	4,558,422	45,711,122,437	205,128,990	85,721,353	(119,407,637)
>= $30	61,209	121,595	3,653,465	3,365,563	71,570	(3,293,993)
< $30	139,811	143,505	2,755,570	1,970,430	42,680	(1,927,750)
Zero	4,185	46,044	6,721	-	229	229

Donations to Education by Current Collection Allowance

	Returns	*Locations*	*Tax Due*	*First 45 CA*	*Current CA*	*Impact*
2016	**59,052**	**64,505**	**231,729,232**	**3,525,782**	**804,217**	**2,721,565**
Extra	-	-	-	-	-	-
Capped	13,727	14,283	180,494,649	856,980	428,490	428,490
Partial	45,325	50,222	51,234,582	2,668,802	375,727	2,293,075
Zero	-	-	-	-	-	-
2017	**74,016**	**79,968**	**270,700,041**	**4,307,429**	**959,600**	**3,347,830**
Extra	-	-	-	-	-	-
Capped	16,290	17,282	237,416,518	1,036,920	518,460	518,460
Partial	57,726	62,686	33,283,523	3,270,509	441,140	2,829,370
Zero	-	-	-	-	-	-
2018	**79,201**	**85,474**	**278,778,536**	**4,564,062**	**1,011,944**	**3,552,119**
Extra	-	-	-	-	-	-
Capped	17,581	18,556	248,102,725	1,113,360	556,680	556,680
Partial	61,620	66,918	30,675,811	3,450,702	455,264	2,995,439
Zero	-	-	-	-	-	-
2019	**84,972**	**91,602**	**318,964,857**	**4,942,581**	**1,111,421**	**3,831,159**
Extra	-	-	-	-	-	-
Capped	19,050	19,821	254,064,574	1,189,237	594,630	594,607
Partial	65,922	71,781	64,900,283	3,753,344	516,791	3,236,553
Zero	-	-	-	-	-	-
2020	**85,583**	**92,617**	**372,708,919**	**4,972,377**	**1,119,000**	**3,853,377**
Extra	-	-	-	-	-	-
Capped	18,916	19,465	246,196,208	1,167,900	583,950	583,950
Partial	66,667	73,152	126,512,710	3,804,477	535,050	3,269,427
Zero	-	-	-	-	-	-
2021	**91,875**	**98,436**	**403,819,090**	**5,280,377**	**1,200,030**	**4,080,346**
Extra	-	-	-	-	-	-
Capped	21,163	21,302	252,891,801	1,278,117	639,060	639,057
Partial	70,712	77,134	150,927,289	4,002,259	560,970	3,441,289
Zero	-	-	-	-	-	-
2022	**97,295**	**105,731**	**500,093,675**	**5,688,440**	**1,348,893**	**4,339,548**
Extra	-	-	-	-	-	-
Capped	24,541	24,641	319,171,679	1,478,460	739,230	739,230
Partial	72,754	81,090	180,921,996	4,209,980	609,663	3,600,317
Zero	-	-	-	-	-	-
2023	**99,131**	**109,030**	**463,023,165**	**5,947,718**	**1,432,380**	**4,515,338**
Extra	-	-	-	-	-	-
Capped	25,988	26,152	306,789,588	1,569,120	784,560	784,560
Partial	73,143	82,878	156,233,577	4,378,598	647,820	3,730,778
Zero	-	-	-	-	-	-

Donations to Education by Proposed Collection Allowance

	Returns	*Locations*	*Tax Due*	*First 45 CA*	*Current CA*	*Impact*
2016	**59,052**	**64,505**	**231,729,232**	**3,525,782**	**804,217**	**2,721,565**
Full $45	49,467	54,676	231,453,321	3,250,645	797,319	2,453,326
>= $30	4,503	4,614	200,665	200,137	5,015	195,121
< $30	5,082	5,215	75,246	75,000	1,883	73,117
Zero	-	-	-	-	-	-
2017	**74,016**	**79,968**	**270,700,041**	**4,307,429**	**959,600**	**3,347,830**
Full $45	60,843	66,525	270,336,691	3,945,152	950,524	2,994,628
>= $30	5,793	5,869	257,343	256,735	6,421	250,315
< $30	7,380	7,574	106,007	105,542	2,655	102,887
Zero	-	-	-	-	-	-
2018	**79,201**	**85,474**	**278,778,536**	**4,564,062**	**1,011,944**	**3,552,119**
Full $45	65,352	71,355	278,394,310	4,181,024	1,002,333	3,178,691
>= $30	6,197	6,439	274,321	273,747	6,859	266,889
< $30	7,652	7,680	109,905	109,290	2,752	106,538
Zero	-	-	-	-	-	-
2019	**84,972**	**91,602**	**318,964,857**	**4,942,581**	**1,111,421**	**3,831,159**
Full $45	70,279	76,819	318,562,153	4,540,935	1,101,340	3,439,595
>= $30	6,445	6,491	284,334	284,051	7,124	276,927
< $30	8,248	8,292	118,370	117,594	2,957	114,637
Zero	-	-	-	-	-	-
2020	**85,583**	**92,617**	**372,708,919**	**4,972,377**	**1,119,000**	**3,853,377**
Full $45	70,203	77,204	372,294,455	4,559,831	1,108,642	3,451,188
>= $30	6,503	6,514	288,421	287,700	7,210	280,490
< $30	8,877	8,899	126,043	124,846	3,148	121,699
Zero	-	-	-	-	-	-
2021	**91,876**	**98,437**	**403,821,483**	**5,280,437**	**1,200,082**	**4,080,354**
Full $45	75,937	82,412	403,394,941	4,854,859	1,189,279	3,665,580
>= $30	6,748	6,790	298,655	298,241	7,521	290,720
< $30	9,191	9,235	127,887	127,336	3,282	124,054
Zero	-	-	-	-	-	-
2022	**97,295**	**105,731**	**500,093,675**	**5,688,440**	**1,348,893**	**4,339,548**
Full $45	82,330	90,512	499,692,687	5,288,660	1,338,874	3,949,786
>= $30	6,236	6,323	277,374	276,830	6,923	269,907
< $30	8,729	8,896	123,614	122,951	3,096	119,855
Zero	-	-	-	-	-	-
2023	**99,131**	**109,030**	**463,023,165**	**5,947,718**	**1,432,380**	**4,515,338**
Full $45	85,277	95,032	462,645,518	5,572,092	1,422,930	4,149,162
>= $30	5,967	6,019	265,689	265,099	6,641	258,457
< $30	7,887	7,979	111,958	110,527	2,809	107,719
Zero	-	-	-	-	-	-

REVENUE ESTIMATING CONFERENCE

Revenue Source: Various Taxes & Fees
Issue: Taxation – State Chartered Banks
Bill Number(s): HB1409/SB1672

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Maggard, Senator Grall
Month/Year Impact Begins: July 1st, 2024.
Date(s) Conference Reviewed: February 2nd, 2024.

Section 1: Narrative

a. Current Law: All federally chartered credit unions in the State of Florida have immunity from state and local taxation, as established by the statutes of the United States. Under 213.12, credit unions chartered by the State to have the same immunity as federally chartered credit unions.

b. Proposed Change: Allow community banks, defined as banks without a federal charter or charter in any other state, or have a federal charter but are headquartered only in Florida, to enjoy the same immunity from local and state taxation as federally chartered credit unions.

Section 2: Description of Data and Sources

2023 Analysis of the Tax Treatment of Credit Unions, Florida Tax Watch, https://floridataxwatch.org/DesktopModules/EasyDNNNews/DocumentDownload.ashx?portalid=210&moduleid=38678&articleid=19334&documentid=1155

Section 3: Methodology (Include Assumptions and Attach Details)

This language allows community banks to receive exemptions from state and local taxation as received by federally chartered credit unions. According to the statutes of the United States, federally chartered credit unions are exempt from all state and local taxation and obligated to only pay for ad valorem taxes on commercial property. An analysis of tax returns revealed that some Florida-chartered or Florida-headquartered community banks, as defined by this language, actively pay corporate income taxes. Additionally, Florida Tax Watch finds that a bank of equivalent asset size to the median credit union would pay $180,700 in Corporate Income Tax, $60,500 in Sales and Use Tax, and $18,000 in Intangibles for a total tax liability of $259,200 per year under current law.

Data provided by the Federal Depositary Insurance Corporation and the Office of the Comptroller of the Currency suggest a maximum affected population of 87 banks. Multiplying that number by the estimated liability from Florida Tax Watch yields a total FY2023 impact of $22.5 million, with a Corporate Income Tax revenue total of $15.7 million, that number is used as the base for the middle estimates in the forecasts. For comparison, data from the Department of Revenue tax return database suggests a Corporate Income Tax revenue of $17 million for FY2023; that number is used as the base for the high estimates in the forecast.

For each piece, the respective growth rate from the latest General Revenue Estimating Conference was used to grow the impact through FY2029. Cash in FY2025 was computed by multiplying the recurring by 11/12 to account for a one-month lag in adoption. If community banks are exempt under 213.12, the State will lose the opportunity to tax banks beyond commercial property, this analysis is therefore presented as the high. Alternatively, a negative indeterminant revenue impact is presented as the low.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	$(22.6 M)	$(24.7 M)	$(21.0 M)	$(22.9 M)	(**)	(**)
2025-26	$(25.1 M)	$(25.1 M)	$(23.3 M)	$(23.3 M)	(**)	(**)
2026-27	$(25.8 M)	$(25.8 M)	$(23.9 M)	$(23.9 M)	(**)	(**)
2027-28	$(26.4 M)	$(26.4 M)	$(24.5 M)	$(24.5 M)	(**)	(**)
2028-29	$(26.9 M)	$(26.9 M)	$(25.0 M)	$(25.0 M)	(**)	(**)

Revenue Distribution: Corporate Income Tax/Sales and Use Tax/Intangibles Taxes

REVENUE ESTIMATING CONFERENCE

Revenue Source: Various Taxes & Fees
Issue: Taxation – State Chartered Banks
Bill Number(s): HB1409/SB1672

Section 5: Consensus Estimate (Adopted 02/02/2024): The Conference adopted the high impact but notes that this is the minimum impact of the bill. To the extent that state taxes other than corporate income, intangibles tax, and sales and use tax are affected, the impact would be higher. Similarly, if any additional local taxes are affected, the impact would be higher than presented here.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(22.1)	(24.1)	(Insignificant)	(Insignificant)	(0.1)	(0.2)	(0.4)	(0.4)
2025-26	(24.5)	(24.5)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.4)	(0.4)
2026-27	(25.0)	(25.0)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.5)	(0.5)
2027-28	(25.7)	(25.7)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.5)	(0.5)
2028-29	(26.2)	(26.2)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.5)	(0.5)

	6% Sub-Total		Add: Local Option		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(4.8)	(5.2)	(0.6)	(0.6)	(23.2)	(25.3)
2025-26	(5.3)	(5.3)	(0.6)	(0.6)	(25.7)	(25.7)
2026-27	(5.4)	(5.4)	(0.6)	(0.6)	(26.3)	(26.3)
2027-28	(5.6)	(5.6)	(0.7)	(0.7)	(27.1)	(27.1)
2028-29	(5.8)	(5.8)	(0.7)	(0.7)	(27.6)	(27.6)

	B	C	D	E	F	G	H
1	**Corporate Income Tax Revenue Estimates**						
2		High (OTR Database)		Middle (Florida Tax Watch)		Low	
3		Cash	Recurring	Cash	Recurring	Cash	Recurring
4	2024-25	$ 16,330,158	$ 17,814,718	$ 14,727,863	$ 16,066,760	(**)	(**)
5	2025-26	$ 18,135,383	$ 18,135,383	$ 16,355,961	$ 16,355,961	(**)	(**)
6	2026-27	$ 18,588,767	$ 18,588,767	$ 16,764,860	$ 16,764,860	(**)	(**)
7	2027-28	$ 19,034,898	$ 19,034,898	$ 17,167,217	$ 17,167,217	(**)	(**)
8	2028-29	$ 19,320,421	$ 19,320,421	$ 17,424,725	$ 17,424,725	(**)	(**)
9							
10	**Intangibles Tax Revenue Estimates**						
11		High		Middle		Low	
12		Cash	Recurring	Cash	Recurring	Cash	Recurring
13	2024-25	$ 1,502,969	$ 1,639,602			(**)	(**)
14	2025-26	$ 1,675,673	$ 1,675,673			(**)	(**)
15	2026-27	$ 1,715,889	$ 1,715,889			(**)	(**)
16	2027-28	$ 1,763,934	$ 1,763,934			(**)	(**)
17	2028-29	$ 1,816,852	$ 1,816,852			(**)	(**)
18							
19	**Sales and Use Tax Revenue Estimates**						
20		High		Middle		Low	
21		Cash	Recurring	Cash	Recurring	Cash	Recurring
22	2024-25	$ 4,781,452	$ 5,216,129			(**)	(**)
23	2025-26	$ 5,304,803	$ 5,304,803			(**)	(**)
24	2026-27	$ 5,448,032	$ 5,448,032			(**)	(**)
25	2027-28	$ 5,600,577	$ 5,600,577			(**)	(**)
26	2028-29	$ 5,757,393	$ 5,757,393			(**)	(**)
27							
28	**Total**						
29		High		Middle		Low	
30		Cash	Recurring	Cash	Recurring	Cash	Recurring
31	2024-25	$(22.6 M)	$(24.7 M)	$(21.0 M)	$(22.9 M)	(**)	(**)
32	2025-26	$(25.1 M)	$(25.1 M)	$(23.3 M)	$(23.3 M)	(**)	(**)
33	2026-27	$(25.8 M)	$(25.8 M)	$(23.9 M)	$(23.9 M)	(**)	(**)
34	2027-28	$(26.4 M)	$(26.4 M)	$(24.5 M)	$(24.5 M)	(**)	(**)
35	2028-29	$(26.9 M)	$(26.9 M)	$(25.0 M)	$(25.0 M)	(**)	(**)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Local Taxes and Fees
Issue: Impact Fees
Bill Number(s): CS/HB 1177
☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Duggan
Month/Year Impact Begins: Upon becoming law
Date(s) Conference Reviewed: February 2, 2023

Section 1: Narrative

a. Current Law:

Concurrency

Section 163.3180(1), F.S., states that sanitary sewer, solid waste, drainage, and potable water are the only public facilities and services subject to the concurrency requirement on a statewide basis. Additional public facilities and services may not be made subject to concurrency on a statewide basis without approval by the Legislature; however, any local government may extend the concurrency requirement so that it applies to additional public facilities within its jurisdiction. Furthermore, s. 163.3180(5), F.S., provides that if concurrency is applied to transportation facilities, the local government comprehensive plan must provide the principles, guidelines, standards, and strategies, including adopted levels of service to guide its application.

Impact Fees

The Florida Impact Fee Act (i.e., s. 163.31801, F.S.) was enacted in 2006 and subsequently amended in 2009, 2011, 2019, 2020 and 2021. Impact fees are imposed by local governments to fund local infrastructure necessitated by new population growth. The Legislature finds that impact fees are an outgrowth of the home rule power of a local government to provide certain services within its jurisdiction.

For purposes of this Act, the term *infrastructure* means a fixed capital expenditure or fixed capital outlay, excluding the cost of repairs or maintenance, associated with the construction, reconstruction, or improvement of public facilities that have a life expectancy of at least 5 years; related land acquisition, land improvement, design, engineering, and permitting costs; and other related construction costs required to bring the public facility into service. The term also includes a fire department vehicle, an emergency medical service vehicle, a sheriff's office vehicle, a police department vehicle, a school bus as defined in s. 1006.25, F.S., and the equipment necessary to outfit the vehicle or bus for its official use. For independent special fire control districts, the term includes new facilities as defined in s. 191.009(4), F.S. Furthermore, the term *public facilities* has the same meaning as in s. 163.3164 and includes emergency medical, fire, and law enforcement facilities.

An impact fee adopted by ordinance of a county or municipality or by resolution of a special district must, at a minimum, satisfy all of the following conditions.

1. The local government's calculation of the impact fee must be based on the most recent and localized data.
2. The local government must provide for accounting and reporting of impact fee collections and expenditures and must account for the revenues and expenditures of such impact fee in a separate accounting fund.
3. The local government's administrative charges for the collection of impact fees must be limited to actual costs.
4. The local government must provide notice not less than 90 days before the effective date of an ordinance or resolution imposing a new or increased impact fee. A county or municipality is not required to wait 90 days to decrease, suspend, or eliminate an impact fee. Unless the result is to reduce the total mitigation costs or impact fees imposed on an applicant, new or increased impact fees may not apply to current or pending permit applications submitted before the effective date of an ordinance or resolution imposing a new or increased impact fee.
5. The collection of the impact fee may not be required to occur earlier than the date of issuance of the building permit for the property that is subject to the fee.
6. The impact fee must be proportional and reasonably connected to, or have a rational nexus with, the need for additional capital facilities and the increased impact generated by the new residential or commercial construction.
7. The impact fee must be proportional and reasonably connected to, or have a rational nexus with, the expenditures of the funds collected and the benefits accruing to the new residential or nonresidential construction.
8. The local government must specifically earmark funds collected under the impact fee for use in acquiring, constructing, or improving capital facilities to benefit new users.

9. The impact fee revenues cannot be used, in whole or in part, to pay existing debt or for previously approved projects unless the expenditure is reasonably connected to, or has a rational nexus with, the increased impact generated by the new residential or nonresidential construction.

Notwithstanding any charter provision, comprehensive plan policy, ordinance, or resolution, the local government or special district must credit against the collection of the impact fee any contribution, whether identified in a proportionate share agreement or other form of exaction, related to public facilities or infrastructure, including land dedication, site planning and design, or construction. Any contribution must be applied on a dollar-for-dollar basis at fair market value to reduce any impact fee collected for the general category or class of public facilities or infrastructure for which the contribution was made. Furthermore, if a local government or special district does not charge and collect an impact fee for the general category or class of public facilities or infrastructure contributed, a credit may not be applied.

A local government, school district, or special district may increase an impact fee only as follows.

1. An impact fee may be increased only pursuant to a plan for the imposition, collection, and use of the increased impact fees which complies with the Act.
2. An increase to a current impact fee rate of not more than 25 percent of the current rate must be implemented in two equal annual increments beginning with the date on which the increased fee is adopted.
3. An increase to a current impact fee rate which exceeds 25 percent but is not more than 50 percent of the current rate must be implemented in four equal installments beginning with the date the increased fee is adopted.
4. An impact fee increase may not exceed 50 percent of the current impact fee rate.
5. An impact fee may not be increased more than once every 4 years.
6. An impact fee may not be increased retroactively for a previous or current fiscal or calendar year.
7. A local government, school district, or special district may increase an impact fee rate beyond the phase-in limitations established under #2-#5 above by establishing the need for such increase in full compliance with the Act's requirements, provided the specified criteria are met.
8. Conditions #1-7 above operate retroactively to January 1, 2021.

If an impact fee is increased, the holder of any impact fee credits, whether such credits are granted under s. 163.3180, s. 380.06, or otherwise, which were in existence before the increase, is entitled to the full benefit of the intensity or density prepaid by the credit balance as of the date it was first established.

In any action challenging an impact fee or the government's failure to provide required dollar-for-dollar credits for the payment of impact fees as provided in s. 163.3180(6)(h)2.b., F.S., the government has the burden of proving by a preponderance of the evidence that the imposition or amount of the fee or credit meets the requirements of state legal precedent and this section. The court may not use a deferential standard for the benefit of the government.

Impact fee credits are assignable and transferable at any time after establishment from one development or parcel to any other that is within the same impact fee zone or impact fee district or that is within an adjoining impact fee zone or impact fee district within the same local government jurisdiction and which receives benefits from the improvement or contribution that generated the credits. This applies to all impact fee credits regardless of whether the credits were established before or after June 4, 2021.

A county, municipality, or special district may provide an exception or waiver for an impact fee for the development or construction of housing that is affordable, as defined in s. 420.9071, F.S. If a county, municipality, or special district provides such an exception or waiver, it is not required to use any revenues to offset the impact.

Finally, the Florida Impact Fee Act is not applicable to water and sewer connection fees.

Development of Regional Impacts (DRIs)

Section 380.06(1) states that the term *development of regional impact* or DRI means any development that, because of its character, magnitude, or location, would have a substantial effect upon the health, safety, or welfare of citizens of more than one county. The DRI statutes were created in 1972, and the process to review or amend a DRI agreement and its implementing development orders went through several statutory revisions during the intervening years until the 2018 repeal of requirements for state and regional reviews. Affected local governments are responsible for the implementation and amendment of existing DRI agreements and development orders. Section 380.06(5), F.S., specifies the conditions under which developers receive credits against local impact fees.

b. Proposed Changes:

The bill contains several provisions that each may have a fiscal impact on local governments, school districts, or special districts.

Section 2 of the bill amends s. 163.3180(5), F.S., to require local governments that implement a transportation concurrency system to credit the fair market value of any land dedicated to a governmental entity for transportation facilities against the total proportionate share payments computed pursuant to s. 163.3180, F.S.

Section 3 of the bill amends s. 163.31801, F.S., to specify that a special district may only levy impact fees if authorized to do so by special act. Additionally, notwithstanding the provisions of any agreement, the bill requires local governments to provide credit against the collection of impact fees for any contributions related to public facilities or infrastructure. Furthermore, it removes the exception for water and sewer connection fees.

Section 4 of the bill amends s. 380.06(5), F.S., to revise the exception for credits against local impact fees. Under the bill, subsection (5) would not apply to internal, private onsite facilities required by local regulations or to any offsite facilities to the extent that such facilities are necessary to provide safe and adequate services solely to the development and not the general public.

Section 2: Description of Data and Sources

Impact Fee Revenue Collections Reported in Counties, Municipalities, and Independent Special Districts in Annual Financial Reports (AFRs)

Local FY	Counties	Municipalities	Independent Special Districts	Total	% Chg.
2002-03	$479,479,595	$183,843,818	$21,711,285	$685,034,698	-
2003-04	$560,496,789	$232,910,041	$20,337,344	$813,744,174	18.8%
2004-05	$812,732,909	$308,009,057	$31,681,665	$1,152,423,631	41.6%
2005-06	$1,060,597,975	$342,267,200	$25,405,434	$1,428,270,609	23.9%
2006-07	$736,339,197	$312,321,512	$23,433,726	$1,072,094,435	-24.9%
2007-08	$484,141,722	$222,508,702	$20,311,517	$726,961,941	-32.2%
2008-09	$206,819,386	$139,307,822	$8,552,553	$354,679,761	-51.2%
2009-10	$212,423,990	$123,304,422	$7,420,750	$343,149,162	-3.3%
2010-11	$185,664,703	$107,753,843	$8,213,352	$301,631,898	-12.1%
2011-12	$246,882,772	$113,956,207	$8,773,028	$369,612,007	22.5%
2012-13	$305,043,650	$146,917,768	$11,288,627	$463,250,045	25.3%
2013-14	$422,384,294	$167,987,620	$16,218,908	$606,590,822	30.9%
2014-15	$503,921,835	$225,734,604	$17,357,595	$747,014,034	23.1%
2015-16	$557,292,553	$279,314,277	$21,214,871	$857,821,701	14.8%
2016-17	$629,664,693	$287,110,683	$21,374,982	$938,150,358	9.4%
2017-18	$735,970,318	$338,728,803	$26,835,620	$1,101,534,741	17.4%
2018-19	$871,593,905	$356,011,805	$19,040,787	$926,235,877	-15.9%
2019-20	$778,723,072	$405,473,081	$36,646,712	$1,220,842,865	31.8%
2020-21	$1,206,591,532	$506,007,143	$59,183,637	$1,771,782,312	45.1%
2021-22 (preliminary)	$1,283,772,930	$571,422,468	$124,449,429	$1,979,644,827	11.7%
# of Gov'ts Reporting Fees in 2020-21	35	206	49	290	

Data obtained from the Florida Department of Financial Services. The preliminary LFY 2021-22 revenues reflect those reported as of December 28, 2023.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Local Taxes and Fees
Issue: Impact Fees
Bill Number(s): CS/HB 1177

Based on LFY 2020-21 reporting, transportation impact fees represented the largest proportional share (i.e., 42.3%) of total county government impact fee revenues. Total county impact fee revenues of $1.21 billion represented 1.5% of total reported county revenues from all sources (i.e., federal, state, and local) that same year. That same year, physical environment impact fees represented the largest proportional share (i.e., 36.9%) of total municipal government impact fee revenues, and total municipal impact fees of $506 million represented 1.0% of total reported municipal revenues from all sources For independent special districts, physical environment impact fees represented the largest proportional share (i.e., 59.5%) of total special district impact fee revenues.

Impact Fee Revenue Collections Reported in School Districts' Capital Project Funds

State FY	School Districts	% Chg.
2002-03	$117,672,871	-
2003-04	$254,878,409	116.6%
2004-05	$344,249,808	35.1%
2005-06	$489,862,914	42.3%
2006-07	$339,000,579	-30.8%
2007-08	$179,699,713	-47.0%
2008-09	$102,026,663	-43.2%
2009-10	$109,156,431	7.0%
2010-11	$86,654,687	-20.6%
2011-12	$100,147,102	15.6%
2012-13	$168,548,623	68.3%
2013-14	$202,651,023	20.2%
2014-15	$251,438,926	24.1%
2015-16	$265,309,739	5.5%
2016-17	$329,651,109	24.3%
2017-18	$352,204,280	6.8%
2018-19	$458,987,170	30.3%
2019-20	$484,915,708	5.6%
2020-21	$581,966,482	20.0%
2021-22	$779,535,050	33.9%
2022-23	$677,625,396	-13.1%
# of Districts Reporting Fees in 2022-23	27	

Data obtained from the Florida Department of Education's Office of Funding and Financial Reporting.

Section 3: Methodology (Include Assumptions and Attach Details)
According to a January 2024 presentation by the Florida Department of Commerce's Special District Accountability Program (see link below), independent special districts are created by one of the following methods.

1. By special act of the Legislature.
2. By a local ordinance of a single county or a single municipality establishing a community development district smaller than 2,500 acres.
3. By a charter of a single county establishing a: county health and mental health care district, county hospital district, or county children's services district.
4. By rule of the Governor and Cabinet establishing a: community development district larger than 2,500 acres, or regional water supply authority.
5. Pursuant to general law authority, more than one county and / or municipality may establish a regional special district.

https://floridajobs.org/docs/default-source/2015-community-development/community-assistance/sdap/faqs-about-special-districts.pdf?sfvrsn=1ce15bb0_2#:~:text=By%20local%20ordinance%20of%20a%20county%20or%20municipality%20if%20that,was

REVENUE ESTIMATING CONFERENCE

Revenue Source: Local Taxes and Fees
Issue: Impact Fees
Bill Number(s): CS/HB 1177

%20created%20by%20their%20ordinance.&text=By%20a%20special%20act%20of,was%20created%20by%20special%20act.&text=By%20referendum%20if%20that%20special%20district%20was%20approved%20by%20a%20referendum.

EDR staff communicated with a staffer of the House Local Administration, Federal Affairs & Special Districts Subcommittee regarding the new ", if authorized by its special act," language on page 8, line 191. The Subcommittee staffer indicated, that to his knowledge, the purpose of the new language is clarification. EDR staff communicated separately with an attorney of the law firm Manson Bolves Donaldson Tanner P.A., which provides state advocacy assistance to the Florida Association of Special Districts. The attorney cited independent fire control districts, created by Chapter 191, F.S., which have the statutory authority in s. 191.009(4), F.S., to establish a schedule of impact fees. The attorney questioned if this new bill language might preclude certain special districts (e.g., those special districts not specifically created by special act) from imposing impact fees

EDR staff also solicited responses from the Florida Association of Counties (FAC) and Florida League of Cities (FLC) regarding the bill's potential fiscal impacts to county and municipal governments. The FAC did not provide a response to EDR staff.

The FLC staffer did not have any detailed financial analysis of the bill's impact to municipalities. However, the staffer noted that the proposed elimination of the water and sewer connection fee exception is particularly concerning for cities. The FLC staffer pointed to previous general comments made by select cities, which are summarized in the REC's adopted March 12, 2021 fiscal impact analysis of then-proposed language making various changes to the Florida Impact Fee Act, including changes to impact fee credits. For that 2021 language, the REC adopted a negative indeterminate consensus estimate.

Although EDR staff has access to historical data showing the magnitude and utilization of impact fees by counties, municipalities, independent special districts, and school districts (as summarized above), there are no data regarding impact fee credits or separate Annual Financial Report (AFR) reporting for water and/or sewer connection fees. Given the uncertainty regarding the effect of the new special district language and the lack of local government data relevant to the proposed changes to impact fee credits and water and sewer connection fees, EDR staff is recommending a negative indeterminate fiscal impact.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			(**)	(**)		
2025-26			(**)	(**)		
2026-27			(**)	(**)		
2027-28			(**)	(**)		
2028-29			(**)	(**)		

List of Affected Trust Funds: Local funds

Section 5: Consensus Estimate (Adopted: 02/02/2024): The Conference adopted the proposed estimate.

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

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Trust Funds – Electric Vehicles
Bill Number(s): CS/CS/HB107

☒ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Esposito
Month/Year Impact Begins: Upon Becoming Law
Date(s) Conference Reviewed: 02/02/2024

Section 1: Narrative

a. **Current Law**: Section 216.137, F.S. states when a session of a consensus estimating conference may be convened. Section 212.20(6), F.S. specifies the distribution of proceeds collected under chapter 212, section 202.18(1)(b), section 202.18(2)(b), and section 203.01(1)(a)3, F.S. There is currently no distribution to the State Transportation Trust Fund (STTF) from taxes collected per section 212.05(1)(e)1.c., F.S.

b. **Proposed Change**: Section 216.137, F.S. is revised so that by June 1, 2024, June 1, 2025, and June 1, 2026, the Revenue Estimating Conference shall estimate the impact on the General Revenue Fund (GR) in fiscal years 2024-2025, 2025-2026, and 2026-27 of the sales tax levied by s. 212.05(1)(e)1.c. on the sale of electricity that is used to charge electric vehicles as defined in s. 320.01(36), F.S.. The Revenue Estimating Conference must provide such estimate to the Department of Revenue no later than the June 10 preceding the start of the applicable fiscal year. This subsection is repealed June 30, 2027. Section 212.20(6), F.S. is revised so that beginning July 1, 2024, and on or before the 25th day of each month thereafter, the Department of Revenue shall distribute to the State Transportation Trust Fund one-twelfth of the amount estimated by the Revenue Estimating Conference pursuant to section 1 of this bill. This sub-subparagraph is repealed June 30, 2027. Section 3 of the bill directs the Office of Economic and Demographic Research to complete a study.

Section 2: Description of Data and Sources

NA

Section 3: Methodology (Include Assumptions and Attach Details)

The bill makes no changes to the amount of tax collected by the state; however, the new distributions added to section 212.20, F.S. will result in a positive impact to STTF and a negative impact to GR. The amount of the redirect is based upon an estimate to be decided upon at the Revenue Estimating Conferences occurring before June 1, 2024, June 1, 2025, and June 1, 2026. The impact from these distributions is indeterminate because it is impossible to project these future estimates. The recurring impact is zero because the new distribution is repealed June 30, 2027.

Section 4: Proposed Fiscal Impact

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			**	0.0		
2025-26			**	0.0		
2026-27			**	0.0		
2027-28			0.0	0.0		
2028-29			0.0	0.0		

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			(**)	0.0		
2025-26			(**)	0.0		
2026-27			(**)	0.0		
2027-28			0.0	0.0		
2028-29			0.0	0.0		

Revenue Distribution:
STTF, GR (via sales tax)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Trust Funds – Electric Vehicles
Bill Number(s): CS/CS/HB107

Section 5: Consensus Estimate (Adopted: 02/02/2024): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(**)	0.0	**	0.0	0.0	0.0	0.0	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	0.0	0.0
2028-29	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Impact Resistant Doors and Windows Refund
Bill Number(s): SB890 - Proposed Amendment

- [x] **Entire Bill**
- [ ] **Partial Bill**:

Sponsor(s):
Month/Year Impact Begins: The impact begins July 1, 2024 and ends on June 30, 2026
Date(s) Conference Reviewed: 2/2/2024

Section 1: Narrative

a. Current Law:

Under current law in Ch. 212, all of the items listed in the proposed language are subject to the 6% Sales and Use Tax when purchased. However, there is currently in place a temporary exemption from sales tax for the same items effective July 1, 2022 to June 30, 2024 per HB 7071, S. 52 (2022 Session).

Chapter 212.02 (14)(a) defines "Retail sale" or a "sale at retail" as "a sale to a consumer or to any person for any purpose other than for resale in the form of tangible personal property or services taxable under this chapter, and includes all such transactions that may be made in lieu of retail sales or sales at retail."

b. Proposed Change:

The proposed amendment to SB 890 provides a sales tax refund of up to $500 per eligible residential property on the purchases of the items listed below during the specified purchase period.

- Impact-resistant windows
- Impact-resistant doors
- Impact-resistant garage doors

There are no price caps.

"Eligible residential property" is defined as "a site-built, residential property for which a homestead exemption has been granted under s. 196.031 and that has a just value of $700,000 or less."

"Owner" is defined as "a person who holds the legal title to an eligible residential property."

"Site-built" is defined as "a home constructed at its permanent location. Site-built does not include mobile homes, manufactured homes, trailers, or any home or trailer that may be titled or registered in accordance with chapters 319 or 320."

To receive the refund, an eligible owner must apply to DOR on a specially provided form. The owner must attach copies of the receipts evidencing payment of sales tax.

Section 2: Description of Data and Sources

Florida Department of Revenue NAL data, 2023 Final, provided by DOR Property Tax Oversight.
iPropertyManagement, https://ipropertymanagement.com/research/home-improvement-industry-statistics
Window + Door, 2023-industry-pulse-sustainable-slowdown, Laurie Cowin , February 7, 2023, https://www.windowanddoor.com/article/2023-industry-pulse-sustainable-slowdown
National Association of Realtors, 2022 Remodeling Impact Report, National Association of REALTORS® Research Group, https://cdn.nar.realtor//sites/default/files/documents/2022-remodeling-impact-report-04-19-2022.pdf

Section 3: Methodology (Include Assumptions and Attach Details)

Only a select group of Florida homeowners or households will be eligible for the sales tax refund. The bill limits the eligibility to homeowners of site-built homes, with homestead, with Just Value less than $700,000.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Impact Resistant Doors and Windows Refund
Bill Number(s): SB890 - Proposed Amendment

1. The 2023 final DOR property tax roll was used to tabulate a **count of owned, site-built, homesteaded properties with just value less than $700,000** that are single family (UC=1), condos (UC=4) and multi-family (UC=8) comprise the starting universe of 4,232,643 housing units.
2. According to zippia.com, of homeowners in 2020, an estimated **76 percent** will **did a improvement projects**. This percentage is applied to the universe identified in #1, to produce the number of housing units that will undertake home improvement projects.
3. According to zippia.com, **57 percent** of undertook **exterior** upgrades (average of 2016, 2018, and 2020).
4. According to iPropertyManagement, of in 2018, an estimated **21 percent** will undertake improvement or renovation projects **that include windows** in a given year. It is not clear whether this is replacing windows or simply painting them or replacing the glazing. It is assumed that all window projects include window replacement.
5. Of upgrades including windows, all residential property owners may opt for impact-resistant windows, so 100 percent of window upgrades can potentially be impact-resistant.
6. Of upgrades including windows, this analysis assumes **66 percent will have impact-resistant windows.**
7. Of those who choose impact-resistant windows, **28 percent** hired the labor but purchased the materials **and 22 percent** did the entire project themselves according to the National Association of Realtors (**assuming** that these percentages are representative of complicated projects, such as window replacement). *NOTE: These percentages are for any home improvement project, so may not be sufficiently representative for window installation.*
8. These two categories produce the total housing units that potentially will have an eligible sales tax receipt required for a refund.
9. The high estimate assumes all housing units potentially in possession of a sales tax receipt identified in # 8 apply for the refund. The middle estimate uses the second year estimated liability percentages for unclaimed property and assumes that this is the percentage of housing units that will apply for the rebate. The low uses the percent refunded property tax of total filed insurance claims from prior hurricane-related property tax exemptions. Due to timing issues with the hurricane-related rebates and taking into account that not all claimants would have qualified for a tax refund, the participation was increased to 1 percent.

Through 2032, taxpayers can claim a 30 percent federal tax credit on that expenditure, up to $600 a year, thanks to the Inflation Reduction Act passed in 2022. Some internet sites advise homeowners to replace windows one at a time to maximize on the tax credits.

An EDR review of legislative measures providing property tax relief to homeowners impacted by hurricanes has suggested previously that there appears to be a very low participation rate in such programs. Some of the possible reasons considered by EDR for the low participation include a requirement for the property owner to apply and provide supporting documentation and a relatively low dollar value of the relief measure. The current proposed amendment shares some of the same features (low refund amount, application requirement, sales tax receipt) and this analysis expects that the uptake will be very low.

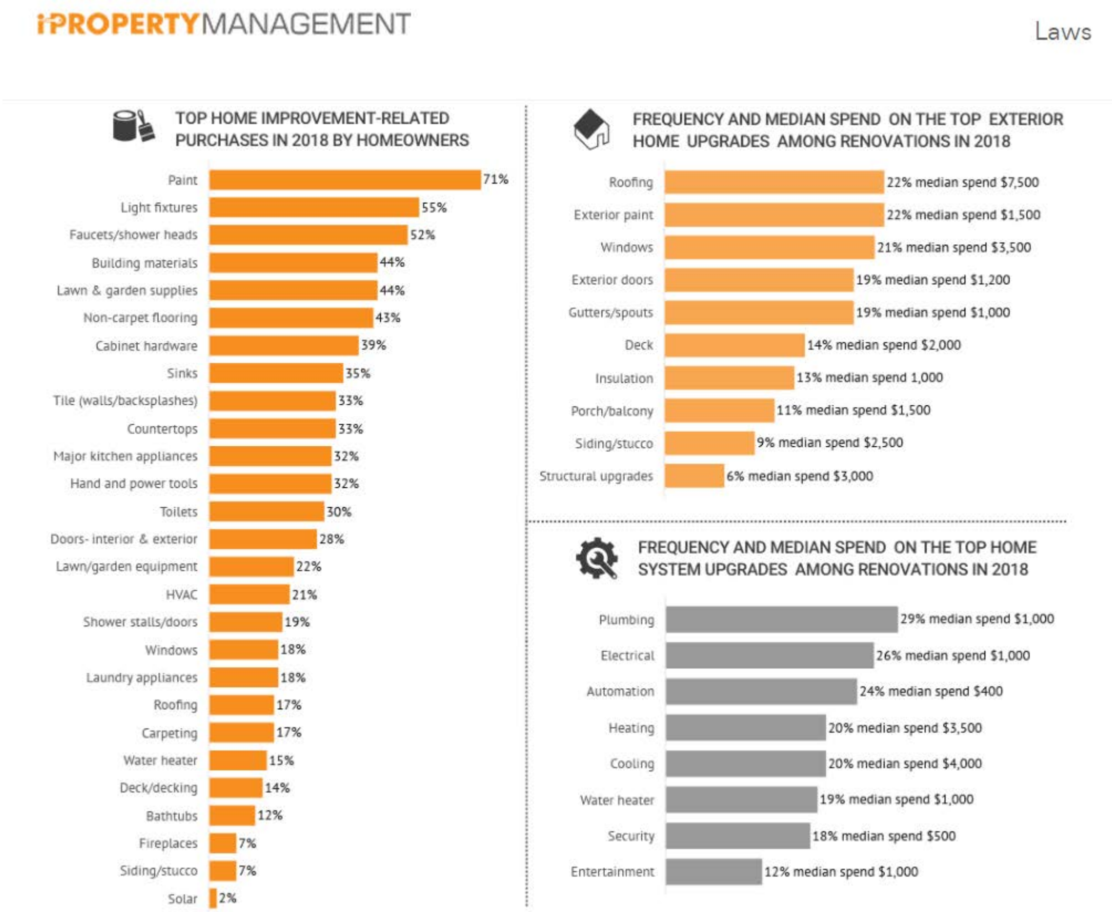
In addition the bill requires a tax receipt as part of the application. This analysis suggests that the requirement significantly reduces the potential universe of participants for the following reasons.

a. The condition automatically excludes any new home construction since the homebuilder will not meet the conditions for an "eligible residential property."
b. It is likely that most window replacement projects are quoted as a combined price and no separate breakouts are made for materials and labor. The homeowner will pay a window installer for the entire project. It is likely that a much smaller share of homeowners will tackle a window replacement project than suggested by the NAR report.
c. The iPropertyManagement report states the following: "Over a third of home improvement projects are commonly considered DIY, such as interior painting. However, projects like exterior improvements (replacing windows, siding, roofing, etc.) are rarely attempted by the average homeowner. These are pretty specialized projects with the potential for a lot to go wrong. As much as Home Depot reassures homeowners that "you can do it and we can help," more than four out of five homeowners hire professional and licensed specialists to assist with projects."[1]

[1] iPropertyManagement, Home Improvement Industry Statistics, May 2023, https://ipropertymanagement.com/research/home-improvement-industry-statistics

Revenue Source: Sales and Use Tax
Issue: Impact Resistant Doors and Windows Refund
Bill Number(s): SB890 - Proposed Amendment

d. The window replacement industry appears to have a significant direct-to-consumer channel, where manufacturers sell directly to consumers, automatically including the installation. It may be impossible from a quote structuring viewpoint to separate out the product from the service. These vendors offer a package, not a product plus optional service.



Source: iPropertyManagement, Home Improvement Industry Statistics, May 2023, https://ipropertymanagement.com/research/home-improvement-industry-statistics

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Impact Resistant Doors and Windows Refund
Bill Number(s): SB890 - Proposed Amendment

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(36.1 m)		(10.8 m)		(0.4 m)	
2025-26						
2026-27						
2027-28						
2028-29						

Revenue Distribution: Sales and Use Tax

Section 5: Consensus Estimate (Adopted: 02/02/2024): The Conference adopted an adjusted middle estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(15.6)	0.0	(Insignificant)	0.0	(0.5)	0.0	(1.5)	0.0
2025-26	(17.2)	0.0	(Insignificant)	0.0	(0.6)	0.0	(1.7)	0.0
2026-27	(1.5)	0.0	(Insignificant)	0.0	(Insignificant)	0.0	(0.1)	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	(17.6)	0.0	(2.1)	0.0	(19.7)	0.0
2025-26	(19.5)	0.0	(2.4)	0.0	(21.9)	0.0
2026-27	(1.6)	0.0	(0.2)	0.0	(1.8)	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

2/2/2024

SB890 - Proposed Amendment
Sales and Use Tax
Sales Tax Exemption - Impact Resistant Doors and Windows Refund

2 YEARS
July 1, 2024 - June 30, 2026

ADOPTED IMPACT

Sales Tax Exemption - Impact Resistant Doors and Windows Refund

	MIDDLE (Millions of Dollars)
FY 2024-25	(17.6)
FY 2025-26	(19.5)
FY 2026-27	(1.6)

2/2/2024

SB890 - Proposed Amendment
Sales and Use Tax
Sales Tax Exemption - Impact Resistant Doors and Windows Refund

2 YEARS
July 1, 2024 - June 30, 2026

1	Determine the universe of eligible units			4,232,643

Owned
Site-built
Homestead
JV< $700,000

	Number of Homesteaded Parcels			
	Single Family UC = 1	Condominiums UC = 4	Multi-Family < 10 units UC = 8	Sum
Residential site-built (no JV limitation, no hmstd limitation)	5,745,630	1,605,160	155,996	7,506,786
JV: $0 - $200,000	503,429	212,395	4,971	720,795
JV: $200,000 - $700,000	3,160,272	329,496	22,080	3,511,848
Total	3,663,701	541,891	27,051	4,232,643

Source: Florida Department of Revenue NAL data, 2023 Final, provided by DOR Property Tax Oversight.

2	Determine the percent of American homeowners that did a home improvement project in 2020.	76.0%		3,216,809

Source: 30+ HOME IMPROVEMENT INDUSTRY STATISTICS [2023]: TRENDS, SPENDING, AND GROWTH, Jack Flynn, 3/12/2023, https://www.zippia.com/advice/home-improvement-industry-statistics/

3	Determine the percent that will undertake home exterior upgrades	57.0%		1,833,581

Source: 30+ HOME IMPROVEMENT INDUSTRY STATISTICS [2023]: TRENDS, SPENDING, AND GROWTH, Jack Flynn, 3/12/2023, https://www.zippia.com/advice/home-improvement-industry-statistics/

4	Determine the percent that will replace windows/ doors			
	Frequency of the top exterior home upgrades among renovations in 2018	21.0%		385,052

Source: iPropertyManagement, https://ipropertymanagement.com/research/home-improvement-industry-statistics

6	Determine the percent that will opt for impact-resistant openings. (windows, doors, & garage doors)	66%		254,134

7 Determine the percent that will either DIY or hire a contractor on a labor + materials basis

Frequency of pro hiring to complete home renovations in 2018	87%		
Source: iPropertyManagement, https://ipropertymanagement.com/research/home-improvement-industry-statistics			
DID NOT hire a pro	13%		
Hired a professional	35%		
Hired the labor but purchased the materials	28%		71,158
Did the entire project themselves	22%		55,909
Contributed some DIY labor	13%		
Other (analyst for additivity)	*2%*		
Total	100%		

Source: NAR, https://cdn.nar.realtor//sites/default/files/documents/2022-remodeling-impact-report-04-19-2022.pdf

8	Total HOUSING UNITS **potentially** in posession of a sales tax receipt			127,067

9 Determine the percent that will apply for the refund

FY 2023-24	HIGH	MIDDLE Unclaimed Property	LOW CS/HB 7087 from 2018 (Hurricane Irma property tax relief)
	All	**% claimed the second year**	**Percent residential rebated property taxes, recalculated to residential estimate**
	100%	30%	1.00%
Number of eligible residential properties	127,067	37,904	1,271
Refund	500	500	500
Total cost of refund ($)	**63,533,500**	**18,952,000**	**635,500**
millions $, FY 2023-24	*(63.5)*	*(19.0)*	*(0.6)*

10 Grow to impact year

	HIGH	MIDDLE	LOW	Growth in FL households
FY 2023-24	(63.5)	(19.0)	(0.6)	1.6%
FY 2024-25	(64.5)	(19.2)	(0.6)	1.5%
FY 2025-26	(65.4)	(19.5)	(0.6)	1.4%

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Substance Abuse Treatment
Bill Number(s): HB 1065

☑ **Entire Bill**
☐ **Partial Bill**:
Sponsor(s): Representative Caruso
Month/Year Impact Begins: July 1, 2024
Date(s) Conference Reviewed: February 2, 2024

Section 1: Narrative

a. Current Law: Under current law certified recovery residences are not excluded from locally imposed transient rental taxes.

b. Proposed Change: Proposed language would exempt certified recovery residences from locally imposed transient rental taxes, discretionary taxes, and state sales tax, provide definitions of levels of certified recovery residences, as well as increases the number of residents that a CRRA can manage in limited circumstances and only applicable to Level IV "community housing." From 100 to 150.

Section 2: Description of Data and Sources

FARR certified recovery residences list
Transitions Gateway sober living cost analysis
Tax Rates by county
Market research

Section 3: Methodology (Include Assumptions and Attach Details)

The first step taken in making this impact was to download a list of current certified recovery residences. From there we were able to organize those certified recovery residences by county as well as by levels of care supported by each individual residence. From market research it was found that the higher levels of care usually represents more occupants. A capacity table was built in order to get an idea of occupants for each recovery residence with level 1 being 15, level 2 at 25, level 3 at 50 and level 4 at 75 occupants. From there the number of certified centers at each level were multiplied by capacity times the average rent, which we found to be $884 monthly, then multiplied by the state, transient, and discretionary rates in the county it resides for a monthly impact. Converting that to yearly gets us to the presented impact. First year is 11/12 due to July 1st impact beginning.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			($11.56) M	($11.56) M		
2025-26			($12.80) M	($12.80) M		
2026-27			($12.92) M	($12.92) M		
2027-28			($13.00) M	($13.00) M		
2028-29			($13.07) M	($13.07) M		

Revenue Distribution: Sales and Use Tax, Local Taxes and Fees

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax
Issue: Substance Abuse Treatment
Bill Number(s): HB 1065

Section 5: Consensus Estimate (Adopted: 02/02/2024): The Conference adopted the proposed estimate.

Sales and Use Tax

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(5.6)	(5.6)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.5)	(0.5)
2025-26	(6.2)	(6.2)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.6)	(0.6)
2026-27	(6.2)	(6.2)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.6)	(0.6)
2027-28	(6.3)	(6.3)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.6)	(0.6)
2028-29	(6.3)	(6.3)	(Insignificant)	(Insignificant)	(0.2)	(0.2)	(0.6)	(0.6)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(0.9)	(0.9)	(1.6)	(1.6)	(7.2)	(7.2)
2025-26	(1.0)	(1.0)	(1.8)	(1.8)	(8.0)	(8.0)
2026-27	(1.0)	(1.0)	(1.8)	(1.8)	(8.0)	(8.0)
2027-28	(1.0)	(1.0)	(1.8)	(1.8)	(8.1)	(8.1)
2028-29	(1.0)	(1.0)	(1.8)	(1.8)	(8.1)	(8.1)

Local Option Taxes on Transient Rentals

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	$(5.3)	$(5.3)	$(5.3)	$(5.3)	$(5.3)	$(5.3)
2025-26	$(5.8)	$(5.8)	$(5.8)	$(5.8)	$(5.8)	$(5.8)
2026-27	$(5.9)	$(5.9)	$(5.9)	$(5.9)	$(5.9)	$(5.9)
2027-28	$(5.9)	$(5.9)	$(5.9)	$(5.9)	$(5.9)	$(5.9)
2028-29	$(5.9)	$(5.9)	$(5.9)	$(5.9)	$(5.9)	$(5.9)

County and Level	# of Certified Centers	Transient Rate	State Tax	Discretionary Rate	Capacity	Avg Rent (Month)	State Impact	Discretionary Impact	Local Option Taxes on Transient Rentals	Grand Total
Alachua	1									
II	1	5%	6%	1.5%	25	$884	$1,326	$332	$1,105	$2,763
Brevard	2									
II	2	5%	6%	1.0%	25	$884	$2,652	$442	$2,210	$5,304
Broward	50									
I, II	3	6%	6%	1.0%	20	$884	$3,182	$530	$3,182	$6,895
I, II, IV	1	6%	6%	1.0%	38	$884	$2,033	$339	$2,033	$4,405
I, IV	1	6%	6%	1.0%	45	$884	$2,387	$398	$2,387	$5,171
II	28	6%	6%	1.0%	25	$884	$37,128	$6,188	$37,128	$80,444
II, IV	3	6%	6%	1.0%	50	$884	$7,956	$1,326	$7,956	$17,238
III	1	6%	6%	1.0%	50	$884	$2,652	$442	$2,652	$5,746
IV	13	6%	6%	1.0%	75	$884	$51,714	$8,619	$51,714	$112,047
Collier	3									
II	3	5%	6%	0%	25	$884	$3,978	$0	$3,315	$7,293
Duval	8									
II	7	6%	6%	1.5%	25	$884	$9,282	$2,321	$9,282	$20,885
IV	1	6%	6%	1.5%	75	$884	$3,978	$995	$3,978	$8,951
Escambia	2									
II	1	5%	6%	1.5%	25	$884	$1,326	$332	$1,105	$2,763
IV	1	5%	6%	1.5%	75	$884	$3,978	$995	$3,315	$8,288
Flagler	2									
I, II	1	5%	6%	1.0%	20	$884	$1,061	$177	$884	$2,122
I, III	1	5%	6%	1.0%	33	$884	$1,724	$287	$1,437	$3,448
Hillsborough	14									
II	7	6%	6%	1.5%	25	$884	$9,282	$2,321	$9,282	$20,885
IV	7	6%	6%	1.5%	75	$884	$27,846	$6,962	$27,846	$62,654
Indian River	3									
II	3	4%	6%	1.0%	25	$884	$3,978	$663	$2,652	$7,293
Lee	6									
II	3	5%	6%	0.5%	25	$884	$3,978	$332	$3,315	$7,625
III, IV	1	5%	6%	0.5%	63	$884	$3,315	$276	$2,763	$6,354
IV	2	5%	6%	0.5%	75	$884	$7,956	$663	$6,630	$15,249
Manatee	1									
II	1	5%	6%	1.0%	25	$884	$1,326	$221	$1,105	$2,652
Marion	2									
II, IV	1	4%	6%	1.0%	50	$884	$2,652	$442	$1,768	$4,862
IV	1	4%	6%	1.0%	75	$884	$3,978	$663	$2,652	$7,293
Martin	2									
I, II	1	5%	6%	0.5%	20	$884	$1,061	$88	$884	$2,033
IV	1	5%	6%	0.5%	75	$884	$3,978	$332	$3,315	$7,625
Miami-Dade	6									
II	4	6%	6%	1.0%	25	$884	$5,304	$884	$5,304	$11,492
IV	2	6%	6%	1.0%	75	$884	$7,956	$1,326	$7,956	$17,238
Orange	6									
I, II	1	6%	6%	0.5%	20	$884	$1,061	$88	$1,061	$2,210
II	3	6%	6%	0.5%	25	$884	$3,978	$332	$3,978	$8,288
IV	2	6%	6%	0.5%	75	$884	$7,956	$663	$7,956	$16,575
Palm Beach	97									
I, II	10	6%	6%	1.0%	20	$884	$10,608	$1,768	$10,608	$22,984
I, II, IV	1	6%	6%	1.0%	38	$884	$2,033	$339	$2,033	$4,405
I, III, IV	1	6%	6%	1.0%	47	$884	$2,475	$413	$2,475	$5,363
II	46	6%	6%	1.0%	25	$884	$60,996	$10,166	$60,996	$132,158
II, III	1	6%	6%	1.0%	38	$884	$1,989	$332	$1,989	$4,310
II, IV	5	6%	6%	1.0%	50	$884	$13,260	$2,210	$13,260	$28,730
III	1	6%	6%	1.0%	50	$884	$2,652	$442	$2,652	$5,746
III, IV	1	6%	6%	1.0%	63	$884	$3,315	$553	$3,315	$7,183
IV	31	6%	6%	1.0%	75	$884	$123,318	$20,553	$123,318	$267,189
Pasco	4									
II	3	5%	6%	1.0%	25	$884	$3,978	$663	$3,315	$7,956
II, III	1	5%	6%	1.0%	38	$884	$1,989	$332	$1,658	$3,978
Pinellas	7									
II	2	6%	6%	1.0%	25	$884	$2,652	$442	$2,652	$5,746
II, IV	1	6%	6%	1.0%	50	$884	$2,652	$442	$2,652	$5,746
III	1	6%	6%	1.0%	50	$884	$2,652	$442	$2,652	$5,746
IV	3	6%	6%	1.0%	75	$884	$11,934	$1,989	$11,934	$25,857
Polk	1									
II	1	5%	6%	1.0%	25	$884	$1,326	$221	$1,105	$2,652
Sarasota	2									
II	2	6%	6%	1.0%	25	$884	$2,652	$442	$2,652	$5,746
Seminole	1									
II	1	5%	6%	1.0%	25	$884	$1,326	$221	$1,105	$2,652
St. Lucie	4									
II	4	5%	6%	1.0%	25	$884	$5,304	$884	$4,420	$10,608
Volusia	1									
I, II	1	6%	6%	0.5%	20	$884	$1,061	$88	$1,061	$2,210
							$490,134	$82,916	$478,001	

Capacity Table	
level	capacity
I	15
II	25
III	50
IV	75

Population growth (rec)	
24-25	1.51%
25-26	0.89%
26-27	0.66%
27-28	0.54%
28-29	0.47%

Local Impact (TDT)	
24-25	$5,258,009.90
25-26	$5,822,624.56
26-27	$5,874,445.92
27-28	$5,913,217.26
28-29	$5,945,148.64

State Impact (6%)	
24-25	$5,391,471.80
25-26	$5,970,417.84
26-27	$6,023,554.56
27-28	$6,063,310.02
28-29	$6,096,051.90

Local option surtax Impact	
24-25	$912,070.68
25-26	$1,010,010.49
26-27	$1,018,999.58
27-28	$1,025,724.98
28-29	$1,031,263.90

TDT Impact (M)	
24-25	$ (5.26)
25-26	$ (5.82)
26-27	$ (5.87)
27-28	$ (5.91)
28-29	$ (5.95)

Sales and surtax Impact (M)	
24-25	$ (6.30)
25-26	$ (6.98)
26-27	$ (7.04)
27-28	$ (7.09)
28-29	$ (7.13)

Sales and surtax Impact (M)	
24-25	$ (11.56)
25-26	$ (12.80)
26-27	$ (12.92)
27-28	$ (13.00)
28-29	$ (13.07)