

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Collection Allowance – First \$60
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
March 5th, 2024 (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 \$60 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 \$60. 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 \$60 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 \$60 tax due and (2) growth of the volume of tax due on returns with less than \$60 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 \$21m 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.

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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			(\$171.07) M	(\$171.07) M		
2025-26			(\$177.29) M	(\$177.29) M		
2026-27			(\$183.74) M	(\$183.74) M		
2027-28			(\$190.42) M	(\$190.42) M		
2028-29			(\$197.34) M	(\$197.34) 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
2023-24	(175.7)	(175.7)	4.7	4.7	0.0	0.0	(171.0)	(171.0)
2024-25	(182.1)	(182.1)	4.8	4.8	0.0	0.0	(177.3)	(177.3)
2025-26	(188.7)	(188.7)	5.0	5.0	0.0	0.0	(183.7)	(183.7)
2026-27	(195.6)	(195.6)	5.2	5.2	0.0	0.0	(190.4)	(190.4)
2027-28	(202.7)	(202.7)	5.4	5.4	0.0	0.0	(197.3)	(197.3)

	A	B	C	D	E	F	G	H	
1	Impact Part 1: No Complications								
2	FY	Top Level Returns	Location Level Returns	First 60 of Amount Due	Current Collection Allowance	Basic Impact			
3	2018	3,407,107	4,100,193	237,425,128	73,447,544	(163,977,585)			
4	2019	3,513,741	4,215,283	244,075,584	75,985,240	(168,090,343)			
5	2020	3,477,541	4,173,092	240,933,873	74,915,644	(166,018,228)			
6	2021	3,615,848	4,326,936	249,744,884	78,016,112	(171,728,773)			
7	2022	3,760,055	4,483,295	259,757,698	82,218,271	(177,539,427)			
8	2023	3,920,024	4,661,549	270,631,293	85,841,228	(184,790,066)			
9									
10	Impact Part 2: Collection Allowance For Education								
11	FY	Top Level Returns	Location Level Returns	First 60 of Amount Due	Collection Allowance For Education	Education Impact			
12	2018	79,201	85,474	\$ 4,564,062	\$ 1,011,944	\$ 3,552,119			
13	2019	84,972	91,602	\$ 4,942,581	\$ 1,111,421	\$ 3,831,159			
14	2020	85,583	92,617	\$ 4,972,377	\$ 1,119,000	\$ 3,853,377			
15	2021	91,875	98,436	\$ 5,280,377	\$ 1,200,030	\$ 4,080,346			
16	2022	97,295	105,731	\$ 5,688,440	\$ 1,348,893	\$ 4,339,548			
17	2023	99,131	109,030	\$ 5,947,718	\$ 1,432,380	\$ 4,515,338			
18									
19	Behavior Change Consideration								
20	In FY23, 70% of returns donating their collection allowance to education were claiming less than the \$30 cap. In aggregate, only about half of returns claim less than the cap. This section is built to recognize the possibility 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.					Allowance For Education Drop Out Rate		0%	
21						Under Current Cap		0%	
22						At Current Cap		0%	
23						2023 Allowance For Education with First 60		\$ 5,947,717.87	
24						Under Current Cap		\$ 4,002,259.09	
25						At Current Cap		\$ 1,278,117.46	
26						Amount Reclaimed by Taxpayers		\$ -	
27						Under Current Cap		\$ -	
28						At Current Cap		\$ -	
29						FY 2023 Impact			
30						Law	\$ (184,790,066)		
31						Donation	\$ 4,515,338		
32	Behavior	\$ -							
33	Compliance	\$ 20,996,629							
34		\$ (159,278,099)							
35	Middle Impact								
36	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.		FY	Cash	Recurring				
37			2022-23			(\$159.28)M			
38			2023-24			(\$165.07)M			
39			2024-25		(\$171.07)M	(\$171.07)M			
40			2025-26		(\$177.29)M	(\$177.29)M			
41			2026-27		(\$183.74)M	(\$183.74)M			
42			2027-28		(\$190.42)M	(\$190.42)M			
43			2028-29		(\$197.34)M	(\$197.34)M			

	A	B	C	D	E	F	G	H		
44										
45		2021-2023 Growth			Impact to the State					
46					FY	Cash	Recurring			
47		2023	3.64%		2022-23		(\$159.28)M			
48		2024	3.64%		2023-24		(\$165.07)M			
49		2025	3.64%		2024-25	(\$171.07)M	(\$171.07)M			
50		2026	3.64%		2025-26	(\$177.29)M	(\$177.29)M			
51		2027	3.64%		2026-27	(\$183.74)M	(\$183.74)M			
52		2028	3.64%		2027-28	(\$190.42)M	(\$190.42)M			
53		2029	3.64%		2028-29	(\$197.34)M	(\$197.34)M			
54										
55		<p>True growth of this impact is a function of two series:</p> <ul style="list-style-type: none"> The number of returns filed with at least \$45 in tax The volume of tax due on returns with less than \$45 in tax <p>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 implemented in the past. This allows us to construct 3 new growth scenarios:</p> <p>Average Growth From 2017-2019: 3.3%</p> <p>Average Growth From 2021-2023: 3.6%</p> <p>Average Growth From 2017-2023: 2.8%</p>			Impact to DOE					
56							FY	Cash	Recurring	
57							2022-23		\$4.34 M	
58							2023-24		\$4.50 M	
59							2024-25	\$4.66 M	\$4.66 M	
60							2025-26	\$4.83 M	\$4.83 M	
61							2026-27	\$5.01 M	\$5.01 M	
62					2027-28	\$5.19 M	\$5.19 M			
63					2028-29	\$5.38 M	\$5.38 M			
64										
65		<p>Impact to GR</p>			FY	Cash	Recurring			
66							2022-23		(\$163.62)M	
67							2023-24		(\$169.57)M	
68							2024-25	(\$175.73)M	(\$175.73)M	
69							2025-26	(\$182.12)M	(\$182.12)M	
70							2026-27	(\$188.74)M	(\$188.74)M	
71							2027-28	(\$195.60)M	(\$195.60)M	
72					2028-29	(\$202.72)M	(\$202.72)M			
73										
74										
75		<i>Historical Growth</i>								
76		FY	Impact	Growth						
77		2016	\$ (152,507,603)							
78		2017	\$ (158,732,571)	4.08%						
79		2018	\$ (163,977,585)	3.30%						
80		2019	\$ (168,090,343)	2.51%						
81		2020	\$ (166,018,228)	-1.23%						
82		2021	\$ (171,728,773)	3.44%						
83		2022	\$ (177,539,427)	3.38%						
84		2023	\$ (184,790,066)	4.08%						
85										
86		Proposed Growth Rates								
87		FY17 - FY19	3.30%							
88		FY17 - FY23	2.80%							
89		FY21 - FY23	3.64%							

By Return Type

	<i>Returns</i>	<i>Locations</i>	<i>Tax Due</i>	<i>First 45 CA</i>	<i>Current CA</i>	<i>Impact</i>
2016	3,149,991	3,825,956	25,452,839,288	221,704,885	69,197,282	(152,507,603)
DR-15	1,605,236	1,605,236	12,255,488,934	92,593,691	28,681,851	(63,911,840)
DR-15con	46,000	721,965	10,380,809,459	42,673,581	16,938,104	(25,735,477)
DR-15ez	1,491,058	1,491,058	2,550,486,265	85,976,080	23,350,630	(62,625,450)
DR-38	7,697	7,697	266,054,631	461,533	226,697	(234,836)
2017	3,291,239	3,976,767	26,941,257,895	230,250,127	71,517,556	(158,732,571)
DR-15	1,780,056	1,780,056	13,314,600,186	102,617,138	31,525,299	(71,091,839)
DR-15con	46,852	732,380	10,833,874,139	43,254,503	17,070,911	(26,183,592)
DR-15ez	1,456,652	1,456,652	2,509,782,914	83,918,392	22,695,558	(61,222,834)
DR-38	7,679	7,679	283,000,656	460,094	225,787	(234,306)
2018	3,407,107	4,100,193	28,685,484,077	237,425,128	73,447,544	(163,977,585)
DR-15	1,952,595	1,952,595	14,420,553,900	112,545,457	34,289,618	(78,255,838)
DR-15con	47,941	741,027	11,520,156,362	43,890,222	17,201,491	(26,688,731)
DR-15ez	1,399,127	1,399,127	2,445,836,538	80,543,353	21,738,309	(58,805,045)
DR-38	7,444	7,444	298,937,278	446,096	218,126	(227,971)
2019	3,513,741	4,215,283	30,559,023,717	244,075,584	75,985,240	(168,090,343)
DR-15	2,120,958	2,120,958	15,628,023,714	122,261,823	37,401,847	(84,859,976)
DR-15con	49,076	750,618	12,209,066,600	44,447,488	17,451,251	(26,996,237)
DR-15ez	1,336,198	1,336,198	2,417,440,205	76,916,575	20,910,727	(56,005,848)
DR-38	7,509	7,509	304,493,197	449,698	221,415	(228,283)
2020	3,477,541	4,173,092	30,426,501,348	240,933,873	74,915,644	(166,018,228)
DR-15	2,150,555	2,150,555	15,307,903,449	123,691,883	38,024,636	(85,667,247)
DR-15con	50,342	745,893	12,584,962,143	43,939,484	17,090,896	(26,848,588)
DR-15ez	1,269,406	1,269,406	2,244,033,153	72,868,781	19,587,749	(53,281,033)
DR-38	7,238	7,238	289,602,602	433,724	212,363	(221,361)
2021	3,615,848	4,326,936	33,418,520,267	249,744,884	78,016,112	(171,728,773)
DR-15	2,296,767	2,296,767	16,857,021,379	131,974,663	40,718,000	(91,256,663)
DR-15con	51,055	762,143	13,736,643,112	44,930,591	17,513,106	(27,417,485)
DR-15ez	1,260,820	1,260,820	2,402,470,244	72,407,631	19,572,115	(52,835,516)
DR-38	7,206	7,206	422,385,532	431,999	212,891	(219,109)
2022	3,760,055	4,483,295	42,269,951,870	259,757,698	82,218,271	(177,539,427)
DR-15	2,464,910	2,464,910	23,161,636,064	142,212,239	44,080,448	(98,131,790)
DR-15con	51,744	774,984	15,944,527,604	45,832,177	18,158,559	(27,673,619)
DR-15ez	1,236,068	1,236,068	2,664,309,095	71,273,585	19,761,473	(51,512,113)
DR-38	7,333	7,333	499,479,106	439,696	217,791	(221,905)
2023	3,920,024	4,661,549	45,774,960,360	270,631,293	85,841,228	(184,790,066)
DR-15	2,639,021	2,639,021	25,399,402,420	152,695,019	47,283,255	(105,411,764)
DR-15con	53,072	794,597	17,229,239,321	47,009,940	18,658,165	(28,351,775)
DR-15ez	1,220,551	1,220,551	2,638,477,179	70,484,422	19,681,377	(50,803,045)
DR-38	7,380	7,380	507,841,440	441,913	218,431	(223,482)

By Current Collection Allowance

	<i>Returns</i>	<i>Locations</i>	<i>Tax Due</i>	<i>First 45 CA</i>	<i>Current CA</i>	<i>Impact</i>
2016	3,149,991	3,825,956	25,452,839,288	221,704,885	69,197,282	(152,507,603)
Extra	204	4,328	95,138,895	259,680	940,098	680,418
Capped	1,199,964	1,378,867	18,409,157,779	82,731,988	41,366,010	(41,365,978)
Partial	1,728,990	2,210,906	6,390,402,271	125,796,964	26,891,174	(98,905,790)
Zero	220,833	231,855	558,140,342	12,916,254	-	(12,916,254)
2017	3,291,239	3,976,767	26,941,257,895	230,250,127	71,517,556	(158,732,571)
Extra	179	4,003	156,861,425	240,180	922,396	682,216
Capped	1,253,493	1,437,535	19,847,508,533	86,252,100	43,126,050	(43,126,050)
Partial	1,797,092	2,280,654	6,334,104,803	129,560,487	27,469,109	(102,091,378)
Zero	240,475	254,575	602,783,134	14,197,360	-	(14,197,360)
2018	3,407,107	4,100,193	28,685,484,077	237,425,128	73,447,544	(163,977,585)
Extra	207	4,093	359,936,339	245,580	989,882	744,302
Capped	1,294,597	1,482,726	21,238,883,756	88,963,504	44,481,780	(44,481,724)
Partial	1,856,252	2,340,868	6,455,486,882	132,974,829	27,975,881	(104,998,948)
Zero	256,051	272,506	631,177,101	15,241,215	-	(15,241,215)
2019	3,513,741	4,215,283	30,559,023,717	244,075,584	75,985,240	(168,090,343)
Extra	184	2,874	183,043,173	172,440	1,014,463	842,023
Capped	1,354,513	1,540,042	22,743,763,819	92,402,462	46,201,260	(46,201,202)
Partial	1,894,261	2,391,601	7,003,219,105	135,796,764	28,769,517	(107,027,247)
Zero	264,783	280,766	628,997,619	15,703,918	-	(15,703,918)
2020	3,477,541	4,173,092	30,426,501,348	240,933,873	74,915,644	(166,018,228)
Extra	231	6,057	158,592,081	363,420	1,161,053	797,633
Capped	1,334,342	1,511,051	22,221,102,911	90,659,753	45,331,530	(45,328,223)
Partial	1,875,676	2,370,112	7,160,442,853	134,027,484	28,423,061	(105,604,424)
Zero	267,292	285,872	886,363,503	15,883,215	-	(15,883,215)
2021	3,615,848	4,326,936	33,418,520,267	249,744,884	78,016,112	(171,728,773)
Extra	230	7,935	170,824,023	476,040	1,372,137	896,097
Capped	1,414,652	1,598,496	24,932,664,863	95,909,665	47,954,880	(47,954,785)
Partial	1,882,160	2,382,670	7,543,705,611	134,672,793	28,689,094	(105,983,699)
Zero	318,806	337,835	771,325,770	18,686,386	-	(18,686,386)
2022	3,760,055	4,483,295	42,269,951,870	259,757,698	82,218,271	(177,539,427)
Extra	128	6,464	110,649,804	387,840	518,028	130,188
Capped	1,552,384	1,753,238	32,940,638,485	105,194,224	52,597,140	(52,597,084)
Partial	1,878,157	2,379,615	8,333,574,959	135,015,773	29,103,103	(105,912,671)
Zero	329,386	343,978	885,088,622	19,159,861	-	(19,159,861)
2023	3,920,024	4,661,549	45,774,960,360	270,631,293	85,841,228	(184,790,066)
Extra	154	7,482	170,488,192	448,920	228,425	(220,495)
Capped	1,638,457	1,830,078	35,066,428,877	109,804,672	54,902,340	(54,902,332)
Partial	1,921,127	2,449,706	9,492,002,870	139,381,073	30,710,462	(108,670,611)
Zero	360,286	374,283	1,046,040,421	20,996,629	-	(20,996,629)

By Proposed Collection Allowance

	<i>Returns</i>	<i>Locations</i>	<i>Tax Due</i>	<i>First 45 CA</i>	<i>Current CA</i>	<i>Impact</i>
2016	3,149,991	3,825,956	25,452,839,288	221,704,885	69,197,282	(152,507,603)
Full \$45	2,912,233	3,569,164	25,444,474,648	214,149,840	69,028,930	(145,120,910)
>= \$30	116,231	134,388	6,114,873	5,774,978	128,935	(5,646,043)
< \$30	121,446	121,967	2,249,767	1,780,068	39,417	(1,740,650)
Zero	81	437	-	-	-	-
2017	3,291,239	3,976,767	26,941,257,895	230,250,127	71,517,556	(158,732,571)
Full \$45	3,040,666	3,706,608	26,932,491,537	222,396,480	71,342,802	(151,053,678)
>= \$30	120,823	139,705	6,348,489	5,970,324	133,343	(5,836,981)
< \$30	129,672	130,115	2,417,769	1,883,323	41,411	(1,841,912)
Zero	78	339	100	-	-	-
2018	3,407,107	4,100,193	28,685,484,077	237,425,128	73,447,544	(163,977,585)
Full \$45	3,146,068	3,822,116	28,676,429,683	229,326,960	73,267,993	(156,058,967)
>= \$30	125,585	141,832	6,551,696	6,145,433	136,660	(6,008,773)
< \$30	135,363	135,785	2,502,599	1,952,735	42,891	(1,909,844)
Zero	91	460	100	-	-	-
2019	3,513,741	4,215,283	30,559,023,717	244,075,584	75,985,240	(168,090,343)
Full \$45	3,247,337	3,931,760	30,549,894,248	235,905,600	75,803,788	(160,101,812)
>= \$30	126,838	143,288	6,573,707	6,172,072	137,188	(6,034,884)
< \$30	139,493	139,926	2,555,711	1,997,912	43,881	(1,954,031)
Zero	73	309	50	-	384	384
2020	3,477,541	4,173,092	30,426,501,348	240,933,873	74,915,644	(166,018,228)
Full \$45	3,203,634	3,876,777	30,417,177,352	232,606,620	74,724,512	(157,882,108)
>= \$30	126,742	147,163	6,650,224	6,249,313	141,962	(6,107,351)
< \$30	146,981	147,514	2,670,983	2,077,940	45,665	(2,032,275)
Zero	184	1,638	2,789	-	3,505	3,505
2021	3,615,848	4,326,936	33,418,520,267	249,744,884	78,016,112	(171,728,773)
Full \$45	3,331,383	4,019,913	33,408,529,781	241,194,780	77,815,502	(163,379,278)
>= \$30	128,925	150,596	6,951,116	6,367,300	154,168	(6,213,132)
< \$30	155,384	155,810	3,039,120	2,182,804	46,297	(2,136,507)
Zero	156	617	250	-	145	145
2022	3,760,055	4,483,295	42,269,951,870	259,757,698	82,218,271	(177,539,427)
Full \$45	3,491,368	4,196,047	42,260,559,753	251,762,820	82,046,154	(169,716,666)
>= \$30	121,841	139,810	6,509,972	5,936,419	128,533	(5,807,886)
< \$30	146,763	147,078	2,881,895	2,058,459	43,459	(2,015,000)
Zero	83	360	250	-	125	125
2023	3,920,024	4,661,549	45,774,960,360	270,631,293	85,841,228	(184,790,066)
Full \$45	3,656,109	4,379,104	45,765,733,993	262,746,240	85,672,641	(177,073,599)
>= \$30	120,103	138,046	6,413,688	5,858,946	125,706	(5,733,240)
< \$30	143,716	143,976	2,812,658	2,026,107	42,681	(1,983,427)
Zero	96	423	21	-	199	199

Donations to Education by Current Collection Allowance

	<i>Returns</i>	<i>Locations</i>	<i>Tax Due</i>	<i>First 45 CA</i>	<i>Current CA</i>	<i>Impact</i>
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

	<i>Returns</i>	<i>Locations</i>	<i>Tax Due</i>	<i>First 45 CA</i>	<i>Current CA</i>	<i>Impact</i>
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: 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)

	A	B	C	D	E	F	G	H
1	Impact Part 1: No Complications							
2	FY	Top Level Returns	Location Level Returns	First 45 of Amount Due	Current Collection Allowance	Basic Impact		
3	2018	3,366,841	4,272,835	184,512,573	73,447,826	(111,064,747)		
4	2019	3,472,783	4,391,430	189,417,233	75,985,241	(113,431,992)		
5	2020	3,436,638	4,354,289	187,023,722	74,915,731	(112,107,991)		
6	2021	3,573,354	4,518,987	194,165,873	78,015,969	(116,149,904)		
7	2022	3,716,200	4,677,355	201,597,199	82,217,697	(119,379,502)		
8	2023	3,875,394	4,869,566	210,464,983	85,835,832	(124,629,151)		
9								
10	Impact Part 2: Collection Allowance For Education							
11	FY	Top Level Returns	Location Level Returns	First 45 of Amount Due	Collection Allowance For Education	Education Impact		
12	2018	79,201	85,474	\$ 4,564,062	\$ 1,011,944	\$ 3,552,119		
13	2019	84,972	91,602	\$ 4,942,581	\$ 1,111,421	\$ 3,831,159		
14	2020	85,583	92,617	\$ 4,972,377	\$ 1,119,000	\$ 3,853,377		
15	2021	91,875	98,436	\$ 5,280,377	\$ 1,200,030	\$ 4,080,346		
16	2022	97,295	105,731	\$ 5,688,440	\$ 1,348,893	\$ 4,339,548		
17	2023	99,131	109,030	\$ 5,947,718	\$ 1,432,380	\$ 4,515,338		
18								
19	Behavior Change Consideration							
20	In FY23, 70% of returns donating their collection allowance to education were claiming less than the \$30 cap. In aggregate, only about half of returns claim less than the cap. This section is built to recognize the possibility 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.					Allowance For Education Drop Out Rate		0%
21						Under Current Cap		0%
22						At Current Cap		0%
23						2023 Allowance For Education with First 45		\$ 5,947,717.87
24						Under Current Cap		\$ 4,002,259.09
25						At Current Cap		\$ 1,278,117.46
26						Amount Reclaimed by Taxpayers		\$ -
27	Under Current Cap		\$ -					
28	At Current Cap		\$ -					
29	FY 2023 Impact							
30	Law	\$ (124,629,151)		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.				
31	Donation	\$ 4,515,338						
32	Behavior	\$ -						
33	Compliance	\$ 14,343,874						
34		\$ (105,769,938)						
35	Middle Impact							
36			FY	Cash	Recurring			
37			2022-23		(\$105.77)M			
38			2023-24		(\$109.57)M			
39			2024-25	(\$113.51)M	(\$113.51)M			
40			2025-26	(\$117.59)M	(\$117.59)M			
41			2026-27	(\$121.82)M	(\$121.82)M			
42			2027-28	(\$126.20)M	(\$126.20)M			
43			2028-29	(\$130.73)M	(\$130.73)M			

	A	B	C	D	E	F	G	H		
44										
45		2021-2023 Growth			Impact to the State					
46					FY	Cash	Recurring			
47		2023	3.59%		2022-23		(\$105.77)M			
48		2024	3.59%		2023-24		(\$109.57)M			
49		2025	3.59%		2024-25	(\$113.51)M	(\$113.51)M			
50		2026	3.59%		2025-26	(\$117.59)M	(\$117.59)M			
51		2027	3.59%		2026-27	(\$121.82)M	(\$121.82)M			
52		2028	3.59%		2027-28	(\$126.20)M	(\$126.20)M			
53		2029	3.59%		2028-29	(\$130.73)M	(\$130.73)M			
54										
55					Impact to DOE					
56		<p>True growth of this impact is a function of two series:</p> <ul style="list-style-type: none"> The number of returns filed with at least \$45 in tax The volume of tax due on returns with less than \$45 in tax <p>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 implemented in the past. This allows us to construct 3 new growth scenarios:</p> <p>Average Growth From 2017-2019: 3.3%</p> <p>Average Growth From 2021-2023: 3.6%</p> <p>Average Growth From 2017-2023: 2.8%</p>			FY	Cash	Recurring			
57							2022-23		\$4.34 M	
58							2023-24		\$4.50 M	
59							2024-25	\$4.66 M	\$4.66 M	
60							2025-26	\$4.82 M	\$4.82 M	
61							2026-27	\$5.00 M	\$5.00 M	
62							2027-28	\$5.18 M	\$5.18 M	
63							2028-29	\$5.36 M	\$5.36 M	
64										
65							Impact to GR			
66					FY	Cash	Recurring			
67					2022-23		(\$110.11)M			
68					2023-24		(\$114.07)M			
69					2024-25	(\$118.17)M	(\$118.17)M			
70					2025-26	(\$122.41)M	(\$122.41)M			
71					2026-27	(\$126.82)M	(\$126.82)M			
72					2027-28	(\$131.37)M	(\$131.37)M			
73					2028-29	(\$136.10)M	(\$136.10)M			
74										
75		<i>Historical Growth</i>								
76		FY	Impact	Growth						
77		2016	\$ (102,642,745)							
78		2017	\$ (106,597,888)	3.85%						
79		2018	\$ (111,064,747)	4.19%						
80		2019	\$ (113,431,992)	2.13%						
81		2020	\$ (112,107,991)	-1.17%						
82		2021	\$ (116,149,904)	3.61%						
83		2022	\$ (119,379,502)	2.78%						
84		2023	\$ (124,629,151)	4.40%						
85										
86		Proposed Growth Rates								
87		FY17 - FY19	3.39%							
88		FY17 - FY23	2.83%							
89		FY21 - FY23	3.59%							

By Return Type

	<i>Returns</i>	<i>Locations</i>	<i>Tax Due</i>	<i>First 45 CA</i>	<i>Current CA</i>	<i>Impact</i>
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

	<i>Returns</i>	<i>Locations</i>	<i>Tax Due</i>	<i>First 45 CA</i>	<i>Current CA</i>	<i>Impact</i>
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

	<i>Returns</i>	<i>Locations</i>	<i>Tax Due</i>	<i>First 45 CA</i>	<i>Current CA</i>	<i>Impact</i>
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

	<i>Returns</i>	<i>Locations</i>	<i>Tax Due</i>	<i>First 45 CA</i>	<i>Current CA</i>	<i>Impact</i>
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

	<i>Returns</i>	<i>Locations</i>	<i>Tax Due</i>	<i>First 45 CA</i>	<i>Current CA</i>	<i>Impact</i>
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: Sales and Use Tax
Issue: Sales Tax Collection Allowance Increase
Bill Number(s): SPB 7074

- Entire Bill**
 Partial Bill: Section 24

Sponsor(s): N/A

Month/Year Impact Begins: January 2025

Date(s) Conference Reviewed: December 15th, 2023 (First \$60)
February 2nd, 2024 (First \$45, No given effective date)
February 23rd, 2024 (First \$45, January 1st effective date)
March 5th, 2024 (First \$45, January 1st effective date – 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, effective January 1st, 2025.

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%.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Sales Tax Collection Allowance Increase

Bill Number(s): SPB 7074

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.

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.

First years cash is 6/12ths recurring to account for the January 1 start date.

Section 4: Proposed Fiscal Impact to GR

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			(\$56.76) 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	(59.1)	(118.2)	2.3	4.7	0.0	0.0	(56.8)	(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)

	A	B	C	D	E	F	G	H				
1	Impact Part 1: No Complications											
2	FY	Top Level Returns	Location Level Returns	First 45 of Amount Due	Current Collection Allowance	Basic Impact						
3	2018	3,366,841	4,272,835	184,512,573	73,447,826	(111,064,747)						
4	2019	3,472,783	4,391,430	189,417,233	75,985,241	(113,431,992)						
5	2020	3,436,638	4,354,289	187,023,722	74,915,731	(112,107,991)						
6	2021	3,573,354	4,518,987	194,165,873	78,015,969	(116,149,904)						
7	2022	3,716,200	4,677,355	201,597,199	82,217,697	(119,379,502)						
8	2023	3,875,394	4,869,566	210,464,983	85,835,832	(124,629,151)						
9												
10	Impact Part 2: Collection Allowance For Education											
11	FY	Top Level Returns	Location Level Returns	First 45 of Amount Due	Collection Allowance For Education	Education Impact						
12	2018	79,201	85,474	\$ 4,564,062	\$ 1,011,944	\$ 3,552,119						
13	2019	84,972	91,602	\$ 4,942,581	\$ 1,111,421	\$ 3,831,159						
14	2020	85,583	92,617	\$ 4,972,377	\$ 1,119,000	\$ 3,853,377						
15	2021	91,875	98,436	\$ 5,280,377	\$ 1,200,030	\$ 4,080,346						
16	2022	97,295	105,731	\$ 5,688,440	\$ 1,348,893	\$ 4,339,548						
17	2023	99,131	109,030	\$ 5,947,718	\$ 1,432,380	\$ 4,515,338						
18												
19	Behavior Change Consideration											
20	<div style="border: 1px solid black; padding: 5px;"> In FY23, 70% of returns donating their collection allowance to education were claiming less than the \$30 cap. In aggregate, only about half of returns claim less than the cap. This section is built to recognize the possibility 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. </div>					Allowance For Education Drop Out Rate		0%				
21						Under Current Cap		0%				
22						At Current Cap		0%				
23						2023 Allowance For Education with First 45					\$ 5,947,717.87	
24						Under Current Cap					\$ 4,002,259.09	
25						At Current Cap					\$ 1,278,117.46	
26						Amount Reclaimed by Taxpayers					\$ -	
27	Under Current Cap					\$ -						
28	At Current Cap					\$ -						
29	FY 2023 Impact											
30	Law	\$ (124,629,151)						<div style="border: 1px solid black; padding: 5px;"> First years cash is 5/12ths 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 January 2024 to be covered by the language, clarification would be necessary. </div>				
31	Donation	\$ 4,515,338										
32	Behavior	\$ -										
33	Compliance	\$ 14,343,874										
34		\$ (105,769,938)										
35	Middle Impact											
36					FY	Cash	Recurring					
37					2022-23		(\$105.77)M					
38					2023-24		(\$109.57)M					
39					2024-25	(\$56.76)M	(\$113.51)M					
40					2025-26	(\$117.59)M	(\$117.59)M					
41					2026-27	(\$121.82)M	(\$121.82)M					
42					2027-28	(\$126.20)M	(\$126.20)M					
43					2028-29	(\$130.73)M	(\$130.73)M					

	A	B	C	D	E	F	G	H		
44										
45		2021-2023 Growth			Impact to the State					
46					FY	Cash	Recurring			
47		2023	3.59%		2022-23		(\$105.77)M			
48		2024	3.59%		2023-24		(\$109.57)M			
49		2025	3.59%		2024-25	(\$56.76)M	(\$113.51)M			
50		2026	3.59%		2025-26	(\$117.59)M	(\$117.59)M			
51		2027	3.59%		2026-27	(\$121.82)M	(\$121.82)M			
52		2028	3.59%		2027-28	(\$126.20)M	(\$126.20)M			
53		2029	3.59%		2028-29	(\$130.73)M	(\$130.73)M			
54										
55					Impact to DOE					
56		<p>True growth of this impact is a function of two series:</p> <ul style="list-style-type: none"> The number of returns filed with at least \$45 in tax The volume of tax due on returns with less than \$45 in tax <p>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 implemented in the past. This allows us to construct 3 new growth scenarios:</p> <p>Average Growth From 2017-2019: 3.3%</p> <p>Average Growth From 2021-2023: 3.6%</p> <p>Average Growth From 2017-2023: 2.8%</p>			FY	Cash	Recurring			
57							2022-23		\$4.34 M	
58							2023-24		\$4.50 M	
59							2024-25	\$2.33 M	\$4.66 M	
60							2025-26	\$4.82 M	\$4.82 M	
61							2026-27	\$5.00 M	\$5.00 M	
62							2027-28	\$5.18 M	\$5.18 M	
63							2028-29	\$5.36 M	\$5.36 M	
64										
65							Impact to GR			
66					FY	Cash	Recurring			
67					2022-23		(\$110.11)M			
68					2023-24		(\$114.07)M			
69					2024-25	(\$59.08)M	(\$118.17)M			
70					2025-26	(\$122.41)M	(\$122.41)M			
71					2026-27	(\$126.82)M	(\$126.82)M			
72					2027-28	(\$131.37)M	(\$131.37)M			
73					2028-29	(\$136.10)M	(\$136.10)M			
74										
75		<i>Historical Growth</i>								
76		FY	Impact	Growth						
77		2016	\$ (102,642,745)							
78		2017	\$ (106,597,888)	3.85%						
79		2018	\$ (111,064,747)	4.19%						
80		2019	\$ (113,431,992)	2.13%						
81		2020	\$ (112,107,991)	-1.17%						
82		2021	\$ (116,149,904)	3.61%						
83		2022	\$ (119,379,502)	2.78%						
84		2023	\$ (124,629,151)	4.40%						
85										
86		Proposed Growth Rates								
87		FY17 - FY19	3.39%							
88		FY17 - FY23	2.83%							
89		FY21 - FY23	3.59%							

By Return Type

	<i>Returns</i>	<i>Locations</i>	<i>Tax Due</i>	<i>First 45 CA</i>	<i>Current CA</i>	<i>Impact</i>
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

	<i>Returns</i>	<i>Locations</i>	<i>Tax Due</i>	<i>First 45 CA</i>	<i>Current CA</i>	<i>Impact</i>
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

	<i>Returns</i>	<i>Locations</i>	<i>Tax Due</i>	<i>First 45 CA</i>	<i>Current CA</i>	<i>Impact</i>
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

	<i>Returns</i>	<i>Locations</i>	<i>Tax Due</i>	<i>First 45 CA</i>	<i>Current CA</i>	<i>Impact</i>
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

	<i>Returns</i>	<i>Locations</i>	<i>Tax Due</i>	<i>First 45 CA</i>	<i>Current CA</i>	<i>Impact</i>
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: Ad Valorem

Issue: Affordable Housing

Bill Number(s): [Proposed Language](#)

Entire Bill

Partial Bill:

Sponsor(s): N/A

Month/Year Impact Begins: 2026 Real Property Tax Roll

Date(s) Conference Reviewed: March 5, 2024

Section 1: Narrative

a. Current Law: A variety of affordable housing exemptions exist in section 196.1978, Florida Statutes, but none include the first 15 years of an affordable housing property with more than 70 units rented at the 80% and below median annual adjusted gross income level with a land use restriction agreement with the Florida Housing Finance Corporation.

Section 192.042, F.S., indicates in part that:

Improvements or portions not substantially completed on January 1 shall have no value placed thereon. "Substantially completed" shall mean that the improvement or some self-sufficient unit within it can be used for the purpose for which it was constructed.

b. Proposed Change: A full property tax exemption is added for affordable housing property with more than 70 units rented at the 80% and below median annual adjusted gross income level with a land use restriction agreement with the Florida Housing Finance Corporation. The agreement requires the land to be used for affordable housing for 99 years.

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
 2023 Final NAL Real Property Tax Roll
 Data provided by the Florida Housing Finance Corporation

Section 3: Methodology (Include Assumptions and Attach Details)

The Florida Housing Finance Corporation provided data on newly constructed properties that would have been eligible based on the bill language in calendar years 2020 through 2023. The number of properties has declined, but this is expected to return to prior levels because of 2023 legislation aimed to assist with rising costs. The average share of units in the 80% income and below levels ranged from 96.2% to 99.7% in that time period. The agreements vary in length from 30 to 50 years, but the corporation could offer 99-year agreements.

The bill does not require the entire property to be newly constructed, but rather, than an improvement must exist that was substantially completed within 2 years before the first submission to the application. For example, a 100 unit facility built in 1999 with vacant land builds a new 8-unit building on the vacant land in 2025. The new 8-unit building would be eligible for the exemption. An analysis was run looking at new construction on multifamily parcels with 10 or more units from 2015 through 2023. The parcels were divided into those with zero new construction, those with less than \$100,000 of new construction, and those with \$100,000 or more of new construction. The table below shows the share of relevant properties with the identified values of new construction. The value is count of multifamily with 10+ units and the indicated amount of construction divided by the total count of multifamily with 10+ units.

Multifamily 10+ Units	2015	2016	2017	2018	2019	2020	2021	2022	2023
\$100K+ Construction Share	2.21%	2.15%	2.29%	2.39%	2.61%	2.09%	2.77%	2.87%	2.62%
Any Value Construction Share	4.45%	4.22%	4.48%	4.28%	5.75%	3.40%	4.06%	8.48%	5.72%

Special consideration is necessary for the requirement that an improvement must exist that was substantially completed within 2 years before the first submission to the application. The context of the definition of “substantially completed” is to indicate that an improvement is no longer under construction and should have its value placed on the roll. If it is not substantially completed, it has no value on the roll. Alternatively, an improvement only has value on the roll if it is substantially completed. An apartment complex built in 1990 that is operational in 2023 would be considered substantially completed in 2023, and assumably in every year from 1991 until 2023. To argue that this complex was not “substantially completed within 2 years before” a given date would, by the statutory definition in 192.042, be arguing that it should have zero value on the tax roll. The requirement that an improvement be substantially completed within 2 years before the submission has no bearing on the

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Affordable Housing

Bill Number(s): [Proposed Language](#)

construction date of the property or the date in which it was initially considered to be substantially completed. Additionally, the requirement that an improvement to land where an improvement did not previously exist does not appear to function without some time limit on the word “previously”. Without it, every improvement in the state exists where an improvement did not previously exist. As such, the requirements of (4)(b)1. appear to simply be any completed improvement. The analysis presented assumes the construction had to have been completed within 2 years of the first application submission.

To identify the magnitude of the impact on the first year due to the requirement that construction be completed within 2 years of the first submission of an application for this exemption, an assumption must be made regarding when applications first become available. If, for example only, applications became available upon the proposed language taking effect on July 1, 2024, the applicants applying then built on July 1, 2022 would be eligible for the exemption come the 2026 roll. For each impact presented, a date is selected for when applications become available. Based on that date, a multiplier is applied to account for any days prior to January 1, 2025 that would be included. For example, if we assume 10 new properties each year and applications first exist on July 1, 2024, then a 3.5 multiplier would be applied to indicate 35 new properties eligible only in the first year. Each remaining year would not have the multiplier and would have 10 new properties.

Properties receiving the exemption in 196.1978(1) for non-profit charitable owners are used as a proxy to estimate the value for the newly eligible properties. Of the 655 properties receiving that exemption with more than 70 units, the average just value is \$12.6 million and the median is \$11.0 million. Those properties could include moderate income units, so the lower median value per property is used in this analysis.

The high assumes that there will be 43 new properties each year, based on the new properties in 2021. Of them, 99.7% of their units will be for the 80% or less income level, based on the maximum percentage in the history. All of them are assumed to meet the 99-year land agreement. Applications are assumed to be first available on January 1, 2025. The maximum share of 8.5% of parcels having undergone new construction is used as a share up to account for older properties.

The middle assumes that there will be 30 new properties each year, based on the new properties in 2020. Of them, 97.9% of their units will be for the 80% or less income level, based on the average of the maximum and minimum percentage in the history. 50% of them are assumed to meet the 99-year land agreement. Applications are assumed to be first available on July 1, 2025. The average share of 3.7% of parcels having undergone new construction is used as a share up to account for older properties.

The low assumes that there will be 16 new properties each year, based on the new properties in 2023. Of them, 96.2% of their units will be for the 80% or less income level, based on the minimum percentage in the history. 20% of them are assumed to meet the 99-year land agreement. Applications are assumed to be first available on January 1, 2026. The average share of 2.4% of parcels having undergone new construction valued over \$100,000 is used as a share up to account for older properties.

The 2023 median value is grown out across the forecast horizon using the nonhomestead residential just value growth rate from the latest ad valorem conference. Cohorts are made for the impacted years as each year there is a new group of newly constructed affordable housing properties and the prior groups maintain their exemptions. 2023 aggregate millage rates are applied. The analysis first impacts the 2026 roll. Because of this late start and the nature of the increase due to growth in values and cohorts, the 6th year is used as the recurring.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	\$0	\$(63.3 M)	\$0	\$(19.0 M)	\$0	\$(3.6 M)
2025-26	\$0	\$(63.3 M)	\$0	\$(19.0 M)	\$0	\$(3.6 M)
2026-27	\$(28.0 M)	\$(63.3 M)	\$(7.7 M)	\$(19.0 M)	\$(1.3 M)	\$(3.6 M)
2027-28	\$(39.0 M)	\$(63.3 M)	\$(11.2 M)	\$(19.0 M)	\$(2.0 M)	\$(3.6 M)
2028-29	\$(50.7 M)	\$(63.3 M)	\$(15.0 M)	\$(19.0 M)	\$(2.8 M)	\$(3.6 M)

Revenue Distribution: Ad Valorem

REVENUE ESTIMATING CONFERENCE

Revenue Source: Ad Valorem

Issue: Affordable Housing

Bill Number(s): [Proposed Language](#)

Section 5: Consensus Estimate (Adopted: 03/05/2024) The Conference modified the assumptions and adopted an adjusted estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	0.0	(9.7)	0.0	(16.9)	0.0	(26.6)
2025-26	0.0	(9.7)	0.0	(16.9)	0.0	(26.6)
2026-27	(4.3)	(9.7)	(7.5)	(16.9)	(11.8)	(26.6)
2027-28	(6.0)	(9.7)	(10.4)	(16.9)	(16.4)	(26.6)
2028-29	(7.8)	(9.7)	(13.5)	(16.9)	(21.3)	(26.6)

	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	(26.6)	0.0	(26.6)
2025-26	0.0	0.0	0.0	0.0	0.0	(26.6)	0.0	(26.6)
2026-27	0.0	0.0	0.0	0.0	(11.8)	(26.6)	(11.8)	(26.6)
2027-28	0.0	0.0	0.0	0.0	(16.4)	(26.6)	(16.4)	(26.6)
2028-29	0.0	0.0	0.0	0.0	(21.3)	(26.6)	(21.3)	(26.6)

	A	B	C	D	E	F	G	H	I
1	2023 Aggregate Millage Rates								
2	School	5.99							
3	Non-School	10.38							
4									
5	Historical - FHFC Data	2020	2021	2022	2023				
6	Count	18	24	14	10				
7	Units <=80% Income	2,129	3,118	2,027	1,311				
8	Share of Units <=80% Income	100.0%	97.9%	100.0%	93.9%				
9									
10	196.1978(1) Exempt Properties	2023 Just Value							
11	Mean	\$ 12,633,278							
12	Median	\$ 11,001,853							
13									
14	Assumptions	High	Middle	Low	Adopted				
15	New Properties Each Year	24	18	10	20				
16	Date of First Applications	1/1/2025	7/1/2025	1/1/2026	1/1/2025				
17	First Year Includes Built After	1/1/2023	7/1/2023	1/1/2024	1/1/2023				
18	First Year Multiplier	3.0	2.5	2.0	3.0				
19	Annual Share Up for New Construction on Older Properties	108.5%	103.7%	102.4%	108.5%				
20	Share of Units <=80% Income	100.0%	97.0%	93.9%	100.0%				
21	Share with 99 Year Agreement	100.0%	50.0%	20.0%	90.0%				
22	Average Value Per Property	\$ 11,001,853	\$ 11,001,853	\$ 11,001,853	\$ 11,001,853				
23									
24	Roll Year	Non-Homestead Res.	Growth	Value Per Property H	Value Per Property	Value Per Property L			
25	2022	\$ 1,038,437							
26	2023	\$ 1,233,675	18.80%	\$ 11,001,853	\$ 11,001,853	\$ 11,001,853			
27	2024	\$ 1,276,230	3.45%	\$ 11,381,351	\$ 11,381,351	\$ 11,381,351			
28	2025	\$ 1,322,140	3.60%	\$ 11,790,778	\$ 11,790,778	\$ 11,790,778			
29	2026	\$ 1,375,623	4.05%	\$ 12,267,733	\$ 12,267,733	\$ 12,267,733			
30	2027	\$ 1,434,837	4.30%	\$ 12,795,806	\$ 12,795,806	\$ 12,795,806			
31	2028	\$ 1,494,000	4.12%	\$ 13,323,416	\$ 13,323,416	\$ 13,323,416			
32	2029	\$ 1,554,612	4.06%	\$ 13,863,953	\$ 13,863,953	\$ 13,863,953			
33									
34	High - Cohort	2026	2027	2028	2029	Total			
35	2026	\$ 958,624,016				\$ 958,624,016			
36	2027	\$ 999,888,607	\$ 333,144,186			\$ 1,333,032,793			
37	2028	\$ 1,041,117,107	\$ 346,880,751	\$ 346,880,751		\$ 1,734,878,609			
38	2029	\$ 1,083,355,644	\$ 360,953,842	\$ 360,953,842	\$ 360,953,842	\$ 2,166,217,170			
39									

	A	B	C	D	E	F	G	H	I
40	Middle - Cohort	2026	2027	2028	2029	Total			
41	2026	\$ 278,248,416				\$ 278,248,416			
42	2027	\$ 290,225,799	\$ 115,820,785			\$ 406,046,584			
43	2028	\$ 302,192,706	\$ 120,596,434	\$ 120,596,434		\$ 543,385,574			
44	2029	\$ 314,452,785	\$ 125,489,079	\$ 125,489,079	\$ 125,489,079	\$ 690,920,024			
45									
46	Low - Cohort	2026	2027	2028	2029	Total			
47	2026	\$ 47,254,574				\$ 47,254,574			
48	2027	\$ 49,288,678	\$ 24,619,063			\$ 73,907,741			
49	2028	\$ 51,321,003	\$ 25,634,183	\$ 25,634,183		\$ 102,589,368			
50	2029	\$ 53,403,116	\$ 26,674,172	\$ 26,674,172	\$ 26,674,172	\$ 133,425,632			
51									
52	School Impact								
53		High		Middle		Low		Adopted	
54		Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
55	2024-25	\$0	\$(13.0 M)	\$0	\$(4.1 M)	\$0	\$(0.8 M)	\$0	\$(9.7 M)
56	2025-26	\$0	\$(13.0 M)	\$0	\$(4.1 M)	\$0	\$(0.8 M)	\$0	\$(9.7 M)
57	2026-27	\$(5.7 M)	\$(13.0 M)	\$(1.7 M)	\$(4.1 M)	\$(0.3 M)	\$(0.8 M)	\$(4.3 M)	\$(9.7 M)
58	2027-28	\$(8.0 M)	\$(13.0 M)	\$(2.4 M)	\$(4.1 M)	\$(0.4 M)	\$(0.8 M)	\$(6.0 M)	\$(9.7 M)
59	2028-29	\$(10.4 M)	\$(13.0 M)	\$(3.3 M)	\$(4.1 M)	\$(0.6 M)	\$(0.8 M)	\$(7.8 M)	\$(9.7 M)
60									
61	Non-School Impact								
62		High		Middle		Low		Adopted	
63		Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
64	2024-25	\$0	\$(22.5 M)	\$0	\$(7.2 M)	\$0	\$(1.4 M)	\$0	\$(16.9 M)
65	2025-26	\$0	\$(22.5 M)	\$0	\$(7.2 M)	\$0	\$(1.4 M)	\$0	\$(16.9 M)
66	2026-27	\$(9.9 M)	\$(22.5 M)	\$(2.9 M)	\$(7.2 M)	\$(0.5 M)	\$(1.4 M)	\$(7.5 M)	\$(16.9 M)
67	2027-28	\$(13.8 M)	\$(22.5 M)	\$(4.2 M)	\$(7.2 M)	\$(0.8 M)	\$(1.4 M)	\$(10.4 M)	\$(16.9 M)
68	2028-29	\$(18.0 M)	\$(22.5 M)	\$(5.6 M)	\$(7.2 M)	\$(1.1 M)	\$(1.4 M)	\$(13.5 M)	\$(16.9 M)
69									
70	Total Impact								
71		High		Middle		Low		Adopted	
72		Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
73	2024-25	\$0	\$(35.5 M)	\$0	\$(11.3 M)	\$0	\$(2.2 M)	\$0	\$(26.6 M)
74	2025-26	\$0	\$(35.5 M)	\$0	\$(11.3 M)	\$0	\$(2.2 M)	\$0	\$(26.6 M)
75	2026-27	\$(15.7 M)	\$(35.5 M)	\$(4.6 M)	\$(11.3 M)	\$(0.8 M)	\$(2.2 M)	\$(11.8 M)	\$(26.6 M)
76	2027-28	\$(21.8 M)	\$(35.5 M)	\$(6.6 M)	\$(11.3 M)	\$(1.2 M)	\$(2.2 M)	\$(16.4 M)	\$(26.6 M)
77	2028-29	\$(28.4 M)	\$(35.5 M)	\$(8.9 M)	\$(11.3 M)	\$(1.7 M)	\$(2.2 M)	\$(21.3 M)	\$(26.6 M)