

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales Tax

Issue: Motor Vehicle Leases and Rentals

Bill Number(s): HB 337

Entire Bill

Partial Bill:

Sponsor(s): Representative Roth

Month/Year Impact Begins: 07/01/2024

Date(s) Conference Reviewed: 12/15/2023 (Revised 01/19/2024)

Section 1: Narrative

- a. **Current Law:** Section 212.05(1)(c)3, F.S states that the tax imposed by this chapter does not apply to the lease or rental of a commercial motor vehicle as defined in s. 316.003(14)(a) to one lessee or rentee, for a period of not less than 12 months when tax was paid on the purchase price of such vehicle by the lessor.
- b. **Proposed Change:** Section 212.05(1)(c)3, F.S is revised so that the tax imposed by this chapter does not apply to the lease or rental of a commercial motor vehicle as defined in s. 316.003(14)(a) to one lessee or rentee, or of a motor vehicle as defined in s. 316.003 which is to be used primarily in the trade or established business of the lessee or rentee, for a period of not less than 12 months when tax was paid on the purchase price of such vehicle by the lessor.

Section 2: Description of Data and Sources

December 2023 National Economic Estimating Conference

January 2024 Highway Safety REC and Conference History

Phone and email contact with DHSMV staff and industry representatives

[USDOT National Transportation Statistics](#)

IBIS World Industry Report, Fleet Car Leasing in the U.S., April 2023

Section 3: Methodology (Include Assumptions and Attach Details)

The Department of Highway Safety provided the number of vehicles currently titled with a use code of “long term lease” or “lease” with an active registration. This number was next grown by the \$1 title security fee growth rates from the most recent Highway Safety REC. Based upon the fiscal year 2022-23 percentage share of registrations under 10,000 pounds, it is assumed that 85.98% of leased vehicles are under 10,000 pounds. The percentage of new titles, as represented by \$1 title security fee forecasted transactions, was divided by active registrations, calculated by added annual and biennial forecasted transactions for the STTF registration surcharge. The result is an assumed new leased vehicles under 10,000 pounds ranging from 404,781 in FY 2023-24 to 433,254 in FY 2028-29.

We begin by establishing 3 model leased vehicles. The purchase price of the vehicles and length of the lease are constant among all three transactions. Setting the duration of the leases allows us to calculate vehicle total depreciation, and by extension, the vehicle’s residual value after the lease is up. We then set “Interest Rate/fees share” to the prime rate in the high scenario, 20% in the low scenario, and an average in the middle. “Interest Rate/fees share” is an expanded interest rate, it includes all fees that will be charged to the lessee during the lease but is treated the same as an APR. With that last component, we can calculate the monthly payment for each lease. We then calculate the sales tax due with that payment (6% of the payment) and multiply that by the number of payments (the term of the lease) to arrive at the total sales tax due by this second method of accounting. “Tax Paid Difference” then shows how much money is saved by paying tax on the initial purchase price instead of paying it every month.

To expand these single transactions into impacts representing statewide activity, we first need to calculate how much more or less tax is being paid on these model leases in each fiscal year. The results are in the “Difference” table of the attached spreadsheet. In this table, the pattern defines the impact – a “Front Loading” of sales tax that results in more tax collected in the initial year of a lease, but less tax collected in the remaining years. We then establish three long run tables, each predicated on the assumptions of an above model lease. Using the data from the Department of Highway Safety, we identify the number of leased vehicles in each fiscal year. We then assume a participation rate – the percent of all leased vehicles which will be leased in this manner – with assistance from USDOT data. Assuming that all the participating leased vehicles have lease agreements that match our model transaction, we can see how these leases behave in the aggregate. The low scenario assumes only taxpayers who would realize a tax saving by switching to the new payment structure will do so. Due to the front-loading of the sales tax, the state does not see any losses until the final year of the lease.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales Tax

Issue: Motor Vehicle Leases and Rentals

Bill Number(s): HB 337

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	45.7	8.2	22.4	1.4	10.3	(1.2)
2025-26	38.7	8.2	18.5	1.4	8.1	(1.2)
2026-27	31.1	8.2	14.2	1.4	5.8	(1.2)
2027-28	23.2	8.2	9.7	1.4	3.3	(1.2)
2028-29	15.0	8.2	5.2	1.4	0.9	(1.2)
2029-30	8.6		1.6		(1.1)	
2030-31	8.2		1.4		(1.2)	

Revenue Distribution:

Sales Tax

Section 5: Consensus Estimate (Adopted: 12/15/2023) The Conference adopted the low estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	9.1	(1.1)	Insignificant	(Insignificant)	0.3	(Insignificant)	0.9	(0.1)
2025-26	7.2	(1.1)	Insignificant	(Insignificant)	0.2	(Insignificant)	0.7	(0.1)
2026-27	5.1	(1.1)	Insignificant	(Insignificant)	0.2	(Insignificant)	0.5	(0.1)
2027-28	2.9	(1.1)	Insignificant	(Insignificant)	0.1	(Insignificant)	0.3	(0.1)
2028-29	0.8	(1.1)	Insignificant	(Insignificant)	Insignificant	(Insignificant)	0.1	(0.1)

	6% Sub-Total		Add: Local Option		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	10.3	(1.2)	1.2	(0.1)	11.5	(1.3)
2025-26	8.1	(1.2)	1.0	(0.1)	9.1	(1.3)
2026-27	5.8	(1.2)	0.7	(0.1)	6.5	(1.3)
2027-28	3.3	(1.2)	0.4	(0.1)	3.7	(1.3)
2028-29	0.9	(1.2)	0.1	(0.1)	1.0	(1.3)

	A	B	C	D	E	F	G
1	Florida Leased Vehicles						
2		Titles \$1 Security Fee			Leased Vehicles		
3		Revenue	Growth Rates		Total	Under 10k lbs	New
4	FY 2023-2024	\$ 6.6			1,700,238	1,461,854	404,781
5	FY 2024-2025	\$ 6.7	1.46%		1,725,117	1,483,244	412,256
6	FY 2025-2026	\$ 6.8	1.42%		1,749,686	1,504,368	421,780
7	FY 2026-2027	\$ 6.8	1.01%		1,767,300	1,519,513	427,428
8	FY 2027-2028	\$ 6.9	0.80%		1,781,521	1,531,740	430,786
9	FY 2028-2029	\$ 6.9	0.72%		1,794,285	1,542,714	433,254
10							
11							
12	Heavy Trucks and Passenger Cars Under 10,000 lbs (2022-23 data)						
13	Private Autos	13,114,136					
14	Heavy Trucks	1,713,426					
15	Other Vehicles	3,006,479					
16	Total	17,834,041					
17	Under 10,000 lbs	15,333,592					
18	Percent of Total	85.98%					
19	Note: total does not include For-Hire because no weight data						
20							
21	New Titles % of Active Regs						
22		New Titles (\$1 Security Fee)	STTF Surcharge (FY #)	STTF Surcharge (PY Bien)	STTF Surcharge (Total)	New Titles % of Active Regs	
23	FY 2023-2024	6,540,179	19,839,524	3,780,117	23,619,641	27.69%	
24	FY 2024-2025	6,635,878	20,007,599	3,867,461	23,875,059	27.79%	
25	FY 2025-2026	6,730,385	20,105,132	3,900,225	24,005,357	28.04%	
26	FY 2026-2027	6,798,142	20,248,262	3,919,238	24,167,500	28.13%	
27	FY 2027-2028	6,852,846	20,419,416	3,947,139	24,366,556	28.12%	
28	FY 2028-2029	6,901,942	20,595,689	3,980,504	24,576,192	28.08%	
29							
30	US DOT Data - 2012 Through 2021 Total (thousands)						
31	Total Registered Cars and Light Trucks		2,466,920				
32	Total in fleets		91,017				
33	Percent in fleets		3.69%				
34	Fleet business use		52,288				
35	Percent fleet business use		2.12%				

	A	B	C	D	E	F	G	H	I	J	K
1	Term	Description									
2	<i>Term</i>	Expected length of Vehicle lease									
3	<i>Residual Value</i>	Value at end of lease less Depreciation									
4	<i>Depreciation expense</i>	Percent of depreciation by lease term									
5	<i>Interest Rate/fees share</i>	% additional amount of interest and other fees on top of base payment									
6	<i>Monthly Base Payment</i>	Payment without interest (Depreciation Cost)									
7	<i>Monthly Payment with Interest</i>	Payment with interest									
8	<i>Sales Tax on Monthly Payment</i>	6% Sales Tax on monthly payment with interest									
9	<i>Total Sales Tax on Lease</i>	Total Amount of Sales Tax Paid on the Lease									
10											
11		High	Middle	Low	Purchase Price Calculation						
12	Purchase Price FY 2024-25	\$ 50,638	\$ 50,638	\$ 50,638	Apr-21			\$ 45,000			
13	Sales tax paid on purchase price	\$ 3,038	\$ 3,038	\$ 3,038							
14	Term (months)	68	68	68		CPI NMV	Adjusted Price				
15	Depreciation expense	65%	65%	65%	2021 Q2	106.2					
16	Residual value	17,555	17,555	17,555	FY 2024-25	119.5	\$ 50,638				
17	Interest Rate/fees share	10.0%	14.3%	20.0%	FY 2025-26	118.7	\$ 50,308				
18	Monthly Base Payments	\$ 487	\$ 487	\$ 487	FY 2026-27	118.9	\$ 50,396				
19	Monthly Payment w/ Interest	\$ 639	\$ 713	\$ 817	FY 2027-28	118.6	\$ 50,234				
20	Sales Tax on Monthly Payment	\$ 38.4	\$ 42.8	\$ 49.0	FY 2028-29	118.0	\$ 50,005				
21	Total Sales Tax on Lease	\$ 2,608	\$ 2,908	\$ 3,333	FY 2029-30	117.2	\$ 49,665				
22	Tax Paid Difference	\$ 430	\$ 130	\$ (294)	FY 2030-31	116.1	\$ 49,212				
23											
24	Sales Tax Paid on Monthly Lease Payments and at End of Lease				Lease months						
25		High	Middle	Low	High	Middle	Low				
26	FY 2024-25	\$ 422	\$ 470	\$ 539	11	11	11				
27	FY 2025-26	\$ 460	\$ 513	\$ 588	12	12	12				
28	FY 2026-27	\$ 460	\$ 513	\$ 588	12	12	12				
29	FY 2027-28	\$ 460	\$ 513	\$ 588	12	12	12				
30	FY 2028-29	\$ 460	\$ 513	\$ 588	12	12	12				
31	FY 2029-30	\$ 345	\$ 385	\$ 441	9	9	9				
32	FY 2030-31	\$ -	\$ -	\$ -	-	-	-				
33		\$ 2,608	\$ 2,908	\$ 3,333	68	68	68				
34											
35	Sales Tax Paid on Purchase Price Up-Front and at End of Lease Less Refund										
36		High	Middle	Low							
37	FY 2024-25	\$ 3,038	\$ 3,038	\$ 3,038							
38	FY 2025-26	\$ -	\$ -	\$ -							
39	FY 2026-27	\$ -	\$ -	\$ -							
40	FY 2027-28	\$ -	\$ -	\$ -							
41	FY 2028-29	\$ -	\$ -	\$ -							
42											
43	Difference										
44		High	Middle	Low							
45	FY 2024-25	\$ 2,616	\$ 2,568	\$ 2,499							
46	FY 2025-26	\$ (460)	\$ (513)	\$ (588)							
47	FY 2026-27	\$ (460)	\$ (513)	\$ (588)							
48	FY 2027-28	\$ (460)	\$ (513)	\$ (588)							
49	FY 2028-29	\$ (460)	\$ (513)	\$ (588)							
50	FY 2029-30	\$ (345)	\$ (385)	\$ (441)							
51	FY 2030-31	\$ -	\$ -	\$ -							
52	Total	\$ 430	\$ 130	\$ (294)							
53											

	A	B	C	D	E	F	G	H	I	J	K
54				Price Change Adjustments							
55				FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	
56				-	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
57											
58	Potential Impact - High (millions)	Lease Vehicles < 10k lbs	4.2%	Leases							
59				FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
60	FY 2024-25	412,256	17,476	45.7							45.7
61	FY 2025-26	421,780	17,880	(8.0)	46.8						38.7
62	FY 2026-27	427,428	18,119	(8.0)	(8.2)	47.4					31.1
63	FY 2027-28	430,786	18,261	(8.0)	(8.2)	(8.3)	47.8				23.2
64	FY 2028-29	433,254	18,366	(8.0)	(8.2)	(8.3)	(8.4)	48.1			15.0
65	FY 2029-30	433,254	18,366	(6.0)	(8.2)	(8.3)	(8.4)	(8.5)	48.1		8.6
66	FY 2030-31	433,254	18,366	-	(6.2)	(8.3)	(8.4)	(8.5)	(8.5)	48.1	8.2
67	FY 2030-31				-	(6.3)	(8.4)	(8.5)	(8.5)	(8.5)	
68	FY 2031-32					-	(6.3)	(8.5)	(8.5)	(8.5)	
69	FY 2032-33						-	(6.3)	(8.5)	(8.5)	
70	FY 2033-34							-	(6.3)	(8.5)	
71									-	(6.3)	
72											
73											
74	Potential Impact - Middle (millions)	Lease Vehicles < 10k lbs	2.1%	Leases							
75				FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
76	FY 2024-25	412,256	8,738	22.4							22.4
77	FY 2025-26	421,780	8,940	(4.5)	23.0						18.5
78	FY 2026-27	427,428	9,060	(4.5)	(4.6)	23.3					14.2
79	FY 2027-28	430,786	9,131	(4.5)	(4.6)	(4.6)	23.4				9.7
80	FY 2028-29	433,254	9,183	(4.5)	(4.6)	(4.6)	(4.7)	23.6			5.2
81	FY 2029-30	433,254	9,183	(3.4)	(4.6)	(4.6)	(4.7)	(4.7)	23.6		1.6
82	FY 2030-31	433,254	9,183		(3.4)	(4.6)	(4.7)	(4.7)	(4.7)	23.6	1.4
83	FY 2030-31					(3.5)	(4.7)	(4.7)	(4.7)	(4.7)	
84	FY 2031-32						(3.5)	(4.7)	(4.7)	(4.7)	
85	FY 2032-33							(3.5)	(4.7)	(4.7)	
86	FY 2033-34								(3.5)	(4.7)	
87										(3.5)	
88											
89	Potential Impact - Low (millions)	Lease Vehicles < 10k lbs	1.0%	Leases							
90				FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
91	FY 2024-25	412,256	4,123	10.3							10.3
92	FY 2025-26	421,780	4,218	(2.4)	10.5						8.1
93	FY 2026-27	427,428	4,274	(2.4)	(2.5)	10.7					5.8
94	FY 2027-28	430,786	4,308	(2.4)	(2.5)	(2.5)	10.8				3.3
95	FY 2028-29	433,254	4,333	(2.4)	(2.5)	(2.5)	(2.5)	10.8			0.9
96	FY 2029-30	433,254	4,333	(1.8)	(2.5)	(2.5)	(2.5)	(2.5)	10.8		(1.1)
97	FY 2030-31	433,254	4,333		(1.9)	(2.5)	(2.5)	(2.5)	(2.5)	10.8	(1.2)
98	FY 2030-31					(1.9)	(2.5)	(2.5)	(2.5)	(2.5)	
99	FY 2031-32						(1.9)	(2.5)	(2.5)	(2.5)	
100	FY 2032-33							(1.9)	(2.5)	(2.5)	
101	FY 2033-34								(1.9)	(2.5)	
102										(1.9)	
103											
104		High		Middle		Low					
105	Fiscal Year	Cash	Recurring	Cash	Recurring	Cash	Recurring				
106	2024-2025	\$ 45.72 M	\$ 8.23 M	\$ 22.44 M	\$ 1.38 M	\$ 10.30 M	\$ (1.18 M)				
107	2025-2026	\$ 38.74 M	\$ 8.23 M	\$ 18.47 M	\$ 1.38 M	\$ 8.12 M	\$ (1.18 M)				
108	2026-2027	\$ 31.13 M	\$ 8.23 M	\$ 14.19 M	\$ 1.38 M	\$ 5.78 M	\$ (1.18 M)				
109	2027-2028	\$ 23.16 M	\$ 8.23 M	\$ 9.73 M	\$ 1.38 M	\$ 3.35 M	\$ (1.18 M)				
110	2028-2029	\$ 15.03 M	\$ 8.23 M	\$ 5.17 M	\$ 1.38 M	\$ 0.88 M	\$ (1.18 M)				
111	2029-2030	\$ 8.59 M		\$ 1.58 M		\$ (1.07 M)					
112	2030-2031	\$ 8.23 M		\$ 1.38 M		\$ (1.18 M)					

Additional Information

State Allowing Up-Front Tax Payment Option for Long-Term Commercial Vehicle Leases	Option Effective Date	Reference
California	January 1, 1972	Cal. Rev. & Tax. Code §§ 6006(g)(5), 6010(e)(5)
Colorado	July 1, 2004	Colo. Rev. Stat. § 39-26-713(1)(a)
Kentucky	July 1, 1972	Ky. Rev. Stat. § 138.463(1)
Michigan	May 1, 2002	Mich. Comp. Laws § 205.95(4)
Missouri	July 1, 1976	Mo. Rev. Stat. § 144.070.5
Nebraska	October 1, 1967	Neb. Rev. Stat. § 77-2703(1)(h)
Nevada	July 1, 1979	Nev. Rev. Stat § 372.385
North Carolina	October 1, 1989	N.C. Gen. Stat. § 105-187.5
Rhode Island	January 1, 1947	R.I. Gen. Laws § 44-18-27

Michigan Fiscal

FISCAL IMPACT

The information and data needed to estimate the fiscal impact of this bill are not yet available

Fiscal Analyst: Jay Wortley

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.



REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Sales Tax Distributions to the STTF
Bill Number(s): Governor's Proposed Language - Sections 3 and 5

- Entire Bill**
- Partial Bill:** Sections 3 and 5

Sponsor(s): NA
Month/Year Impact Begins: 10/2024
Date(s) Conference Reviewed: 12/15/2024

Section 1: Narrative

- a. Current Law:** 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. Section 334.066, F.S. establishes the Implementing Solutions from Transportation Research and Evaluating Emerging Technologies Living Lab (I-STREET) within the University of Florida.
- b. Proposed Change:** Section 212.20(6), F.S. is revised so that beginning October 1, 2024, and on or before the 25th day of each month, of the portion of the proceeds of the tax imposed under s. 212.05(1)(e)1.c., F.S., the department shall distribute one twelfth of \$25 million to the State Transportation Trust Fund. After this distribution, an additional amount not to exceed \$5 million per month shall be distributed to the State Transportation Trust Fund based on the calculation outlined in section 5 of the bill. Both distributions are repealed June 30, 2028. 334.066(4)(a), F.S. is revised to direct I-STREET, in coordination with the Department and a Florida College System Institution, to produce and provide to the Department of Revenue on or before September 15, 2024, and by each September 15 annually thereafter, a report that includes the estimated revenue impact of electric and hybrid vehicles through a ratio of the gross consumption of KW/h of electricity by vehicle miles traveled for deposit into the State Transportation Trust Fund. The funds and methodology shall be used to support the transportation work program and offset revenue losses from electric and hybrid vehicles and must utilize methodology that takes into consideration trends in vehicle miles traveled, efficiency, costs of charging, PEV adoption rate, and charging source and location. Beginning September 15, 2026, the report shall also include recommended alternatives to the methodologies authorized within this section and s. 212.20(6)(d)6.g.

Section 2: Description of Data and Sources

2023 Tax Handbook
 Contact with DOR staff
 Gross Receipts Tax and Communications Services Tax REC held 08/03/2023

Section 3: Methodology (Include Assumptions and Attach Details)

The new distributions added to section 212.20, F.S. will result in a positive impact to STTF and a negative impact to the General Revenue Fund (GR). The distribution in section 212.20(6)(d)6.g.(I), F.S. is explicitly stated in the bill. The distribution in section 212.20(6)(d)6.g.(II), F.S. is based upon a calculation to be performed by I-STREETS. The impact from the second distribution is indeterminate because it is impossible to project these estimates. The recurring impact of both distributions is zero because both distributions are repealed June 30, 2028. The most recent adopted estimate of gross receipts tax was used to estimate the total sales tax collected per 212.05(1)(e)1.c., F.S. to verify that the monthly and annual amount collected is sufficient to make the maximum possible distribution required by the bill.

Section 4: Proposed Fiscal Impact

Sales Tax Distribution to STTF - Section 212.20(6)(d)6.g.(I), F.S.

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			18.8	0.0		
2025-26			25.0	0.0		
2026-27			25.0	0.0		
2027-28			25.0	0.0		
2028-29			0.0	0.0		

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Sales Tax Distributions to the STTF

Bill Number(s): Governor's Proposed Language - Sections 3 and 5

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			(18.8)	0.0		
2025-26			(25.0)	0.0		
2026-27			(25.0)	0.0		
2027-28			(25.0)	0.0		
2028-29			0.0	0.0		

Study for Additional Distribution to STTF - Section 212.20(6)(d)6.g.(II), F.S.

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		
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		
2028-29			0.0	0.0		

Revenue Distribution:

STTF, GR (via sales tax)

Section 5: Consensus Estimate (Adopted: 12/15/2023): The Conference adopted the middle estimates assuming that there will only be one distribution per month beginning in October 2024.

Sales Tax Distribution to STTF

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(16.6)	0.0	18.8	0.0	(0.6)	0.0	(1.6)	0.0
2025-26	(22.2)	0.0	25.0	0.0	(0.7)	0.0	(2.1)	0.0
2026-27	(22.2)	0.0	25.0	0.0	(0.7)	0.0	(2.1)	0.0
2027-28	(22.2)	0.0	25.0	0.0	(0.7)	0.0	(2.1)	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	0.0	0.0	(2.2)	0.0	0.0	0.0
2025-26	0.0	0.0	(2.8)	0.0	0.0	0.0
2026-27	0.0	0.0	(2.8)	0.0	0.0	0.0
2027-28	0.0	0.0	(2.8)	0.0	0.0	0.0
2028-29	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Sales Tax Distributions to the STTF

Bill Number(s): Governor's Proposed Language - Sections 3 and 5

Study for Additional Distribution to STTF

	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
2028-29	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
2			(I)		(II) (max)		Total (max)		Revenues Collected/Remainder				Adopted Gross Receipts Revenue		
3	FY 24-25	Oct-24	2.083	18.750	5.000	45.000	7.083	63.750	33.494	243.463	26.410	179.713	10.21%	20.019	145.518
4		Nov-24	2.083		5.000		7.083		30.091		23.008		9.17%	17.986	
5		Dec-24	2.083		5.000		7.083		25.033		17.949		7.63%	14.962	
6		Jan-25	2.083		5.000		7.083		25.512		18.429		7.78%	15.249	
7		Feb-25	2.083		5.000		7.083		23.591		16.508		7.19%	14.100	
8		Mar-25	2.083		5.000		7.083		26.622		19.539		8.12%	15.912	
9		Apr-25	2.083		5.000		7.083		24.330		17.247		7.42%	14.542	
10		May-25	2.083		5.000		7.083		25.687		18.603		7.83%	15.353	
11		Jun-25	2.083		5.000		7.083		29.104		22.020		8.87%	17.395	
12	FY 25-26	Jul-25	2.083	25.000	5.000	60.000	7.083	85.000	24.664	294.390	17.580	209.390	8.38%	14.741471	175.957
13		Aug-25	2.083		5.000		7.083		25.750		18.667		8.75%	15.391075	
14		Sep-25	2.083		5.000		7.083		26.596		19.513		9.03%	15.896453	
15		Oct-25	2.083		5.000		7.083		26.841		19.758		9.12%	16.042924	
16		Nov-25	2.083		5.000		7.083		25.567		18.483		8.68%	15.281153	
17		Dec-25	2.083		5.000		7.083		22.768		15.684		7.73%	13.608313	
18		Jan-26	2.083		5.000		7.083		21.716		14.633		7.38%	12.979909	
19		Feb-26	2.083		5.000		7.083		20.212		13.128		6.87%	12.080474	
20		Mar-26	2.083		5.000		7.083		25.050		17.966		8.51%	14.972122	
21		Apr-26	2.083		5.000		7.083		26.195		19.111		8.90%	15.656569	
22		May-26	2.083		5.000		7.083		20.098		13.014		6.83%	12.012332	
23		Jun-26	2.083		5.000		7.083		28.934		21.851		9.83%	17.294147	
24	FY 26-27	Jul-26	2.083	25.000	5.000	60.000	7.083	85.000	24.588	293.486	17.505	208.486	8.38%	14.69624	175.417
25		Aug-26	2.083		5.000		7.083		25.671		18.588		8.75%	15.343851	
26		Sep-26	2.083		5.000		7.083		26.514		19.431		9.03%	15.847678	
27		Oct-26	2.083		5.000		7.083		26.759		19.675		9.12%	15.993699	
28		Nov-26	2.083		5.000		7.083		25.488		18.405		8.68%	15.234265	
29		Dec-26	2.083		5.000		7.083		22.698		15.615		7.73%	13.566559	
30		Jan-27	2.083		5.000		7.083		21.650		14.566		7.38%	12.940083	
31		Feb-27	2.083		5.000		7.083		20.150		13.066		6.87%	12.043407	
32		Mar-27	2.083		5.000		7.083		24.973		17.889		8.51%	14.926183	
33		Apr-27	2.083		5.000		7.083		26.114		19.031		8.90%	15.60853	
34		May-27	2.083		5.000		7.083		20.036		12.953		6.83%	11.975475	
35		Jun-27	2.083		5.000		7.083		28.846		21.762		9.83%	17.241083	
36	FY 27-28	Jul-27	2.083	25.000	5.000	60.000	7.083	85.000	24.814	296.188	17.731	211.188	8.38%	14.831515	177.032
37		Aug-27	2.083		5.000		7.083		25.908		18.824		8.75%	15.485088	
38		Sep-27	2.083		5.000		7.083		26.758		19.675		9.03%	15.993553	
39		Oct-27	2.083		5.000		7.083		27.005		19.922		9.12%	16.140918	
40		Nov-27	2.083		5.000		7.083		25.723		18.639		8.68%	15.374494	
41		Dec-27	2.083		5.000		7.083		22.907		15.823		7.73%	13.691436	
42		Jan-28	2.083		5.000		7.083		21.849		14.766		7.38%	13.059194	
43		Feb-28	2.083		5.000		7.083		20.335		13.252		6.87%	12.154264	
44		Mar-28	2.083		5.000		7.083		25.203		18.119		8.51%	15.063575	
45		Apr-28	2.083		5.000		7.083		26.355		19.271		8.90%	15.752203	
46		May-28	2.083		5.000		7.083		20.220		13.137		6.83%	12.085706	
47		Jun-28	2.083		5.000		7.083		29.111		22.028		9.83%	17.399784	
48															
49															
50															

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax

Issue: Persons with Unique Abilities Tax Credit Program

Bill Number(s): Proposed Language

Entire Bill

Partial Bill: Section 4

Sponsor(s): N/A

Month/Year Impact Begins: January 1st, 2024

Date(s) Conference Reviewed: December 15th, 2023

Section 1: Narrative

a. Current Law: There is currently no persons with unique abilities tax credit.

b. Proposed Change: 220.199 is created as the Individuals with Unique Abilities Tax Credit Program. For purposes of this section, the term "Individuals who have a disability" has the same meaning as in s. 413.801(2)(b). For taxable years beginning on or after January 1, 2024, a taxpayer who employs an individual who has a disability is eligible to receive a credit against the tax imposed by this chapter in an amount up to \$1,000 for each disabled individual employed in the taxable year. The tax credit shall equal dollar for dollar the total number of hours that the individual who has a disability worked in the taxable year, up to 1,000 hours. A taxpayer may not claim a tax credit of more than \$10,000 in any one taxable year. A taxpayer may carry forward any unused portion of a tax credit under this section for up to five taxable years. The total amount of the tax credits which may be granted under this section is \$5 million in each fiscal year.

Section 2: Description of Data and Sources

Corporate Income Tax Return Data

Section 3: Methodology (Include Assumptions and Attach Details)

Reaching the \$5 million cap would mean there were 5,000 disabled individuals working at least 1,000 hours annually, and with the \$10K cap on individual taxpayers that would result in a minimum of 500 taxpayers employing 10 employees considered disabled applying for the credit to hit the cap. For context, there are roughly 260,000 CIT taxpayers with an average liability of approximately \$12,000.

Section 413.801(2)(b), F.S., defines those individuals that would enable their employer to be eligible for this tax credit program:

"Individuals who have a disability" means persons who have a physical or intellectual impairment that substantially limits one or more major life activities, persons who have a history or record of such an impairment, or persons who are perceived by others as having such an impairment.

Because the disability qualification is expansive and allowed to be perception based, the pool of eligible individuals is potentially all employees in the state. As such, it is estimated that the \$5 million cap will be met every year.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			\$(5.0)	\$(5.0)		
2025-26			\$(5.0)	\$(5.0)		
2026-27			\$(5.0)	\$(5.0)		
2027-28			\$(5.0)	\$(5.0)		
2028-29			\$(5.0)	\$(5.0)		

Revenue Distribution: Corporate Income Tax

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax

Issue: Persons with Unique Abilities Tax Credit Program

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

Section 5: Consensus Estimate (Adopted: 12/15/2023): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(5.0)	(5.0)	0.0	0.0	0.0	0.0	(5.0)	(5.0)
2025-26	(5.0)	(5.0)	0.0	0.0	0.0	0.0	(5.0)	(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: 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.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax
Issue: Collection Allowance – First \$60
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			(\$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
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>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 GR			
66							FY	Cash
67					2022-23		(\$163.62)M	
68					2023-24		(\$169.57)M	
69					2024-25	(\$175.73)M	(\$175.73)M	
70					2025-26	(\$182.12)M	(\$182.12)M	
71					2026-27	(\$188.74)M	(\$188.74)M	
72					2027-28	(\$195.60)M	(\$195.60)M	
73					2028-29	(\$202.72)M	(\$202.72)M	
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

Tax: Sales and Use Tax

Issue: tool Time Sales Tax Holiday

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

Entire Bill

Partial Bill: Governors Proposed Language – Section 11

Sponsor(s): N/A

Month/Year Impact Begins: 07/2024

Date of Analysis: 12/15/2023

Section 1: Narrative

- a. **Current Law:** F.S. 212 – Sales and Use Tax
- b. **Proposed Change:** The tax levied under chapter 212, Florida Statutes, may not be collected during the period from September 1, 2024 through September 7, 2024, on the retail sale of
 - (a) Hand tools selling for \$50 or less.
 - (b) Power tools selling for \$300 or less.
 - (c) Power tool batteries selling for \$150 or less.
 - (d) Work gloves selling for \$25 or less.
 - (e) Safety glasses selling for \$50 or less.
 - (f) Protective coveralls selling for \$50 or less.
 - (g) Work boots selling for \$175 or less.
 - (h) Tool belts selling for \$100 or less.
 - (i) Duffle/tote bags selling for \$50 or less.
 - (j) Tool boxes selling for \$75 or less.
 - (k) Tool boxes for vehicles selling for \$300 or less per item.
 - (l) Industry text books and code books selling for \$125 or less.
 - (m) Electrical voltage and testing equipment selling for \$100 or less.
 - (n) LED flashlights selling for \$50 or less per item
 - (o) Shop Lights selling for \$100 or less per item
 - (p) Handheld pipe cutters, drain opening tools, plumbing inspection equipment selling for \$150 or less.

Section 2: Description of Data and Sources

2023 IBIS World Reports
Market Research
2022 Consumer Expenditure Survey
2023 Consumer Price Index

Section 3: Methodology (Include Assumptions and Attach Details)

The analysis relied on IBIS World Reports to get an estimate of the revenue generated by Worker Tools at both Home Improvement Stores and Hardware Stores in the state of Florida. Market Research on prominent Home Improvement and Hardware Store websites was used to get an estimate of the percentage of tools that will qualify for the sales tax exemption. The low, middle, and high represent the percentage of worker tools that will be purchased during the tax-free holiday.

The Other category includes industries that may have qualified expenditures. The industries were chosen due to having categories that offer hand tools and may qualify for the exemption. The US Consumer Expenditure survey was chosen to estimate annual Florida household purchases of these products. The low, middle, and high represent the percentage of household purchases that will occur during the tax-free holiday.

An escalator was used to estimate retail sales not captured in the analysis of the industries discussed above. The estimates were grown by Consumer Price Index Non-Durables Less Food.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: tool Time Sales Tax Holiday

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

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(\$31.3m)		(\$17.7m)		(\$13.3m)	
2025-26						
2026-27						
2027-28						
2028-29						

List of affected Trust Funds: Sales and Use Tax

Section 5: Consensus Estimate (Adopted: 12/15/2023): The Conference adopted the middle estimate with an adjustment to the percent of qualified tools.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(14.8)	0.0	(Insignificant)	0.0	(0.5)	0.0	(1.4)	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2027-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2028-29	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	6% Sub-Total		Add: Local Option		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(16.7)	0.0	(2.0)	0.0	(18.7)	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0
2027-28	0.0	0.0	0.0	0.0	0.0	0.0
2028-29	0.0	0.0	0.0	0.0	0.0	0.0

Home Improvement Stores			
Est. Home Improvement Store Revenue (2023) Source: IBIS			\$258,000,000.000
Est. Home Improvement Store Revenue - Florida			\$16,770,000.000
Percentage of Revenue Associated with Hardware, Tools, Plumbing, and Electrical Supplies	24%		
Estimate of Tools, Tool Accessories	6%		
Estimate Tool Revenue - Home Improvement Store			\$1,006,200,000
Qualified Tools	32.0%		\$330,677,568
Number of Weeks Worth of Purchases	Low	Middle	High
	4	8	16
	\$25,436,736	\$50,873,472	\$101,746,944
Hardware Stores			
Est. Home Improvement Store Revenue (2023) Source: IBIS			\$36,600,000.000
Est. Home Improvement Store Revenue - Florida			\$1,830,000.000
Percentage of Revenue Associated with Hardware Tools, Hand Tools, Accessories	12%		
Estimate Tool and Tool Accessories Revenue - Hardware Store			\$225,090,000
Qualified Tools	32%		\$73,973,576
Number of Weeks Worth of Purchases	Low	Middle	High
	4	8	16
	\$5,690,275	\$11,380,550	\$22,761,101
Amazon Market Place			
Amazon Total Sales of Tools and Other Home Improvement Items			\$6,573,276
Est. Home Improvement Store Revenue - Florida			\$414,116
Percentage of Revenue Associated with Hardware, Tools, Plumbing, and Electrical Supplies	24%		
Estimate of Tools, Tool Accessories	6%		
Estimate Tool Revenue - Home Improvement Store			\$24,847
Qualified Tools	32%		\$8,166
Number of Weeks Worth of Purchases	Low	Middle	High
	1	2	4
	\$157	\$314	\$628
Auto Parts Stores			
Est. Home Improvement Store Revenue (2023) Source: IBIS			\$81,700,000.000
Est. Home Improvement Store Revenue - Florida			\$5,147,100.000
Percentage of Revenue Associated with Hardware Tools, Hand Tools, Accessories	6%		
Estimate Tool and Tool Accessories Revenue - Hardware Store			\$308,826,000
Qualified Tools	28%		\$88,806,005
Number of Weeks Worth of Purchases	Low	Middle	High
	4	8	16
	\$6,831,231	\$13,662,462	\$27,324,924
Total Qualified Tool Purchases	\$37,958,399	\$75,916,799	\$151,833,597
Sales and Use Tax (6%)	\$2,277,504	\$4,555,008	\$9,110,016
Total	Low	Middle	High
	\$4,180,014	\$8,360,028	\$21,476,333
Additional Sales Tax Not Included			\$8,360,028
Total	Low	Middle	High
	\$12,540,043	\$16,720,057	\$29,836,361

Additional Sales Tax Impact			
Total Florida Households (2023)			8,986,250
Tableware, Kitchenware (2022 CES)	\$		29.88
Expected Annual Expenditures:	\$		268,513,397
Qualified Expenditures:			13%
Total Expenditures on Qualified Kitchenware			35,801,786
Number of Weeks Worth of Purchases	Low	Middle	High
	4	8	26
	\$2,753,984	\$5,507,967	\$17,900,893
Lawn and Garden Supplies (2022 CES)			134.92
Expected Annual Expenditures:	\$		1,212,433,240
Qualified Expenditures:			30%
Total Expenditures on Qualified LawnCare			363,729,972
Number of Weeks Worth of Purchases	Low	Middle	High
	4	8	26
	\$27,979,229	\$55,958,457	\$181,864,986
Toys, games, arts and crafts, and tricycles (2022 CES)			167.97
Craft Supplies (By Product Revenue, Source: IBIS)			14.00%
Expected Annual Expenditures:	\$		211,313,314
Qualified Expenditures:			6.0%
Total Expenditures on Qualified Hobbies			12,678,799
Number of Weeks Worth of Purchases	Low	Middle	High
	4	8	26
	\$975,292	\$1,950,584	\$6,339,399
Total Qualified Tool Purchases	\$31,708,504	\$63,417,009	\$206,105,279
Sales and Use Tax (6%)	\$1,902,510	\$3,805,021	\$12,366,317
CPI NonDurables Less Food			
CPI 2023			2.7%
Estimate CPI 2024			2.7%

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Disaster Preparedness Holiday – 2x14 Days

Bill Number(s) – Governor’s Proposed Language – Section 9

Entire Bill

Partial Bill: Section 9

Sponsor(s):) Governor

Month/Year Impact Begins: Sales Tax Holiday Dates: 5/25/2024 to 6/7/2024, Collections Affected: June 2024-July 2024 and 8/24/2024 to 9/6/2024, Collections Affected: September 2024-October 2024

Date(s) Conference Reviewed: 12/15/2023

Section 1: Narrative

- a. Current Law:** Under current law in Ch. 212, all of the items listed in the bill are subject to the 6% Sales and Use Tax when purchased.
- b. Proposed Change:** The proposed language provides an exemption from sales tax for the items listed below that are purchased during the time period specified for two periods of 14 days each: 5/25/2024 to 6/7/2024, Collections Affected: June 2024-July 2024 and 8/24/2024 to 9/6/2024, Collections Affected: September 2024-October 2024.

(a) Portable self-powered light source	\$ 40 or less
(b) Portable self-powered radio, two-way radio or weather band radio	\$ 50 or less
(c) Tarpaulin or other flexible waterproof sheeting	\$ 100 or less
(d) Ground anchor system or tie-down kit	\$ 100 or less
(e) Gas or diesel fuel tank	\$ 50 or less
(f) Package of AA-cell, AAA-cell, C-cell, D-cell, 6-volt or 9-volt batteries, excluding automobile and boat batteries	\$ 50 or less
(g) Non-electric food storage cooler	\$ 60 or less
(h) Portable generator	\$1,000 or less
(i) Reusable ice	\$ 20 or less
(j) Portable power bank	\$ 60 or less
(k) Smoke detector or smoke alarm	\$ 70 or less
(l) Fire extinguisher	\$ 70 or less
(m) Carbon monoxide detector	\$ 70 or less

Supplies necessary for the evacuation of household pets.

For purposes of this exemption, necessary supplies are the non-commercial purchase of:

1. Portable kennels or pet carriers	\$ 100 or less
2. Bags of dry pet food weighing 15 or fewer pounds	\$ 30 or less
3. Cans or pouches of wet pet food or the equivalent in a box or case	\$ 2 or less
4. Manual can openers	\$ 15 or less
5. Leashes, collars, and muzzles	\$ 20 or less
6. Collapsible or travel-size food or water bowls	\$ 15 or less
7. Cat litter weighing 25 or fewer pounds	\$ 25 or less
8. Cat litter pans	\$ 15 or less
9. Pet waste disposal bags	\$ 15 or less
10. Pet pads	\$ 20 or less
11. Hamster or rabbit substrate	\$ 15 or less
12. Pet beds	\$ 40 or less

Common household consumable items with a sales price of \$30 or less.

1. The following laundry detergent and supplies: powder detergent; liquid detergent; or pod detergent, fabric softener, dryer sheets, stain removers, and bleach.
2. Toilet paper.
3. Paper towels.
4. Paper napkins and tissues.
5. Facial tissues.
6. Hand soap, bar soap and body wash

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Disaster Preparedness Holiday – 2x14 Days

Bill Number(s) – Governor’s Proposed Language – Section 9

7. ~~Sunscreen and sunblock.~~ (unduplicated herewith, exists in Freedom Summer)
8. Dish soap and detergents, including powder detergents, liquid detergents, or pod detergents or rinse agents that can be used in dishwashers.
9. Cleaning or disinfecting wipes and sprays.
10. Hand sanitizer.
11. Trash bags.

NOTE: Sunscreen and sunblock are listed as an exempt item. However, this impact removes these from the estimate since it is a duplicate with Freedom Summer. Please see the note in “Methodology.”

The tax exemption does not apply to sales within a theme park or entertainment complex; public lodging establishment; or within an airport.

Section 2: Description of Data and Sources

- REC Impact for HB7063 Enrolled - Section 44, 6/13/2023, http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/_pdf/page620-640.pdf
- REC Impact for Proposed Language, 4/14/2023 , http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/_pdf/page484-502.pdf
- REC Impact for Governor’s proposed Language, Section 12, Disaster Preparedness Holiday - 14 Days, 2/14/2023, http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/_pdf/page166-176.pdf
- REC Impact for Proposed Language, 3/4/2022, http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2022/_pdf/page625-634.pdf
- Office of Insurance Regulation Hurricane Ian Information, Submitted claims as of January 2023 for 2022 Hurricane Ian, Claims Data by County for Top 20 Counties, <https://www.floir.com/home/ian>
- Various websites for price comparisons: www.lowes.com; www.homedepot.com; www.bestbuy.com;
- U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, 2022, 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, July 2023.
- Florida Economic Estimating Conference, July 2023.

Florida Sales Tax Contributions from Households, Businesses and Tourists, Contributions to General Revenue from Sales Tax Collections in FY 2020-21, By http://edr.state.fl.us/Content/economy/FloridaSalesTaxContributions_FY20-21.pdf

Section 3: Methodology (See attached.)

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 survey and a consumer diary type of 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 items 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) and grows them to the impact year by the growth rate of resident households from the FDEC and the growth rate in personal income from the FECC 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.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Disaster Preparedness Holiday – 2x14 Days

Bill Number(s) – Governor’s Proposed Language – Section 9

Item’s 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.

Annual to Daily

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. The annual taxable expenditures for each category are used to calculate annual and average daily sales tax collections.

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 minimum 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. Specifically, this impact assumes that consumers shift one week before and one week after the holiday into the holiday period. This doubles the minimum holiday impact.

Factor Adjustments for Hurricanes, Businesses, Tourists or Shifted Level of Purchases

The methodology uses the following adjustment factors.

- Hurricane sensitivity adjustment factor: A ratio of the number of claims reported in the last fiscal year to the number of Florida resident households. The analysis assumes that consumers are most sensitive to disaster preparation immediately following a major disaster and such an event may induce purchases of disaster preparedness items that would not have otherwise occurred. The calculated factor is applied to sales tax collection to estimate additional induced purchases that otherwise may not have occurred. If no major hurricane occurred within the past year, the factor is not used.
- 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 average 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. To account for tourists purchases of the exempt items, a tourists purchases factor is applied to sales tax collection from consumers to estimate additional tourists purchases of the exempt items. This is an estimate of average tourists 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: 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.
- Effective sales tax factor (State + Local Option): Includes an adjustment to deduct state and local sales taxes, which are included in consumer expenditures to estimate taxable sales.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Disaster Preparedness Holiday – 2x14 Days

Bill Number(s) – Governor’s Proposed Language – Section 9

Household consumable items

The category of “household consumable items” proposes an explicitly stated list of items that are the only items eligible for the exemption. The bill proposes exempting household consumable items with a selling price of \$30 or less per item to be exempt from sales tax.

Sunscreen and sunblock

Sunscreen and sunblock are included in the Governor’s Proposed Language, Section 10, Freedom Summer. Even though the bill includes the item in the household supplies list, the estimate is reduced to zero here to eliminate the overlap with Freedom Summer. The latter has a longer duration than Disaster Preparedness. This analysis assumes there is an overlap even though there is a two day gap (5/25/2024 to 5/27/2024), during which the two holidays do not overlap.

The Governor’s Proposed Language is very similar to HB 7063, Section 44, except the price caps for portable generators, price caps and poundage of bags of dog food and cans of cat food. In addition, the current Governor’s language excludes pet medications, which were part of the holiday in 2023.

Section 4: Proposed Fiscal Impact: The proposed impact is nonrecurring for FY 2024-25. If it is desired for the cash impact to reflect exactly the days of the holiday, a 7-day impact to FY 2023-24 in the amount of (\$28.1m) is proposed. In that case, the current FY amount is to be subtracted from the proposed total impact below.

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			(112.3m)			
2025-26						
2026-27						
2027-28						
2028-29						

Revenue Distribution: Sales and Use Tax

Section 5: Consensus Estimate (Adopted: 12/15/2023): The Conference adopted the proposed estimate with an adjustment made to the hurricane impact. There is a current year (FY 2023-24) impact of (\$24.6m) to GR, (*) to Trust, and (\$6.6m) to Local.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(73.8)	0.0	(Insignificant)	0.0	(2.5)	0.0	(7.1)	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	(83.4)	0.0	(10.1)	0.0	(93.5)	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

Governor's Proposed Language, Section 9
2024 Disaster Preparedness Holiday - 2 x 14 Days

BOTH PERIODs HAVE THE SAME IMPACT

2 x 14-Day Impact (TOTAL)

TOTAL IMPACT

Category	Items	Sales Tax Collections
Disaster Preparedness	Portable self-powered radio, two-way radio or weather band radio	\$ 16,304
Disaster Preparedness	Tarpaulin or other flexible waterproof sheeting	\$ 1,680,941
Disaster Preparedness	Ground anchor system or tie-down kit, Gas or diesel fuel tank	\$ 2,474,677
Disaster Preparedness	Portable self-powered light source, Package of AA-cell, AAA-cell, C-cell, D-cell, 6-volt or 9-volt batteries, excluding automobile and boat batteries, Reusable ice, Non-electric food storage cooler	\$ 10,916,631
Disaster Preparedness	Fire extinguisher, Smoke detector or smoke alarm, Carbon monoxide detector	\$ 1,197,217
Disaster Preparedness	Portable power bank	\$ 3,620,481
Disaster Preparedness	Portable generator	\$ 853,045
Pets	Pet supplies	\$ 6,731,823
Pets	Pet food	\$ 20,121,575
Pets		
Household	Common household consumable items with a sales price of \$30 or less (listed)	\$ 63,556,514
	Total	\$ 111,169,207

	B	C	D	E	F	G	H	I	J	
1		Governor's Proposed Language, Section 9								
2		2024 Disaster Preparedness Holiday - 14 Days - Disaster Preparedness Items, Pet Supplies, and Household Necessities							28 Days	
3		ASSUMPTIONS							4 Weeks	
4	I.	HURRICANE SENSITIVITY PURCHASING ASSUMPTIONS							5/25/2024 Start	
5									6/7/2024 End	
6										
7									8/24/2024 Start	
8									9/6/2024 End	
9		NUMBER OF HURRICANE CLAIMS REPORTED								
24		2022 Index based on Claims Data as of Jan 2023 (Hurricane Ian)								
25		Reported Loss % HHs		1.70%	(diminishing effect from Hurricane Ian)					
28	II.	GENERAL PURCHASING ASSUMPTIONS								
29		ADJUSTMENT FACTORS								
30		Business purchases factor based on Florida Sales Tax Contributions from Businesses		0.2802						
31		Tourists purchases factor based on Florida Sales Tax Contributions from Tourists		0.2101						
32		Bill language conditions & exclusions*		1.00						
33		Effective sales tax factor (State + Local Option)		6.8%						
34		* Includes price limits and other price exclusions, certain tourism-related dealers, impulse purchases, and other bill language exclusions not explicitly accounted for elsewhere.								
36	III.	GROWTH RATE ASSUMPTIONS								
37					FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	
38		FDEC growth in population			1.67%	1.71%	1.62%	1.45%	1.35%	
39		FDEC growth in resident households			1.70%	1.84%	1.71%	1.50%	1.43%	
40		FEEC growth in personal income			8.02%	4.92%	7.78%	5.57%	5.86%	
41		CPI growth (June to June)								
42		Actuals to June 2023 and NEEC			5.39%	9.06%	2.97%	2.79%	2.49%	
43		AGGREGATE EXPENDITURE CALCULATIONS								
44	IV.	FLORIDA CONSUMER EXPENDITURES								
45		Florida Consumer Expenditures		ACTUAL	FORECAST					
46				FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25		
47				2020-2021 Avg.						
48	Florida	Number of Consumer Units		9,200,869	9,370,371	9,530,940	9,673,910	9,812,050		
49		<i>by growth in households</i>								
51	Florida	Income before taxes per Consumer Unit		\$72,775.52	\$76,359	\$82,296	\$86,876	\$91,970		
52		<i>by growth in personal income</i>								
53			<i>CPI Index</i>		\$79,369	\$78,626	\$84,591	\$89,043		
54	Florida	Average annual expenditures per Consumer Unit		\$55,533	\$58,267	\$62,798	\$66,293	\$70,180		
55		<i>constant share (2020-2021) of income before taxes</i>								
56			<i>CPI Index</i>		\$60,564	\$59,997	\$64,549	\$67,946		
57	Florida	Aggregate income before taxes		669,598,025,927	715,510,886,972	784,360,874,874	840,432,187,832	902,416,422,182		
59	Florida	Aggregate expenditures**		\$510,949,925,994.51	\$545,984,636,440	\$598,521,972,067	\$641,308,288,778	\$688,606,576,299		
60		<i>constant share (2020-2021) of income before taxes</i>		76.3%	76.3%	76.3%	76.3%	76.3%		
61		** Includes state and local sales tax								

	B	C	D	E	F	G	H	I	J
1	Governor's Proposed Language, Section 9								28 Days
2	2024 Disaster Preparedness Holiday - 14 Days - Disaster Preparedness Items, Pet Supplies, and Household Necessities								4 Weeks
63	EXPENDITURE CALCULATIONS								
64	V. DISASTER PREPAREDNESS ITEMS								
65			% of Expenditures	ASSUMPTION	FY 2024-25				
66	Num	CE CATEGORY	ITEM	adj. % of category	% of cat for item	Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily	# Purchased daily
67	1	Miscellaneous sound equipment [D]	Portable self-powered radio, two-way radio or weather band radio	0.00052%	50%	\$1,685,898	\$101,153.86	\$277.13	155
68	Preserved 2021								
69	A. Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)								
70				Days	Sales Tax (State)				
71	Holiday duration			28	\$7,760				
72	Additional days - time shifting of purchases			28	\$7,760				
73	Total consumer purchases for days impacted			56	\$15,519				
74									
75	B. Other Florida purchases								
76				Factors	Sales Tax (State)				
77	Hurricane sensitivity factor			0.068	\$1,055				
78	Business purchases factor			0.280	\$4,348				
79	Visitor purchases factor			0.053	\$815				
80	Total Other Florida purchases				\$6,219				
81									
82	A. & B. Total Florida purchases				\$21,738				
83									
84	Bill language conditions & exclusions*			0.750					
85	SALES TAX IMPACT				\$16,304	210%			
86									

	B	C	D	E	F	G	H	I	J
1	Governor's Proposed Language, Section 9								28 Days
2	2024 Disaster Preparedness Holiday - 14 Days - Disaster Preparedness Items, Pet Supplies, and Household Necessities								4 Weeks
87		CE CATEGORY	ITEM		% of cat for item	Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily	# Purchased daily
88	2	Materials for plastering, panels, roofing, and gutters, etc. [I]	Tarpaulin or other flexible waterproof sheeting	0.02295%	100%	\$147,973,649	\$8,878,418.97	\$24,324.44	8,227
89	<i>Preserved 2021</i>								
90	A. Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)								
91				Days	Sales Tax (State)				
92	Holiday duration			28	\$681,084				
93	Additional days - time shifting of purchases			56	\$1,362,168				
94	Total consumer purchases for days impacted			84	\$2,043,253				
95									
96	B. Other Florida purchases - level shifting of purchases								
97				Factors	Sales Tax (State)				
98	Hurricane sensitivity factor			0.085	\$173,676				
99	Business purchases factor			0.560	\$1,144,952				
100	Visitor purchases factor			-	\$0				
101	Total Other Florida purchases				\$1,318,629				
102									
103	A. & B. Total Florida purchases				\$3,361,881				
104									
105	Bill language conditions & exclusions*			0.500					
106	SALES TAX IMPACT					\$1,680,941	247%		
107									

B	C	D	E	F	G	H	I	J	
1	Governor's Proposed Language, Section 9							28 Days	
2	2024 Disaster Preparedness Holiday - 14 Days - Disaster Preparedness Items, Pet Supplies, and Household Necessities							4 Weeks	
108	CE CATEGORY	ITEM	% of cat for item	Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily	# Purchased daily		
109	Miscellaneous supplies and equipment [I]	Ground anchor system or tie-down kit, Gas or diesel fuel tank	0.0976%	50%	\$314,705,424	\$18,882,325.45	\$51,732.40	16,834	
110	2022								
111	A. Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)								
112		Days	Sales Tax (State)						
113		Holiday duration	28	\$1,448,507					
114		Additional days - time shifting of purchases	28	\$1,448,507					
115		Total consumer purchases for days impacted	56	\$2,897,014					
116									
117	B. Other Florida purchases								
118		Factors	Sales Tax (State)						
119		Hurricane sensitivity factor	0.034	\$98,498					
120		Business purchases factor	0.280	\$811,682					
121		Visitor purchases factor	-	\$0					
122		Total Other Florida purchases		\$910,181					
123									
124	A. & B. Total Florida purchases								
125				\$3,807,195					
126		Bill language conditions & exclusions*	0.650						
127	SALES TAX IMPACT			\$2,474,677					
128									
129	CE CATEGORY	ITEM	% of cat for item	Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily	# Purchased daily		
130	Miscellaneous household equipment and parts [D]	Portable self-powered light source, Package of AA-cell, AAA-cell, C-cell, D-cell, 6-volt or 9-volt batteries, excluding automobile and boat batteries, Reusable ice, Non-electric food storage cooler	0.11%	100%	\$723,075,807	\$43,384,548.42	\$118,861.78	75,497	
131	2022								
132	A. Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)								
133		Days	Sales Tax (State)						
134		Holiday duration	28	\$3,328,130					
135		Additional days - time shifting of purchases	56	\$6,656,259					
136		Total consumer purchases for days impacted	84	\$9,984,389					
137									
138	B. Other Florida purchases								
139		Factors	Sales Tax (State)						
140		Hurricane sensitivity factor	0.034	\$339,469					
141		Business purchases factor	0.280	\$2,797,415					
142		Visitor purchases factor	0.053	\$524,515					
143		Total Other Florida purchases		\$3,661,399					
144									
145	A. & B. Total Florida purchases								
146				\$13,645,788					
147		Bill language conditions & exclusions*	0.800						
148	SALES TAX IMPACT			85 \$10,916,631	328%				

	B	C	D	E	F	G	H	I	J
1	Governor's Proposed Language, Section 9								28 Days
2	2024 Disaster Preparedness Holiday - 14 Days - Disaster Preparedness Items, Pet Supplies, and Household Necessities								4 Weeks
149									
150		CE CATEGORY	ITEM	% of cat for item	Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily	# Purchased daily	
151	5	Electrical supplies, heating, and cooling equipment [I]	Fire extinguisher, Smoke detector or smoke alarm, Carbon monoxide detector	0.0241604%	100%	\$155,776,947	\$9,346,616.84	\$25,607.17	12,733
152	2021								
153	A. Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)								
154			Days	Sales Tax (State)					
155	Holiday duration		28	\$717,001					
156	Additional days - time shifting of purchases		28	\$717,001					
157	Total consumer purchases for days impacted		56	\$1,434,001					
158									
159	B. Other Florida purchases								
160			Factors	Sales Tax (State)					
161	Hurricane sensitivity factor		0.004	\$6,095					
162	Business purchases factor		0.280	\$401,777					
163	Visitor purchases factor		-	\$0					
164	Total Other Florida purchases			\$407,871					
165									
166	A. & B. Total Florida purchases			\$1,841,873					
167									
168	Bill language conditions & exclusions*		0.650						
169	SALES TAX IMPACT				\$1,197,217	167%			
170									
171									

B	C	D	E	F	G	H	I	J	
1	Governor's Proposed Language, Section 9							28 Days	
2	2024 Disaster Preparedness Holiday - 14 Days - Disaster Preparedness Items, Pet Supplies, and Household Necessities							4 Weeks	
172	CE CATEGORY	ITEM	% of cat for item	Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily	# Purchased daily		
173	6	Telephones and accessories [I] - PARTIAL 1/4 Portable power bank	0.17652%	25%	\$284,529,402	\$17,071,764.13	\$46,771.96	15,594	
174	2022								
175	A. Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)								
176			Days	Sales Tax (State)					
177	Holiday duration		28	\$1,309,615					
178	Additional days - time shifting of purchases		42	\$1,964,422					
179	Total consumer purchases for days impacted		70	\$3,274,037					
180									
181	B. Other Florida purchases								
182			Factors	Sales Tax (State)					
183	Hurricane sensitivity factor		0.085	\$278,293					
184	Business purchases factor		0.280	\$917,316					
185	Visitor purchases factor		0.053	\$171,997					
186	Total Other Florida purchases			\$1,367,606					
187									
188	A. & B. Total Florida purchases			\$4,641,643					
189									
190	Bill language conditions & exclusions*		0.780						
191	SALES TAX IMPACT			\$3,620,481	276%				
192									
193	CE CATEGORY	ITEM	% of cat for item	Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily	# Purchased daily		
194	7	Miscellaneous household appliances [D] Portable generator	0.00814%	100%	\$52,503,671	\$3,150,220.27	\$8,630.74	181	
195	Price cap \$1,000 or less		2021						
196	A. Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)								
197			Days	Sales Tax (State)					
198	Holiday duration		28	\$241,661					
199	Additional days - time shifting of purchases		42	\$362,491					
200	Total consumer purchases for days impacted		70	\$604,152					
201									
202	B. Other Florida purchases								
203			Factors	Sales Tax (State)					
204	Hurricane sensitivity factor		0.068	\$41,082					
205	Business purchases factor		0.841	\$507,812					
206	Visitor purchases factor		0.053	\$31,738					
207	Total Other Florida purchases			\$580,632					
208									
209	A. & B. Total Florida purchases			\$1,184,784					
210									
211	Bill language conditions & exclusions*		0.720						
212	SALES TAX IMPACT			\$853,045	Generators \$1,000 cap 353%				
213									

2/24/2023

<http://edr.state.fl.us/Content/conferences/revenueimpact/arch>

B	C	D	E	F	G	H	I	J	
1	Governor's Proposed Language, Section 9							28 Days	
2	2024 Disaster Preparedness Holiday - 14 Days - Disaster Preparedness Items, Pet Supplies, and Household Necessities							4 Weeks	
214	CE CATEGORY	ITEM	% of cat for item	Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily	# Purchased daily		
215	Pet food [D], Pet purchase, supplies, and medicine [I]	Pet supplies	0.2243%	76%	\$1,099,948,759	\$65,996,925.54	\$180,813.49		
216	2022								
217	A. Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)								
218			Days	Sales Tax (State)					
219	Holiday duration		28	\$5,062,778					
220	Additional days - time shifting of purchases		28	\$5,062,778					
221	Total consumer purchases for days impacted		56	\$10,125,556					
222									
223	B. Other Florida purchases								
224			Factors	Sales Tax (State)					
225	Hurricane sensitivity factor		0.017	\$172,134					
226	Business purchases factor		0.070	\$709,242					
227	Visitor purchases factor		0.021	\$212,772					
228	Total Other Florida purchases			\$1,094,149					
229									
230	A. & B. Total Florida purchases			\$11,219,704					
231									
232	Bill language conditions & exclusions*		0.600						
233	SALES TAX IMPACT			\$6,731,823	133%				
234									
235	CE CATEGORY	ITEM	Percent of Annual Expenditures	Percent exempt	Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily	# Purchased daily	
236	Pet food; Pet purchase, supplies, and medicine	Pet food [D]	0.3957%	82%	\$2,092,218,920	\$125,533,135.18	\$343,926.40		
237	2022								
238	A. Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)								
239			Days	Sales Tax (State)					
240	Holiday duration		28	\$9,629,939					
241	Additional days - time shifting of purchases		60	\$20,635,584					
242	Total consumer purchases for days impacted		88	\$30,265,523					
243									
244	B. Other Florida purchases								
245			Factors	Sales Tax (State)					
246	Hurricane sensitivity factor		0.017	\$514,514					
247	Business purchases factor		0.070	\$2,119,940					
248	Visitor purchases factor		0.021	\$635,982					
249	Total Other Florida purchases			\$3,270,436					
250									
251	A. & B. Total Florida purchases			\$33,535,959					
252									
253	Bill language conditions & exclusions*		0.600						
254	SALES TAX IMPACT			\$20,121,575	209%				
255	TOTAL PET:	SALES TAX IMPACT: PET FOOD and SUPPLIES		88	\$26,853,398				

2/24/2023
<http://edr.state.fl.us/Content/conferences/revenueimpact/arch>

2/24/2023
<http://edr.state.fl.us/Content/conferences/revenueimpact/arch>

	B	C	D	E	F	G	H	I	J
1	Governor's Proposed Language, Section 9								28 Days
2	2024 Disaster Preparedness Holiday - 14 Days - Disaster Preparedness Items, Pet Supplies, and Household Necessities								4 Weeks
256									
257	VI. TOTAL IMPACT								
258	TOTAL IMPACT - Disaster Preparedness Items and Pet Supplies								
259				Middle					
260	Portable self-powered radio, two-way radio or weather band radio			\$ 16,304			\$7,760		
261	Tarpaulin or other flexible waterproof sheeting			\$ 1,680,941			\$681,084		
262	Ground anchor system or tie-down kit, Gas or diesel fuel tank			\$ 2,474,677			\$1,448,507		
263	Portable self-powered light source, Package of AA-cell, AAA-cell, C-cell			\$ 10,916,631			\$3,328,130		
264	Fire extinguisher, Smoke detector or smoke alarm, Carbon monoxide detector			\$ 1,197,217			\$717,001		
265	Portable power bank			\$ 3,620,481			\$1,309,615		
266	Portable generator			\$ 853,045			\$241,661		
267	Pet supplies			\$ 6,731,823			\$5,062,778		
268	Pet food			\$ 20,121,575					
269	Total			\$ 47,612,693			\$12,796,535		372%
270									
271									

	B	C	D	E	F	G	H	I	
1	Governor's Proposed Language, Section 9							28 Days	
2	2024 Disaster Preparedness Holiday - Common household consumable items with a sales price of \$30 or less							4 Weeks	
3								5/25/2024 Start	
4								6/7/2024 End	
5									
6	I.	GENERAL PURCHASING ASSUMPTIONS						8/24/2024 Start	
7		ADJUSTMENT FACTORS						9/6/2024 End	
8		Business purchases factor based on Florida Sales Tax Contributions from Businesses		0.2802					
9		Tourists purchases factor based on Florida Sales Tax Contributions from Tourists		0.2101					
10		Bill language conditions & exclusions*		1.00					
11		Effective sales tax factor (State + Local Option)		6.8%					
12		* Includes price limits and other price exclusions, certain tourism-related dealers, impulse purchases, and other bill language exclusions not explicitly accounted for elsewhere.							
13									
14	II.	GROWTH RATE ASSUMPTIONS							
15			FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25		
16		<i>FDEC growth in population</i>	1.67%	1.71%	1.62%	1.45%	1.35%		
17		<i>FDEC growth in resident households</i>	1.70%	1.84%	1.71%	1.50%	1.43%		
18		<i>FEEC growth in personal income</i>	8.02%	4.92%	7.78%	5.57%	5.86%		
19		<i>CPI growth (June to June)</i>							
20		<i>Actuals to June 2022 and NEEC</i>	5.39%	9.06%	2.97%	2.79%	2.49%		
21		AGGREGATE EXPENDITURE CALCULATIONS							
22	III.	FLORIDA CONSUMER EXPENDITURES							
23		Florida Consumer Expenditures	ACTUAL	FORECAST					
24			FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25		
25			2020-2021 Avg.						
26	Florida	Number of Consumer Units	9,200,869	9,370,371	9,530,940	9,673,910	9,812,050		
27		<i>by growth in households</i>							
28									
29	Florida	Income before taxes per Consumer Unit	\$72,775.52	\$76,359	\$82,296	\$86,876	\$91,970		
30		<i>by growth in personal income</i>							
31									
32	Florida	Average annual expenditures per Consumer Unit	\$55,533	\$58,267	\$62,798	\$66,293	\$70,180		
33		<i>constant share (2020-2021) of income before taxes</i>							
34									
35	Florida	Aggregate income before taxes	\$669,598,025,927	\$715,510,886,972.42	\$784,360,874,874	\$840,432,187,832	\$902,416,422,181.92		
36									
37	Florida	Aggregate expenditures**	\$510,949,925,994.51	\$545,984,636,440	\$598,521,972,067	\$641,308,288,778	\$688,606,576,299.01		
38		<i>constant share (2019-2020) of income before taxes</i>	76.3%	76.3%	76.3%	76.3%	76.3%		
39		** Includes state and local sales tax							
40									
41									

	B	C	D	E	F	G	H	I	
1	Governor's Proposed Language, Section 9							28 Days	
2	2024 Disaster Preparedness Holiday - Common household consumable items with a sales price of \$30 or less							4 Weeks	
42	IV. EXPENDITURE CALCULATION FOR ITEMS								
43					% of Expenditures	Percent Exempted During	FY 2024-25		
44	Num	CE CATEGORY	ITEM	adj. % of category			Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily
45	1	Housekeeping supplies [D]	Laundry and cleaning supplies [D]	0.23275%		100.00000%	\$1,500,671,689	\$90,040,301	\$246,686
46	2	Housekeeping supplies [D]	Soaps and detergents [D]	0.11700%		95.00000%	\$716,638,550	\$42,998,313	\$117,804
47	3	Housekeeping supplies [D]	Other laundry cleaning products [D]	0.11575%		80.00000%	\$597,052,256	\$35,823,135	\$98,146
48	4	Housekeeping supplies [D]	Other household products [D]	0.67045%		20.00000%	\$864,562,912	\$51,873,775	\$142,120
49	5	Other household products [D]	Cleansing and toilet tissue, paper towels, and napkins [D]	0.15680%		100.00000%	\$1,010,963,010	\$60,657,781	\$166,186
50	6	Other household products [D]	Miscellaneous household products [D]	0.33836%		25.00000%	\$545,399,566	\$32,723,974	\$89,655
68									
69									
70									
71	A. Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)								
72				Days	Sales Tax (State)				
73	Holiday duration			28	\$24,096,667.98				
74	Additional days - time shifting of purchases			60	\$51,635,717.09				
75	Total consumer purchases for days impacted			88	\$75,732,385				
76									
77	B. Other Florida purchases								
78				Factors	Sales Tax (State)				
79	Business purchases factor (10%)			0.02802	\$2,121,861				
80	Visitor purchases factor			0.02101	\$1,591,396				
81	Total Other Florida purchases				\$3,713,257				
82									
83	A. & B. Total Florida purchases				\$79,445,642				
84									
85	Bill language conditions & exclusions*			0.800			Reflects price cap of le \$30		
86	SALES TAX IMPACT				\$63,556,514				
87									
88	TOTAL IMPACT (\$ m)								
89	V. TOTAL IMPACT				Middle				
90	Household Products				\$ (63.6)				
91	Total				\$ (63.6)				
92									

REVENUE ESTIMATING CONFERENCE

Revenue Source: Insurance Premium Tax

Issue: Flood Insurance

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

Entire Bill

Partial Bill: Section 6

Sponsor(s): N/A

Month/Year Impact Begins: July 2024

Date(s) Conference Reviewed: December 15th, 2023

Section 1: Narrative

- a. **Current Law:** Section 624.509, Florida Statutes, indicates, among other things, that 1.75 percent of the gross amount of receipts on insurance premiums covering property is due as insurance premium tax.
- b. **Proposed Change:** A new paragraph is added in 624.509 indicating that an insurance policy, contract, or endorsement providing coverage for the peril of flood is exempt from the 1.75 percent insurance premium tax.

Section 2: Description of Data and Sources

[National Flood Insurance Program - Policy Info By State](#)

[National Flood Insurance Program – 2020 Report](#)

[Miami Herald / The Insurance Information Institute](#)

[Florida Market Data](#) available on the Florida Surplus Lines Service Office website
Results of the August 18, 2023 General Revenue Estimating Conference

Section 3: Methodology (Include Assumptions and Attach Details)

Insurance Premium Taxpayers file a DR-908 tax return with the Department of Revenue. While flood coverage would be included in the total premiums for property/casualty/miscellaneous, line 1.c. of Schedule I, the department has no way of parsing out flood coverage specifically from the return.

There are 3 methods of acquiring flood insurance in Florida. The first method, under which the majority of policies are written, is the National Flood Insurance Program's (NFIP) "[Write Your Own Program](#)," a cooperative of private insurance companies and FEMA. As of November 30, 2023, there are 1,710,539 such policies in Florida with a total premium amount of \$1,287,624,135. The average cost per policy under this method is \$753. Applying the 1.75% tax rate that would be exempt under the proposed change, the impact of the NFIP policies alone would be -\$22,533,422.

The second method is through Surplus Lines. These policies are subject to a different and higher tax rate than the other 2 methods and would not be exempt under this change. The Florida Surplus Lines Service Office has data available on the number of properties and the premium values for flood insurance. For the 2022-23 fiscal year there were 84,495 flood policies with a premium value of 157,530,901. The average cost per policy under this method is \$1,864.

The third method is private insurers writing their own flood policies. There is no data available for this method, and an estimate for the number of policies and cost per policy must be produced. According to a 2020 NFIP report, there are 4,110,395 properties at high risk of flooding and 4,832,882 at high or moderate risk of flooding. For the impact, the low uses the high-risk properties, the middle uses the high or moderate risk of flooding, and the high uses the high or moderate risk of flooding plus 10 percent to account for policies in lower risk areas. According to a Miami Herald article from June of 2023 that cites The Insurance Information Institute, approximately 13% of all Florida homeowners do not carry property insurance. This statistic applies to general property insurance, and not specifically flood. The 13% is used in the high estimate, with 25% and 50% being used in the middle and low, respectively. Applying this percentage to the at-risk properties arrives at an estimate of the total number of flood policies in the state, and subtracting the known NFIP and Surplus Lines policies from it arrives at an estimate of policies written by private insurers. The high estimate uses the \$1,864 average cost per policy from the Surplus Lines data, the low uses the \$753 average cost per policy from the NFIP policies, and the middle uses an average of the high and low. Multiplying the estimated number of policies under private insurers by the estimated average cost per policy for private insurers arrives and an estimate of premiums for private insurers. Adding this to the NFIP premiums and multiplying by the 1.75% tax rate arrives at an impact for the first year.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Insurance Premium Tax

Issue: Flood Insurance

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

A forecast of Insurance Premium Tax collections was estimated at the August 2023 General Revenue Estimating Conference. The forecasted growth rate for total Insurance Premium Tax collections was used to grow the high, middle, and low estimates out to Fiscal Year 2028-29.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	\$(122.4 M)	\$(122.4 M)	\$(68.6 M)	\$(68.6 M)	\$(27.7 M)	\$(27.7 M)
2025-26	\$(127.4 M)	\$(127.4 M)	\$(71.4 M)	\$(71.4 M)	\$(28.8 M)	\$(28.8 M)
2026-27	\$(133.9 M)	\$(133.9 M)	\$(75.1 M)	\$(75.1 M)	\$(30.3 M)	\$(30.3 M)
2027-28	\$(140.6 M)	\$(140.6 M)	\$(78.9 M)	\$(78.9 M)	\$(31.8 M)	\$(31.8 M)
2028-29	\$(147.8 M)	\$(147.8 M)	\$(82.9 M)	\$(82.9 M)	\$(33.4 M)	\$(33.4 M)

Revenue Distribution: Insurance Premium Tax

Section 5: Consensus Estimate (Adopted: 12/15/2023) The Conference adopted the low estimate with an adjustment made to the private cost per policy.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(28.9)	(28.9)	0.0	0.0	0.0	0.0	(28.9)	(28.9)
2025-26	(30.0)	(30.0)	0.0	0.0	0.0	0.0	(30.0)	(30.0)
2026-27	(31.6)	(31.6)	0.0	0.0	0.0	0.0	(31.6)	(31.6)
2027-28	(33.2)	(33.2)	0.0	0.0	0.0	0.0	(33.2)	(33.2)
2028-29	(34.8)	(34.8)	0.0	0.0	0.0	0.0	(34.8)	(34.8)

	A	B	C	D	E	F	G
1	FY	IPT Collections	IPT Growth				
2	23-24	\$ 1,367.60					
3	24-25	\$ 1,456.90	6.5%				
4	25-26	\$ 1,516.50	4.1%				
5	26-27	\$ 1,594.40	5.1%				
6	27-28	\$ 1,674.40	5.0%				
7	28-29	\$ 1,759.20	5.1%				
8							
9	Assumptions	High	Middle	Low	Source		
10	NFIP Policies	1,710,539	1,710,539	1,710,539	National Flood Insurance Program - Policy Info By State		
11	Surplus Lines Properties	84,495	84,495	84,495	Surplus Lines Service Office		
12	At Risk Properties	5,316,170	4,832,882	4,110,395	National Flood Insurance Program - Report		
13	Share of at Risk Without Flood Insurance	13%	25%	50%	Miami Herald / The Insurance Information Institute		
14	Total with Flood Insurance	4,625,068	3,624,662	2,055,198	Calculation		
15	Policies with Private Insurers	2,830,034	1,829,628	260,164	Calculation		
16	Total Premium with NFIP	\$ 1,287,624,135	\$ 1,287,624,135	\$ 1,287,624,135	National Flood Insurance Program - Policy Info By State		
17	Total Premium with Surplus Lines	\$ 157,530,901	\$ 157,530,901	\$ 157,530,901	Surplus Lines Service Office		
18	Cost Per Policy, Private	\$ 1,864	\$ 1,309	\$ 1,000	Calculation		
19	Total Premium with Private Insurers	\$ 5,276,262,710	\$ 2,394,982,398	\$ 260,163,500	Calculation		
20	Total Premium Taxed at 1.75%	\$ 6,563,886,845	\$ 3,682,606,533	\$ 1,547,787,635	Calculation		
21	23-24 Tax Impact	\$ (114,868,020)	\$ (64,445,614)	\$ (27,086,284)	Calculation		
22							
23	Total Impact						
24		High		Middle		Low	
25		Cash	Recurring	Cash	Recurring	Cash	Recurring
27	2024-25	\$(122.4 M)	\$(122.4 M)	\$(68.7 M)	\$(68.7 M)	\$(28.9 M)	\$(28.9 M)
28	2025-26	\$(127.4 M)	\$(127.4 M)	\$(71.5 M)	\$(71.5 M)	\$(30.0 M)	\$(30.0 M)
29	2026-27	\$(133.9 M)	\$(133.9 M)	\$(75.1 M)	\$(75.1 M)	\$(31.6 M)	\$(31.6 M)
30	2027-28	\$(140.6 M)	\$(140.6 M)	\$(78.9 M)	\$(78.9 M)	\$(33.2 M)	\$(33.2 M)
31	2028-29	\$(147.8 M)	\$(147.8 M)	\$(82.9 M)	\$(82.9 M)	\$(34.8 M)	\$(34.8 M)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Freedom Summer

Bill Number(s): Governor’s Proposed Language - Section 10

Entire Bill

Partial Bill: Section 10

Sponsor(s):

Month/Year Impact Begins: Sales Tax Holiday Dates: 5/27/2024 to 9/2/2024, Collections Affected: June 2024-October 2024

Date Conference Reviewed: 12/15/2023

Section 1: Narrative

- a. **Current Law:** Chapter 212, F.S. authorizes the collection of sales and use tax on admissions to ticketed events, gym memberships, museum tickets and memberships, and retail sales of the listed items.
- b. **Proposed Change:** During the period of May 27, 2024 to September 2, 2024, the following items are exempt from sales and use tax: sales of tickets to live music events, state parks, live sporting events, festivals (including ballets, plays and musical performances), movie tickets, and museum tickets that are scheduled to be held between May 27, 2024 and December 31, 2024; use of or access to clubs providing physical fitness facilities between May 27, 2024 and December 31, 2024; the retail sale of specified boating and water activity supplies, camping supplies, fishing supplies, general outdoor supplies, residential pool supplies, children’s athletic equipment, and children’s toys between May 27, 2024 and September 2, 2024 .

The retail sales exemption is valid only for the listed items and subject to the following price conditions. The retail exemption is not valid for commercial fishing supplies.

Expenditure Type	Description
Boating and water activity supplies	<ul style="list-style-type: none"> • Life jackets, coolers (first \$75) • Recreational pool tubes, pool floats, inflatable chairs, and pool toys (first \$35) • Safety flares (first \$50) • Water skis, wakeboards, and kneeboards and recreational inflatable water tubes or floats capable of being towed (first \$150) • Paddleboards and surfboards (first \$300) • Canoes & kayaks (first \$500) • Paddles, and oars (\$75) • Snorkels, goggles, and swimming masks (\$25)
Camping supplies	<ul style="list-style-type: none"> • Tents (first \$200) • Sleeping bags, portable hammocks, and camping stoves and collapsible camping chairs (first \$50) • Camping lanterns and flashlights (first \$30)
Fishing supplies	<ul style="list-style-type: none"> • Rods and reels (first \$75 if sold individually or (first \$150 if sold as a set) • Tackle boxes or bags (first \$30) • Bait or fishing tackle (first \$5 if sold individually or (first \$10 if sold as a set)
General outdoor supplies	<ul style="list-style-type: none"> • Sunscreen or insect repellent (first \$15) • Sunglasses (first \$100) • Binoculars (first \$200) • Water bottles (first \$30) • Hydration packs (first \$50) • Outdoor Gas or Charcoal Grills (first \$250) • Bicycle Helmets (first \$50) • Bicycles (first \$250)
Residential pool supplies	<ul style="list-style-type: none"> • Individual residential pool and spa replacement parts, nets, filters, lights, and cover (first \$100) • Residential pool and spa chemicals purchased by an individual (first \$150)
Children's athletic equipment	A consumer product designed or intended by the manufacturer for use by a child 12 years of age or younger when the child engages in an athletic activity (\$100 or less)
Children's toys	A consumer product designed or intended by the manufacturer for a child 12 years of age or younger for use by the child when the child plays (\$75 or less)

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Freedom Summer

Bill Number(s): Governor's Proposed Language - Section 10

For Children's athletic equipment and children's toys, the bill adds the following to the definition:

"In determining whether consumer products are designed or intended for use by a child 12 years of age or younger, the following factors shall be considered:

- a. A statement by a manufacturer about the intended use of such product, including a label on such product if such statement is reasonable.
- b. Whether the product is represented in its packaging, display, promotion, or advertising as appropriate for use by children 12 years of age or younger."

The tax exemptions do not apply to sales within a theme park or entertainment complex as defined in s. 509.013(9), Florida Statutes, within a public lodging establishment as defined in s. 509.013(4), Florida Statutes, or within an airport as defined in s. 330.27(2), Florida Statutes.

Section 2: Description of Data and Sources

- REC Impact, HB7063 Enrolled - Section 43, Freedom Summer, adopted on 4/14/2023
http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/_pdf/page460-480.pdf
- REC Impact, Governor's Proposed Language - Section 13, Freedom Summer, adopted on 2/17/2023,
http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/_pdf/page116-133.pdf
- REC Impact, Governor's Proposed Language - Section 7, Children's Toys, 3/10/2023,
http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/_pdf/page238-242.pdf
- REC Impact, Proposed Language – Freedom Week, 02/18/2022,
http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2022/_pdf/page414-429.pdf
- Florida Economic Estimating Conference, July 2023.
- Florida Demographic Estimating Conference, December 2023.
- US Bureau of Labor Statistics, Consumer Expenditures Survey, Average annual expenditures and characteristics, Table 1800, 2022.
- US Bureau of Labor Statistics, Table R-1. All consumer units: Annual detailed expenditure means, standard errors, coefficients of variation, and weekly or quarterly percents reporting, Consumer Expenditure Surveys, 2022.
- US Bureau of Labor Statistics, Consumer Expenditures Survey, Annual expenditure means and characteristics, Florida: Quintiles of income before taxes, 2020-2021.
- US Census Bureau, Annual Estimates of the Resident Population for the United States, Regions, States, and the District of Columbia: April 1, 2022 to July 1, 2023.
- IBIS World INDUSTRY REPORT OD4853, Swimming Pool Equipment Stores, September 2023.
- Source: IBISWorld, US INDUSTRY (SPECIALIZED) REPORT OD4244, Sunscreen Manufacturing Sunny outlook: A return to outdoor gatherings and activities will drive demand for sunscreen, September 2023.
- Source: IBISWorld Reports, US INDUSTRY (SPECIALIZED) REPORT OD4948, Insect Repellent Manufacturing, Constant buzz: Eco-conscious, natural products will be the industry's saving grace going forward, January 2022.
- Source: IBISWorld, US INDUSTRY (SPECIALIZED) REPORT OD4229, Sunglasses Stores, Bright lights: Industry revenue is expected to grow as the economy rebounds from the pandemic, February 2021.

Section 3: Methodology (Include Assumptions and Attach Details)

The analysis was split into multiple components, each using a separate methodology. The first methodology was used to estimate the sales and use tax impact on ticket sales and memberships. This methodology relied on IBISWorld Industry Reports to estimate the amount of ticket and membership revenue generated by the qualified industries in Florida. Next, the analysis led to an estimate of the portion of annual ticket and membership revenue that will be purchased during the sales tax holiday. Underlying the analysis is an expectation that the tax holiday will shift ticket and membership sales from later periods into the qualified week. The analysis also assumed that a large majority of museum ticket sales (83%) are already tax exempt because these museums are operated by a 501(c)(3) (Florida Statute 212.042(a), F.S.). The estimates were grown by a CPI estimate of 5.4% which is the 2023 CPI estimate for admissions.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Freedom Summer

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Second, the estimate for sales tax on State Park entrance fees was based on FY 2022-23 annual pass and day pass fees and assumptions made on the number of months' worth of annual passes and number of weeks' worth of single-day passes that would be sold during the tax exemption period.

Third, the estimates for retail sales for boating and water activities, camping supplies, fishing supplies, sports equipment, and partially for outdoor supplies used average annual expenditures by consumer unit by category from the Consumer Expenditures Survey for the United States and applied their respective shares of total expenditures to Florida average annual expenditures for the last year for which actual survey data was published. The expenditures were then grown by Florida personal income growth (FEEC) to the impact year.

Boating and Water Activity Supplies

Expenditures for canoes, kayaks, wakeboards, and kneeboards and recreational inflatable water tubes or floats, paddleboards and surfboards are included in the CE category, "Un-motored recreational vehicles/ Boats without motor and boat trailers."

General outdoor supplies

The current estimate reflects updated IBIS World reports, some of which have significant revisions based on significant revisions in US Census economic data. The estimate for outdoor supplies used IBISWorld reports for the US market size for sunscreen, insect repellent, and sunglasses and assumed Florida's market for these items was proportional to Florida's share of the US population. Other sports equipment expenditures from the Consumer Expenditures Survey were used as an estimate for spending on water bottles, hydration packs, and binoculars. It appears that IBIS World may have discontinued the insect repellent and sunglasses reports. The most recent reports are two-three years old.

Residential pool supplies

Expenditures for recreational pool tubes, pool floats, inflatable chairs, and pool toys, Individual residential pool and spa replacement parts, nets, filters, lights, and covers, and pool and spa chemicals were developed using an IBIS World report on Swimming Pool Equipment Stores revenues. Since these items are also sold by general merchandise stores, online retailers, and other specialty stores, this approach might underestimate the expenditures in this category. As a result, the REC 2/18/2022 doubled the estimate for specialized pool stores to account for sales occurring on other retail locations.

Children's Toys

The age eligibility is for toys for children up to 12 years and younger.

Price caps

The bill proposes each item to have a price cap "first of \$xxx" instead of the "\$xxx or less" price exemption as scored in HB7063 Enrolled - Section 43, Freedom Summer. The incremental impact from the "first of" is added.

Bicycles

Children's bicycles and helmets (the latter always tax exempt in Florida) were excluded from the impact for Children's toys and for Children's athletic equipment. The estimates for bicycles and helmets in the latter two impacts were reduced to zero to eliminate the duplication with bicycles and helmets in "General Outdoor Supplies," which exempts the first \$250 of the selling price of bicycles. Since the category helmets is already included in bicycles, this analysis proposes removing the add-on estimate for helmets.

The bicycle estimate has not yet been reduced for the permanent exemption of baby bicycle seats.

Pool toys

Pool toys are explicitly exempt in "Boating and water activity supplies." These items were not specifically eliminated in "Children's toys" since not all of the outdoor toys category is included in the estimate and they are not specifically mentioned as eligible for the exemption.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

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Sunscreen

Sunscreen is also proposed to be exempted in the proposed “Disaster Preparedness.” The item is included in the impact here since the duration of the holiday is longer and excluded in the former.

Amusements parks and other tourist-related establishments

As discussed at the 2/17/2023 REC, impact from the bill language excluding amusement parks, lodging establishments, and airports from the sales tax exemption is not included regardless of whether the bill language contains it. Whether these establishments are required to comply or exempted from complying with the sales tax holiday is not considered in this analysis.

Comparison to prior impacts

This language differs from HB7063 Enrolled - Section 43, Freedom Summer in the following aspects.

- First of \$\$ instead of \$\$ or less for four categories.
- Bicycles price cap is \$250 instead of \$500.
- Validity dates for admissions differ.

The table below shows the estimated impacts.

Estimated Sales Tax Exemptions (Millions of Dollars)

EXEMPTION TYPE	
Admissions	-99.6
Retail sales	-136.7
Total	-236.3

Section 4: Proposed Fiscal Impact

Revenue Distribution:

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			(\$236.3m)			
2025-26						
2026-27						
2027-28						
2024-25						

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Freedom Summer

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List of affected Trust Funds: Sales and Use Tax

Section 5:

Consensus Estimate (Adopted: 12/15/2023): The Conference adopted the proposed estimate with an adjustment to the retail sales of General Outdoor Supplies.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(207.0)	0.0	(Insignificant)	0.0	(7.0)	0.0	(19.9)	0.0
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

	6% Sub-Total		Add: Local Option		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2023-24	(233.9)	0.0	(28.3)	0.0	(262.2)	0.0
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

	B	C	D	E	F	G	H
1	Governor's Proposed Language S. 10, Freedom Summer, (FIRST \$xxx (4 cat) and LESS than \$\$\$ (2 cat))						
2	14 Weeks						
3	99 Days						
4	14 Weeks						
5	5/27/2024 Start						
6	9/2/2024 End						
7							
8							
9	Summary						
10	Estimated Sales Tax Exemptions (Millions of Dollars)						
11	EXEMPTION TYPE	HIGH	MIDDLE	LOW	ADOPTED		
12	Admissions	(99.6)	(83.6)		(83.6)		
13	Retail sales	(150.3)	(150.3)		(150.3)		
14	Total	(249.9)	(233.9)		(233.9)		
15							
16							
17							
18	EXEMPTION CATEGORY	EXEMPTION TYPE	IMPACT	(\$ m)			
19	Admissions	Admissions	(83.6)				
20	Retail sales	Boating & water activity supplies	(10.7)				
21	Retail sales	Camping supplies	(8.7)				
22	Retail sales	Fishing supplies	(17.3)				
23	Retail sales	General outdoor supplies	(33.9)				
24							
25	Retail sales	Residential pool supplies	(25.6)				
26	Retail sales	Children's athletic equipment	(5.1)				
27	Retail sales	Children's toys	(49.0)				
28	Total		(233.9)				
29							

	A	B	C	D	E	F	G	H	I	J	K	L		
1	Proposed Language, Freedom Week Sales Tax Holiday (first \$xxx of sales price)													
2	14 weeks, May 27, 2024 - September 2, 2024													
3	ADMISSIONS													
4														
5	CPI Growth in Admissions	5.40%												
6	Industry	Total Industry Revenue (2023)	US Ticket Revenue (Est.)	Florida Ticket Revenue (Est.)				Number of Weeks Worth of Movie Tickets Sold During the Tax-Exempt Period						
7	Movie Theaters in the US	\$10,200,000,000	\$6,500,000,000	\$404,209,000					17	19				
8								Exempt Ticket Revenue:	132,145,250	147,691,750				
9								Expected Sales Tax Impact (6%):	7,928,715	8,861,505				
10														
11														
12		Total Industry Revenue (2023)	US Membership Revenue (Est.)	Florida Membership Revenue (Est.)				Number of Months Worth of Gym Memberships Sold During the Tax-Exempt Period						
13	Gym, Health & Fitness Clubs in the US	\$31,200,000,000	\$19,900,000,000	\$1,048,730,000					5	6				
14								Exempt Membership Revenue:	100,839,423	121,007,308				
15								Expected Sales Tax Impact (6%):	6,050,365	7,260,438				
16														
17														
18		Total Industry Revenue (2023)	US Ticket Sales - Live Music (Est.)	Florida Ticket Revenue (Est.)				Number of Months Worth of Concert Tickets Sold During the Tax-Exempt Period						
19	Concert & Event Promotion & Plays, Ballets, Musical Theatre, State Fairs, Cultural Events	\$35,700,000,000	\$22,300,000,000	\$1,645,294,000					5	6				
20								Exempt Ticket Revenue:	685,539,167	822,647,000				
21								Expected Sales Tax Impact (6%):	41,132,350	49,358,820				
22														
23														
24		Total Industry Revenue (2023)	US Ticket Sales - Admission (Est.)	Florida Ticket Revenue (Est.)				Number of Months Worth of Sporting Event Tickets Sold During the Tax-Exempt Period						
25	Live Sports Industry	\$39,300,000,000	\$13,100,000,000	\$1,076,977,200					5	6				
26								Exempt Ticket Revenue:	448,740,500	538,488,600				
27								Expected Sales Tax Impact (6%):	26,924,430	32,309,316				
28														
29														
30	Government	Total Individual and Family Annual Pass Revenue (FY22-23)	Total Daily Entrance Pass Revenue (FY22-23)				Number of Months Worth of Annual Passes Sold During the Tax-Exempt Period			Number of Weeks Worth of Single-Day Passes Sold During the Tax-Exempt Period				
31	Florida Parks	5,667,461	27,192,671				Exempt	4	5	14	16			
32							Exempt Pass Revenue:	1,889,154	2,361,442	7,321,104	8,366,976			
33	Source: State Park Trust Fund						Expected Sales Tax Impact (6%):	113,349	141,687	439,266	502,019			
34														
35														
36	Museums	Total Industry Revenue (2023)	For-Profit Museum Industry Revenue (US)	For-Profit Florida Membership Revenue (Est.)	For-Profit Florida Ticket Revenue (Est.)				Number of Months Worth of Membership Passes Sold During the Tax-Exempt Period			Number of Weeks Worth of Single-Day Passes Sold During the Tax-Exempt Period		
37										4	5	14	16	
38	Museum Industry	\$11,900,000,000	2,023,000,000	10,878,240	48,276,635				Exempt Pass Revenue:	3,626,080	4,532,600	12,997,556	14,854,349	
39									Expected Sales Tax Impact (6%):	217,565	271,956	779,853	891,261	
40														
41														
42														
43														
44	Total Sales Tax Impact	LOW	MIDDLE	HIGH										
45	FY2023-24	\$0	\$83,585,894	\$99,597,001										
46	FY2025-26	\$0	\$0	\$0										
47	FY2026-27	\$0	\$0	\$0										
48	FY2027-28	\$0	\$0	\$0										
49	FY2028-29	\$0	\$0	\$0										

	A	B	C	D	E	F	G	H
1	Governor's Proposed Language S. 10, Freedom Summer, (FIRST \$xxx (4 cat) and LESS than \$\$\$ (2 cat))					99 Days		
2						14 Weeks		
3	RETAIL SALES EXEMPTIONS					5/27/2024 Start		
4	SUMMARY					9/2/2024 End		
5	1. Total Taxable Sales							
6	Exempt Group	Category	Annual Expenditures (\$)					
7	Boating and water activity supplies	<ul style="list-style-type: none"> • Life jackets, coolers • Recreational pool tubes, pool floats, inflatable chairs, and pool toys • Safety flares • Snorkels, goggles, and swimming masks 	\$ 109.8	Effective sales tax		6.8%		
8	Boating and water activity supplies	<ul style="list-style-type: none"> • Water skis, wakeboards, and kneeboards and recreational inflatable water tubes or floats capable of being towed • Paddleboards and surfboards • Canoes & kayaks • Paddles, and oars 	\$ 280.1					
9	Camping supplies	<ul style="list-style-type: none"> • Camping lanterns and flashlights • Sleeping bags, portable hammocks, and camping stoves and collapsible camping chairs • Tents 	\$ 252.6					
10	Fishing supplies	<ul style="list-style-type: none"> • Rods and reels • Tackle boxes or bags • Bait or fishing tackle 	\$ 383.0					
11	General outdoor supplies	Insect repellent, sunscreen, sunglasses	\$ 235.5					
12	General outdoor supplies	Bicycles, bicycle helmets	\$ 742.0					
13	General outdoor supplies	Outdoor grills	\$ 184.9					
14	General outdoor supplies	<ul style="list-style-type: none"> • Water bottles • Hydration packs • Binoculars 	\$ 62.0					
15	Sports equipment	• Any item used in individual or team sports, not including clothing or footwear (\$40)						
16	Residential pool supplies	<ul style="list-style-type: none"> • Individual residential pool and spa replacement parts, nets, filters, lights, and cover (\$100 - first) • The combined sales price of all residential pool and spa chemicals (\$150 - first) 	\$ 1,026.8	Adopted at REC 2/18/2022 at double the proposed amount to account for retailers ot				
17		Florida Expenditures	\$ 3,276.5					

	A	B	C	D	E	F	G	H	
18									
19		2. Percent of Category that falls below price cap.	% of Category that falls below price cap						
20		% of Category that falls below price cap	Annual Expenditures (\$)	Low	Middle	High	Adopted	Previously adopted	
21		Boating and water activity supplies	\$ 389.8	25%	40%	50%	50%		
22		Camping supplies	\$ 252.6	30%	40%	50%	50%		
23		Fishing supplies	\$ 383.0	25%	30%	60%	50%		
24		General outdoor supplies	\$ 1,224.3	30%	60%	70%	40%	50%	
25		Sports equipment	\$ -	30%	40%	75%	50%	Proposed change	
26		Residential pool supplies	\$ 1,026.8	40%	50%	75%	60%		
27		Florida Expenditures	\$ 3,276.5						
28									
29		3. Annual expenditures below the cap.							
30		Annual expenditures (millions of \$)	Annual Expenditures (\$)	Low	Middle	High	Adopted		
31		Boating and water activity supplies	\$ 389.8	97.46	155.93	194.92	194.92		
32		Camping supplies	\$ 252.6	75.79	101.05	126.31	126.31		
33		Fishing supplies	\$ 383.0	95.75	114.90	229.79	191.49		
34		General outdoor supplies	\$ 1,224.3	367.28	734.56	856.98	489.71		
35		Sports equipment	\$ -	-	-	-	-		
36		Residential pool supplies	\$ 1,026.8	410.71	513.39	770.08	616.07		
37		Florida Expenditures	\$ 3,276.5	\$ 1,047.0	\$ 1,619.8	\$ 2,178.1	\$ 1,618.5		
38									
39		4. Weekly expenditures below the cap.							
40		Weekly expenditures (millions of \$)							
41			Weekly Expenditures (\$)	Low	Middle	High	Adopted		
42			Total Market						
42		Boating and water activity supplies	\$ 7.5	\$ 1.9	\$ 3.0	\$ 3.7	\$ 3.75		
43		Camping supplies	\$ 4.9	\$ 1.5	\$ 1.9	\$ 2.4	\$ 2.43		
44		Fishing supplies	\$ 7.4	\$ 1.8	\$ 2.2	\$ 4.4	\$ 3.68		
45		General outdoor supplies	\$ 23.5	\$ 7.1	\$ 14.1	\$ 16.5	\$ 9.42		
46		Sports equipment	\$ -	\$ -	\$ -	\$ -	\$ -		
47		Residential pool supplies	\$ 19.7	\$ 7.9	\$ 9.9	\$ 14.8	\$ 11.85		
48		Florida Expenditures	\$ 63.0	\$ 20.1	\$ 31.2	\$ 41.9	\$ 31.1		

	A	B	C	D	E	F	G	H
49								
50		5. Spending behavior (number of weeks of shopping induced)						
51		<u>Spending Behavior</u>	Low (LAW)	Middle	High	Adopted Expenditures	Adopted Weeks	Adopted Expenditures
52		# weeks	14	21	28		24	
53		Boating and water activity supplies	\$ 52.5	\$ 78.7	\$ 105.0	\$ 90.0	24	
54		Camping supplies	\$ 34.0	\$ 51.0	\$ 68.0	\$ 58.3	24	
55		Fishing supplies	\$ 51.6	\$ 77.3	\$ 103.1	\$ 88.4	24	
56		General outdoor supplies	\$ 131.8	\$ 197.8	\$ 263.7	\$ 226.0	24	
57		Sports equipment	\$ -	\$ -	\$ -	\$ -	24	
58		Residential pool supplies	\$ 165.9	\$ 248.8	\$ 331.7	\$ 284.3	24	
59		Florida Expenditures	\$ 435.7	\$ 653.6	\$ 871.5	\$ 747.0		-
60								
61								
62		6. Sales tax collections.						
63		<u>Sales Tax</u>	Low	Middle	High	Adopted UNDER CAP Sales Tax		
64		# weeks	14	21	28	24		
65		Boating and water activity supplies	\$ 3.1	\$ 4.7	\$ 6.3	\$ 5.4		
66		Camping supplies	\$ 2.0	\$ 3.1	\$ 4.1	\$ 3.5		
67		Fishing supplies	\$ 3.1	\$ 4.6	\$ 6.2	\$ 5.3		
68		General outdoor supplies	\$ 7.9	\$ 11.9	\$ 15.8	\$ 13.6		
69		Sports equipment	\$ -	\$ -	\$ -	\$ -		
70		Residential pool supplies	\$ 10.0	\$ 14.9	\$ 19.9	\$ 17.1		
71		Florida Expenditures	\$ 26.1	\$ 39.2	\$ 52.3	\$ 44.8		

	A	B	C	D	E	F	G	H	
72									
73			Incremental Sales Tax Based on Observed Price Distribution of Items						
74		7. Incremental impact with "first \$xxx of sales price"	Low	Middle	High	Adopted INCREMENTAL Sales Tax			
75		<u>"FIRST of" PRICE Incremental Impact</u>	14	21	28		"First" Factor (# Items above cap/# items below cap)		
76		Boating and water activity supplies	\$ 3.1	\$ 4.7	\$ 6.2	\$ 5.3	0.99		
77		Camping supplies	\$ 3.1	\$ 4.6	\$ 6.1	\$ 5.2	1.50		
78		Fishing supplies	\$ 7.0	\$ 10.5	\$ 14.0	\$ 12.0	2.26		
79		General outdoor supplies	\$ 11.9	\$ 17.8	\$ 23.7	\$ 20.3	1.50		
80		Sports equipment	\$ -	\$ -	\$ -	\$ -	0.00		
81		Residential pool supplies	\$ 5.0	\$ 7.5	\$ 10.0	\$ 8.5	0.50		
82									
83						\$ -			
84		Total	\$ 30.0	\$ 45.0	\$ 60.0	\$ 51.4			
85									
86		8. Total impact (UNDER price cap PLUS ABOVE)							
87			Low	Middle	High	Adopted TOTAL Sales Tax			
88		Boating and water activity supplies	\$ 6.3	\$ 9.4	\$ 12.5	\$ 10.7			
89		Camping supplies	\$ 5.1	\$ 7.7	\$ 10.2	\$ 8.7			
90		Fishing supplies	\$ 10.1	\$ 15.1	\$ 20.2	\$ 17.3			
91		General outdoor supplies	\$ 19.8	\$ 29.7	\$ 39.6	\$ 33.9			
92		Sports equipment	\$ -	\$ -	\$ -	\$ -			
93		Residential pool supplies	\$ 14.9	\$ 22.4	\$ 29.9	\$ 25.6			
94		Children's toys				\$ 49.0	Separate worksheet		
95		Children's athletic equipment				\$ 5.1	Separate worksheet		
96		Total	\$ 56.2	\$ 84.2	\$ 112.3	\$ 150.3			
97									
98									
99		Merchandise includes memorabilia, apparel, accessories, toys, movies, books, periodicals and packaged branded snacks.							
100			Low	Middle	High	Adopted TOTAL Sales Tax			
101		Total retail sales tax impact	\$ (56.2)	\$ (84.2)	\$ (112.3)	\$ (150.3)			
102									

	A	B	C	D	E	F	G	H	I	
1	Governor's Proposed Language S. 10, Freedom Summer, (FIRST \$xxx (4 cat) and LESS than \$\$\$ (2 cat))								99 Days	
2									14 Weeks	
3	RETAIL SALES EXEMPTIONS								5/27/2024 Start	
4	Camping, boating, fishing, water sports, and other sports equipment								9/2/2024 End	
5									100	
6	Consumer Expenditures by Category					Estimates	FL population growth, FY ending			
7							FL households growth, FY ending			
8							FL Pers. Income growth			
9		United States	South	Florida		2022	2023	2024	2025	
10	Number of Consumer Units	134,090,000	52,034,000	9,200,869.00		1.7	1.6	1.5	1.4	
11	Florida FTE Visitors (converted to CUs)			871,532		1.8	1.7	1.5	1.4	
12	Average number in consumer unit:	2.4	2.4	2.3		4.9	7.8	5.6	5.9	
13	Income after taxes per Consumer Unit (\$)	83,195	75,370	75,370						
14	Average annual expenditures per Consumer Unit (\$)	72,967	65,576	55,533						
15										
16	Average annual expenditures per Consumer Unit (Household)									
17										
18	Camping equipment	0.0001972	6.83	18.41	15.59	164,804,845	177,619,526	187,504,248	198,498,725	
19	% of average annual expenditures	0.00936%	0.00936%	0.0281%	0.0281%					
20	<ul style="list-style-type: none"> Camping lanterns and flashlights Sleeping bags, portable hammocks, and camping stoves and collapsible camping chairs Tents 									
21	West									
22	Hunting and fishing equipment		30.67	78.69	66.64	704,267,904	759,029,452	801,270,274	848,253,464	
23	% of average annual expenditures	0.042032%	0.0420%	0.1200%	0.1200%					
24	Fishing only (share from FW survey, 48.22%)			0.120%		339,597,983.55	366,004,002	386,372,526	409,027,820	
25	0.4822 South									
26	<ul style="list-style-type: none"> Rods and reels Tackle boxes or bags Bait or fishing tackle 									
27										
28	Hunting and fishing equipment - INCREMENTAL for tackle boxes									
29		0.74	0.66	0.56		5,947,562	6,410,025	6,766,750	7,163,524	
30	% of average annual expenditures	0.001%	0.0010%	0.0010%	0.0010%					
31	Assumed 5% of fishing equipment	5.000%								
32										
33	Water sports equipment		12.10	10.88	9.21	97,335,616	104,904,112	110,742,141	117,235,605	
34	% of average annual expenditures	0.016585%	0.0166%	0.0166%	0.0166%					
35	<ul style="list-style-type: none"> Life jackets, coolers Recreational pool tubes, pool floats, inflatable chairs, and pool toys Safety flares Snorkels, goggles, and swimming masks 									
36										

	A	B	C	D	E	F	G	H	I
37	Un-motored recreational vehicles/ Boats without motor and boat trailers								
38			30.88	27.75	23.50	248,337,987	267,647,929	282,542,830	299,109,978
39	% of average annual expenditures								
		0.04%	0.0423%	0.0423%	0.0423%				
40	<ul style="list-style-type: none"> • Water skis, wakeboards, and kneeboards and recreational inflatable water tubes or floats capable of being towed • Paddleboards and surfboards • Canoes & kayaks • Paddles, and oars 								
41									
42	Other sports equipment								
			6.83	6.14	5.20	54,934,948	59,206,509	62,501,416	66,166,242
43	% of average annual expenditures								
		0.0094%	0.0094%	0.0094%	0.0094%				
44	<ul style="list-style-type: none"> • Water bottles • Hydration packs • Binoculars 								
45									
46	Bicycles								
			60.59	54.45	46.11	657,904,320	709,060,789	748,520,800	792,410,978
47	% of average annual expenditures								
		0.0830%	0.0830%	0.0830%	0.0830%				
48	• Bicycles								
49									
50	Bicycle helmets								
		0.05	3.03	2.72	2.31	24,366,827	26,261,511	27,722,993	-
51	% of bicycle expenditures (assumed 5%)								
		0.004%	0.0042%	0.0042%	0.0042%				
52	• Bicycle Helmets								
53									
54	Miscellaneous household equipment - Other household appliances								
			20.38	18.32	15.51	163,920,095	176,665,980	186,497,636	197,433,090
55	% of average annual expenditures								
		0.0279%	0.0279%	0.0279%	0.0279%				
56	• Outdoor Gas or Charcoal Grills								
57									
62	Source: US Bureau of Labor Statistics, Table 1800. Region of residence: Average annual expenditures and characteristics, Consumer Expenditure Survey, 2021, 2022.								
63	Table R-1. All consumer units: Annual detailed expenditure means, std. errors, coeff. of variation, & weekly (D) or quarterly (I) percents reporting, Consumer Expenditure Surveys, 2021, 2022.								
64									

	A	B	C	D	E	F
1		Governor's Proposed Language S. 10, Freedom Summer, (FIRST \$xxx (4 cat) and LESS than \$\$\$ (2 cat))			99 Days	
2					14 Weeks	
3		RETAIL SALES EXEMPTIONS			5/27/2024 Start	
4		Swimming pool equipment & supplies			9/2/2024 End	
5						
6		Florida share of US population				
7			July 1, 2022 Population			
8		United States	333,287,557			
9		Florida	22,541,903			
10		Florida's share of US total	6.8%			
11		FTE visitors	2,004,523			
12		Plus adjustment for FTE visitors	7.4%			
13						
14		Source: US Census Bureau, Annual Estimates of the Resident Population for the United States, Regions, States, and the District of Columbia.				
15						
16			2022	2023	2024	2025
17		FL population growth, FY ending, FDEC	1.7	1.6	1.5	1.4
18						
19		Swimming pool retail stores - U.S.				
20			FY ending:	% of Total	2023	2024
21					2025	
22		Total revenue (2022 \$ m)			5,712	5,799
23		Sales to homeowners (excluding commercial or government purchases from retail stores)	100%		5,712	5,799
24		Pool chemicals	46%		2,599	2,639
25		Pool equipment & recreational items	30%		1,731	1,757
26		All other products	24%		1,382	1,403
27		Source: IBISWorld Reports, INDUSTRY REPORT OD4853 Swimming Pool Equipment Stores, September 2023.				
28		Florida share based on housing starts			FY2023-24	FY2024-25
29		US Housing starts			1,359,080	1,389,815
30		FL Housing starts			169,758	170,947
31		FL % of US			12%	12%
32		FL swimming pool retail stores revenue (annual) (\$ m)			549.1	548.3
33						
34						

	A	B	C	D	E	F
35		Swimming pool retail stores - U.S.				
36		Categories & Items Included				
		Pool equipment & recreational items				
37		pool covers, reels and liners, slides, ladders, diving boards and other miscellaneous equipment				
38		swimming pool floats, games, lounges, masks, fins and fitness items, among more. This segment also includes a variety of backyard and patio furniture, pool and deck paint and other swimming pool related items				
39		Pool chemicals				
40		chlorine, algae control, water clarifiers, stain removers and tile cleaners				
41		All other products				
42		above ground pools, spas and hot tubs				
43						

	A	B	C	D	E	F	G
1	Governor's Proposed Language S. 10, Freedom Summer, (FIRST \$xxx (4 cat) and LESS than \$\$\$ (2 cat))						99 Days
2							14 Weeks
3	RETAIL SALES EXEMPTIONS						5/27/2024 Start
4	Outdoor items						9/2/2024 End
5							
6	Florida share of US population						
7	July 1, 2023 Population						
8	United States		333,287,557				
9	Florida		22,541,903				
10	Florida's share of US total		6.8%				
11	Plus adjustment for FTE visitors		7.4%				
12	Source: US Census Bureau, Annual Estimates of the Resident Population for the United States, Regions, States, and the District of Columbia: April 1, 2020 to July 1, 2022						
13							
14	FL population growth, FY ending, FDEC		2022	2023	2024	2025	
15			1.71	1.64	1.53	1.41	
16							
17	Insect repellent		IBIS Data	EDR Estimate	EDR Estimate		
18	United States		FY 2022-23	FY 2023-24	FY 2024-25		
19	Domestic demand (\$)		517,215,427	525,144,721	532,545,635	<i>FDEC population growth</i>	
20	Source: IBISWorld Reports, US INDUSTRY (SPECIALIZED) REPORT OD4948, Insect Repellent Manufacturing, Constant buzz: Eco-conscious, natural products will be the industry's saving grace going forward, January 2022.						
21							
22			FY 2024-25				
23	Florida insect repellent demand		39,221,663				
24							
25	Sunscreen		IBIS Data	EDR Estimate	EDR Estimate		
26	United States		FY 2022-23	FY 2023-24	FY 2024-25		
27	Domestic demand (\$)		861,000,000	874,199,766	886,519,946		
28	Source: IBISWorld, US INDUSTRY (SPECIALIZED) REPORT OD4244, Sunscreen Manufacturing Sunny outlook: A return to outdoor gatherings and activities will drive demand for sunscreen, September 2023.						
29			FY 2024-25				
30	Florida sunscreen demand		65,291,656				

	A	B	C	D	E	F	G
31							
32		Sunglasses stores	EDR Estimate	EDR Estimate			
33		United States	FY 2022-23	FY 2023-24	FY 2024-25		
34		Domestic demand (\$)	1,938,350,828	1,968,067,178	1,995,803,335		<i>FDEC population growth</i>
35		Source: IBISWorld, US INDUSTRY (SPECIALIZED) REPORT OD4229, Sunglasses Stores, Bright lights: Industry revenue is expected to grow as the economy rebounds from the pandemic, February 2021.					
36							
37			FY 2024-25				
38		Florida sunglass store revenues	146,989,704				
39			FY 2024-25				
40		Florida - Other sports equipment	66,166,242				
41		Source: US Bureau of Labor Statistics, Table 1800. Region of residence: Average annual expenditures and characteristics, Consumer Expenditure Survey, 2021.					
42							
43			FY 2024-25				
44		Florida total outdoor sales	317,669,265				

	B	C	D	E	F	G	H	I	J
3	Governor's Proposed Language S. 10, Freedom Summer, (FIRST \$xxx (4 cat) and LESS than \$\$\$ (2 cat))								99 Days
4	Children's Athletic Equipment								14 Weeks
5									5/27/2024 Start
6									9/2/2024 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		<i>FDEC growth in population</i>	1.67%	1.71%	1.64%	1.53%	1.41%		
19		<i>FDEC growth in resident households</i>	1.70%	1.84%	1.71%	1.50%	1.43%		
20		<i>FEEC growth in personal income</i>	8.02%	4.92%	7.78%	5.57%	5.86%		
21									
22									
23		AGGREGATE EXPENDITURE CALCULATIONS							
24	III.	FLORIDA CONSUMER EXPENDITURES							
25		Florida Consumer Expenditures	ACTUAL	FORECAST					
26			FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25		
27			2020-2021 Avg.						
28	Florida	Number of Consumer Units	9,200,869	9,370,371	9,530,940	9,673,910	9,812,050		
29		<i>by growth in households</i>							
30									
31	Florida	Income before taxes per Consumer Unit	\$72,775.52	\$76,359	\$82,296	\$86,876	\$91,970		
32		<i>by growth in personal income</i>							
33									
34	Florida	Average annual expenditures per Consumer Unit	\$55,533	\$58,267	\$62,798	\$66,293	\$70,180		
35		<i>constant share (2020-2021) of income before taxes</i>							
36									
37	Florida	Aggregate income before taxes	\$669,598,025,927	\$715,510,886,972	\$784,360,874,874	\$840,432,187,832	\$902,416,422,182		
38									
39	Florida	Aggregate expenditures**	\$510,949,925,995	\$545,984,636,440	\$598,521,972,067	\$641,308,288,778	\$688,606,576,299		
40		<i>constant share (2020-2021) of income before taxes</i>	76.3%	76.3%	76.3%	76.3%	76.3%		
41		** Includes state and local sales tax							

	B	C	D	E	F	G	H	I	J
3	Governor's Proposed Language S. 10, Freedom Summer, (FIRST \$xxx (4 cat) and LESS than \$\$\$ (2 cat))								99 Days
4	Children's Athletic Equipment								14 Weeks
43									
44	IV. EXPENDITURE CALCULATIONS								
45									
46	Num	CE CATEGORY	ITEM	% of Expenditures adj. % of category	Percent Exempted During Holiday	FY 2023-24			
						Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily	
47	1	Sports, recreation, and exercise equipment	Athletic gear, game tables, and exercise equipment	0.11300%	15.00000%	\$109,327,639	\$6,559,658	\$17,972	
48	1	Sports, recreation, and exercise equipment	Bicycles	0.08304%	0.00000%	\$0	\$0	\$0	Eliminated overlap with
49	1	Sports, recreation, and exercise equipment	Scooters and other single-rider transportation	0.00012%	50.00000%	\$385,505	\$23,130	\$63	
50	1	Sports, recreation, and exercise equipment	Winter sports equipment	0.01603%	5.00000%	\$5,171,350	\$310,281	\$850	
51	1	Sports, recreation, and exercise equipment	Water Sports Equipment	0.01659%	30.00000%	\$32,093,285	\$1,925,597	\$5,276	
52	1	Sports, recreation, and exercise equipment	Other Sports Equipment	0.00936%	50.00000%	\$30,188,307	\$1,811,298	\$4,962	
53									
54									
55	A. Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)								
56				Days	Sales Tax (State)				
57	Holiday duration			140	\$4,077,246.90				
58	Additional days - time shifting of purchases			0	\$0				
59	Total consumer purchases for days impacted			140	\$4,077,247				
60									
61	B. Other Florida purchases								
62				Factors	Sales Tax (State)				
63	Business purchases factor			0.28018	\$1,142,358				
64	Visitor purchases factor			0.00210	\$8,568				
65	Total Other Florida purchases				\$1,150,926				
66									
67	A. & B. Total Florida purchases				\$5,228,173				
68									
69	Bill language conditions & exclusions*			0.970					
70	SALES TAX IMPACT					\$5,071,328			
71									
72									
73									
74									
75	TOTAL IMPACT								
76	V. TOTAL IMPACT					Middle			
77	Sales Tax								
78	Children's Athletic Equipment					\$ 5,071,328			
79	Total					\$ 5,071,328			

	A	B	C	D	E	F	G	H	I	J	K	
3				Governor's Proposed Language S. 10, Freedom Summer, (FIRST \$xxx (4 cat) and LESS than \$\$\$ (2 cat))							99 Days	
4				Children's Toys							14 Weeks	
5											5/27/2024 Start	
6											9/2/2024 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				<i>FDEC growth in population</i>	1.67%	1.71%	1.64%	1.53%	1.41%			
19				<i>FDEC growth in resident households</i>	1.70%	1.84%	1.71%	1.50%	1.43%			
20				<i>FEEC growth in personal income</i>	8.02%	4.92%	7.78%	5.57%	5.86%			
21												
22												
23				AGGREGATE EXPENDITURE CALCULATIONS								
24				III. FLORIDA CONSUMER EXPENDITURES								
25				Florida Consumer Expenditures	ACTUAL	FORECAST						
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 <i>by growth in households</i>	9,200,869	9,370,371	9,530,940	9,673,910	9,812,050			
29												
30												
31	CE		Florida	Income before taxes per Consumer Unit <i>by growth in personal income</i>	\$72,775.52	\$76,359	\$82,296	\$86,876	\$91,970			
32												
33												
34	CE		Florida	Average annual expenditures per Consumer Unit <i>constant share (2020-2021) of income before taxes</i>	\$55,533	\$58,267	\$62,798	\$66,293	\$70,180			
35												
36												
37	Calculated		Florida	Aggregate income before taxes	\$669,598,025,927	\$715,510,886,972	\$784,360,874,874	\$840,432,187,832	\$902,416,422,182			
38												
39	Calculated		Florida	Aggregate expenditures** <i>constant share (2020-2021) of income before taxes</i>	\$510,949,925,995 76.3%	\$545,984,636,440 76.3%	\$598,521,972,067 76.3%	\$641,308,288,778 76.3%	\$688,606,576,299 76.3%			
40												
41				** Includes state and local sales tax								

	A	B	C	D	E	F	G	H	I	J	K
3	Governor's Proposed Language S. 10, Freedom Summer, (FIRST \$xxx (4 cat) and LESS than \$\$\$ (2 cat))										99 Days
4	Children's Toys										14 Weeks
43											
44	EXPENDITURE CALCULATIONS										
45					% of Expenditures		FY 2023-24				
46	ITEMS SPECIFIED IN BILL		CE CATEGORY	CE SUBCATEGORY/ ITEM	adj. % of category	Percent Exempted During Holiday	Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily		
47			Toys, hobbies, and playground equipment	Toys, games, arts and crafts, and tricycles [D]	0.29710%	91.00%	\$1,743,873,933	\$104,632,436	\$286,664		
48			Toys, hobbies, and playground equipment	Playground equipment [I]	0.01086%	15.00%	\$10,509,828	\$630,590	\$1,728		
49			Other entertainment supplies, equipment, and services	Un-motored recreational vehicles [I]	0.25000%	1.50%	\$24,188,507	\$1,451,310	\$3,976		
50			Other entertainment supplies, equipment, and services	Motorized recreational vehicles [I]	0.51847%	7.50%	\$250,819,142	\$15,049,149	\$41,231		
51			Audio and visual equipment and services	Musical instruments and accessories [I]	0.05108%	10.00%	\$32,951,033	\$1,977,062	\$5,417		
52			Sports, recreation, and exercise equipment	Bicycles [I]	0.08384%	0.00%	\$0	\$0	\$0	Eliminated overlap with General Outdoor	
53			Sports, recreation, and exercise equipment	Scooters and other single-rider transportation [D]	0.00012%	0.00%	\$0	\$0	\$0		
54											
55	A. Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)										
56					Days	Sales Tax (State)					
57	Holiday duration				140	\$47,462,127.44					
58	Additional days - time shifting of purchases				0	\$0.00					
59	Total consumer purchases for days impacted				140	\$47,462,127					
60											
61	B. Other Florida purchases										
62					Factors	Sales Tax (State)					
63	Business purchases factor (25%)				0.03502	\$1,662,235					
64	Visitor purchases factor				0.05253	\$2,493,353					
65	Total Other Florida purchases					\$4,155,589					
66											
67	A. & B. Total Florida purchases					\$51,617,716					
68											
69	Bill language conditions & exclusions*				0.950						
70	SALES TAX IMPACT					\$49,036,830					
71											
72											
73											
74											
75											
76	V. TOTAL IMPACT				TOTAL IMPACT						
77						Middle					
78	Other entertainment supplies, equipment, and services					\$ 49,036,830					
79	Total					\$ 49,036,830					

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Over the Counter Pet Medications – Permanent Exemption

Bill Number(s): Governor's Proposed Language

Entire Bill

Partial Bill: Section 1

Sponsor(s):

Month/Year Impact Begins: July 1, 2024

Date(s) Conference Reviewed: 12/15/2023

Section 1: Narrative

- a. Current Law:** Medical products and supplies used in the cure, mitigation, alleviation, prevention, or treatment of injury, disease, or incapacity that are temporarily or permanently incorporated into a patient or client or an animal by a licensed practitioner or a licensed veterinarian are exempt. Current law does not exempt other the counter pet medication from sales tax. Statute defines “domestic animal” as a dog, cat or another animal that is domesticated and may be kept as a household pet. The term does not include livestock or other farm animal (s. 768.139, F.S.) There are also requirements for personal possession of wildlife and what can be possessed as a personal pet (s. 379.3762).
- b. Proposed Change:** The proposed language adds over-the-counter pet medications to the list of permanent exemptions under s. 212.08(7), F.S. as exemption (vvv).

The proposed language does not have a price cap. It does not contain a definition of the term pet.

Section 2: Description of Data and Sources

US Bureau of Labor Statistics (BLS) – Consumer Expenditure Survey

Florida Economic Estimating Conference – 7/23

National Economic Estimating Conference – 7/23

Florida Demographic Estimating Conference 7/23

Section 3: Methodology (Include Assumptions and Attach Details)

For purposes of this analysis, a pet is considered to be the commonly domesticated animals including: dogs, cats, and certain types of fish, birds, rodents (or similar small mammals), reptiles and amphibians.

The American Pet Products Association considers the following animals pets:

- Dogs
- Cats
- Fish
- Birds
- Small Animals
- Reptiles
- Horses

The Consumer Expenditure Survey provides an estimate of the percentage of expenditures spent on pet supplies. Products in this segment include over-the-counter medicines, food bowls, collars and leashes, pet clothing, brushes and combs, shovels and scoopers, cat litter, cages birds and reptiles, travel carriers and other various accessories for pets. The analysis estimates a third of the category is made up by OTC medicines. As veterinary offices may also sell OTC medications, a part of consumer expenditure on pet veterinary services is also included.

Other adjustments include business and visitor purchases. Bill language conditions & exclusions were also factored in. These includes price limits and other price exclusions, certain tourism-related dealers, impulse purchases, and other bill language exclusions not explicitly accounted for elsewhere.

The impact is grown by the personal income growth rate from the FEEC.

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Over the Counter Pet Medications – Permanent Exemption

Bill Number(s): Governor's Proposed Language

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			(\$29.2)	(\$31.8)		
2025-26			(\$33.4)	(\$33.4)		
2026-27			(\$35.0)	(\$35.0)		
2027-28			(\$36.7)	(\$36.7)		
2028-29			(\$38.3)	(\$38.3)		

Revenue Distribution: Sales and Use Tax

Section 5: Consensus Estimate (Adopted: 12/15/2023) The Conference adopted the proposed estimate with an adjustment to items excluded.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(23.5)	(25.6)	(Insignificant)	(Insignificant)	(0.8)	(0.9)	(2.2)	(2.4)
2025-26	(26.8)	(26.8)	(Insignificant)	(Insignificant)	(0.9)	(0.9)	(2.6)	(2.6)
2026-27	(28.2)	(28.2)	(Insignificant)	(Insignificant)	(0.9)	(0.9)	(2.7)	(2.7)
2027-28	(29.5)	(29.5)	(Insignificant)	(Insignificant)	(1.0)	(1.0)	(2.8)	(2.8)
2028-29	(30.8)	(30.8)	(Insignificant)	(Insignificant)	(1.0)	(1.0)	(3.0)	(3.0)

	6% Sub-Total		Add: Local Option		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(26.5)	(28.9)	(3.2)	(3.5)	(29.7)	(32.4)
2025-26	(30.3)	(30.3)	(3.7)	(3.7)	(34.0)	(34.0)
2026-27	(31.8)	(31.8)	(3.8)	(3.8)	(35.6)	(35.6)
2027-28	(33.3)	(33.3)	(4.0)	(4.0)	(37.3)	(37.3)
2028-29	(34.8)	(34.8)	(4.2)	(4.2)	(39.0)	(39.0)

	A	B	C	D	E	F	G	H	I	J
1	Governor's Proposed Language, Section 1								365 Days	
2	Over-the-Counter Pet Medications - Permanent								Weeks	
3									7/1/2024 Start	
4										
5										
6	I. GENERAL PURCHASING ASSUMPTIONS									
7	ADJUSTMENT FACTORS									
8	Business purchases factor based on Florida Sales Tax Contributions from Businesses				0.2802					
9	Tourists purchases factor based on Florida Sales Tax Contributions from Tourists				0.2101					
10	Bill language conditions & exclusions*				1.00					
11	Effective sales tax factor (State + Local Option)				6.8%					
12	* Includes price limits and other price exclusions, certain tourism-related dealers, impulse purchases, and other bill language exclusions not explicitly accounted for elsewhere.									
13										
14	II. GROWTH RATE ASSUMPTIONS									
15						FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
16	<i>FDEC growth in population</i>					1.67%	1.71%	1.62%	1.45%	1.35%
17	<i>FDEC growth in resident households</i>					1.70%	1.84%	1.71%	1.50%	1.43%
18	<i>FEEC growth in personal income</i>					8.02%	4.92%	7.78%	5.57%	5.86%
19	<i>CPI growth (June to June)</i>									
20	<i>Actuals to June 2023 and NEEC</i>					5.39%	9.06%	2.97%	2.79%	2.49%
21	AGGREGATE EXPENDITURE CALCULATIONS									
22	III. FLORIDA CONSUMER EXPENDITURES									
23	Florida Consumer Expenditures					ACTUAL	FORECAST			
24						FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
25						2020-2021 Avg.				
26	CE	Florida	Number of Consumer Units <i>by growth in households</i>			9,200,869	9,370,371	9,530,940	9,673,910	9,812,050
27										
28										
29	CE	Florida	Income before taxes per Consumer Unit <i>by growth in personal income</i>			\$72,775.52	\$76,359	\$82,296	\$86,876	\$91,970
30						<i>CPI Index</i>	\$79,369	\$78,626	\$84,591	\$89,043
31										
32	CE	Florida	Average annual expenditures per Consumer Unit <i>constant share (2020-2021) of income before taxes</i>			\$55,533	\$58,267	\$62,798	\$66,293	\$70,180
33						<i>CPI Index</i>	\$60,564	\$59,997	\$64,549	\$67,946
34										
35	Calculated	Florida	Aggregate income before taxes			669,598,025,927	715,510,886,972	784,360,874,874	840,432,187,832	902,416,422,182
36										
37	Calculated	Florida	Aggregate expenditures**			\$510,949,925,994.51	\$545,984,636,440	\$598,521,972,067	\$641,308,288,778	\$688,606,576,299
38						<i>constant share (2020-2021) of income before taxes</i>	76.3%	76.3%	76.3%	76.3%
39	** Includes state and local sales tax									

	A	B	C	D	E	F	G	H	I	J
1	Governor's Proposed Language, Section 1									365 Days
2	Over-the-Counter Pet Medications - Permanent									Weeks
40										
41	IV. EXPENDITURE CALCULATIONS									
42					Expenditures		FY 2024-25			
43	Bill Item	Num	CE CATEGORY	ITEM	adj. % of category	Percent of category Exempted under Proposed Language	Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily	
44	Pet medications - OTC	1	Pets	Pet purchase, supplies, and medicine [I]	0.14951%	33.0%	\$342,651,539	\$20,559,092.31	\$56,326.28	
45	Reduced to only capture OTC medications based on items below (analyst judgment)									
46	Pet store products (IBIS World)				Pet supplies	67%				
47					2023 Live animals	9%				
48					Other	24%				
49										
50	Pet supplies (IBIS World definition)		Products in this segment include over-the-counter medicines, food bowls, collars and leashes, pet clothing, brushes and combs, shovels and scoopers, cat litter, cages birds and reptiles, travel carriers and other various accessories for pets.							
51										
52	A. Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)									
53			Days	Sales Tax (State)						
54	Holiday duration		365	\$20,559,092						
55	Additional days - time shifting of purchases		-	\$0						
56	Total consumer purchases for days impacted		365	\$20,559,092						
57										
58	B. Other Florida purchases									
59			Factors	\$0						
60	Business purchases factor		0.280	\$5,760,223						
61	Visitor purchases factor		0.002	\$43,202						
62	Total Other Florida purchases			\$5,803,424						
63										
64	A. & B.		Total Florida purchases	\$26,362,517						
65										
66	Bill language conditions & exclusions*		0.900			No price cap				
67	SALES TAX IMPACT			\$23,726,265						
68										

	A	B	C	D	E	F	G	H	I	J
1	Governor's Proposed Language, Section 1									365 Days
2	Over-the-Counter Pet Medications - Permanent									Weeks
69										
70	Bill Item	CE CATEGORY	ITEM		Percent of category Exempted under Proposed Language	Taxable Expenditures	Sales Tax-Annual	Sales Tax-Daily		
71	Pet medications - OTC	2 Vet services [D]	Pet medications OTC - through vet offices	0.26886%	4.0%	\$74,688,761	\$4,481,325.67	\$12,277.60		
72			<i>Reduced to only capture OTC medications</i>							
73			A. Florida Resident Consumer purchases (happening on average regardless of sales tax holiday)							
74				Days	\$0					
75			Holiday duration	365	\$4,481,326					
76			Additional days - time shifting of purchases	-	\$0					
77			Total consumer purchases for days impacted	365	\$4,481,326					
78										
79			B. Other Florida purchases - level shifting of purchases							
80				Factors	\$0					
81			Business purchases factor	0.280	\$1,255,573					
82			Visitor purchases factor	0.002	\$9,417					
83			Total Other Florida purchases		\$1,264,989					
84										
85			A. & B. Total Florida purchases		\$5,746,315					
86										
87			Bill language conditions & exclusions*	0.900						<i>No price cap</i>
88			SALES TAX IMPACT		\$5,171,684					
89										
90										
91										
92			V. TOTAL IMPACT							
93			TOTAL IMPACT							
94					Middle	Adopted TOTAL Sales Tax				
95			Pet purchase, supplies, and medicine [I]		\$ 23,726,265					
96			Pet medications OTC - through vet offices		\$ 5,171,684					
97			Total SALES TAX IMPACT: PET OTC MEDICATIONS		\$ 28,897,949	\$ -	\$ 481,632,476.24			
98										
99				2024-25	2025-26	2026-27	2027-28	2028-29		
100			FEEC growth in personal income		5.0%	4.8%	4.7%	4.4%		
101			Sales tax impact	\$ (28.9)	\$ (30.3)	\$ (31.8)	\$ (33.3)	\$ (34.8)		
102										
103										

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Back-to-School Holiday, 2x14 Days, \$100 Clothing/\$50 Supplies/\$1,500 or less Computers/\$150 or less graphing calculators

Bill Number(s): Governor - Section 8

Entire Bill

Partial Bill: Section 8

Sponsor(s): Governor

Month/Year Impact Begins: The sales tax holiday will affect July and August 2024 activity and, subsequently, August and September collections.

Date(s) Conference Reviewed: 12/15/2023

Section 1: Narrative

a. Current Law:

Under current law in Ch. 212, F.S., clothing, school supplies, learning aides and jigsaw puzzles, and computers and related accessories purchased in store or online are subject to the 6% Sales and Use Tax.

b. Proposed Change:

Duration: The sales tax holiday is proposed for a 14-day period beginning on July 22 through August 4, 2024 and for a 14-day period beginning on January 1 through January 14, 2025.

Clothing: The bill exempts sales of “clothing, wallets, or bags, including handbags, backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags” from the Sales and Use Tax as long as the sales price of the item does not exceed \$100. Clothing is defined as “any article of wearing apparel intended to be worn on or about the human body, excluding watches, watchbands, jewelry, umbrellas, and handkerchiefs,” and including all footwear except for “skis, swim fins, roller blades, and skates.”

School Supplies: During this same period, sales of school supplies having a sales price of \$50 or less per item are exempt from the Sales and Use Tax. School supplies are defined as “pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, binders, lunch boxes, construction paper, markers, folders, poster board, composition books, poster paper, scissors, cellophane tape, glue or paste, rulers, computer disks, staplers and staples used to secure paper products, protractors, compasses, and calculators.”

Learning aids and jigsaw puzzles: Also exempt are learning aids and jigsaw puzzles having a sales price of \$30 or less. The term “learning aids” means “flashcards or other learning cards, matching or other memory games, puzzle books and search-and-find books, interactive or electronic books and toys intended to teach reading or math skills, and stacking or nesting blocks or sets.”

NEW ITEM: Graphing calculators: Graphing calculators of \$150 or less per item are also exempt. The terms means a handheld computer that is capable of plotting graphs, solving simultaneous equations, and performing other tasks with variables.

Computers: Also exempt are personal computers or personal computer-related accessories purchased for noncommercial home or personal use, selling for less than \$1,500 per item. Exempted items include “electronic book readers, laptops, desktops, handhelds, tablets, and tower computers” and related accessories including “keyboards, mice, personal digital assistants, monitors (not including devices with a television tuner), other peripheral devices, modems, routers, and nonrecreational software, regardless of whether the accessories are used in association with a personal computer base unit.” The exemption does not apply to “cellular telephones, video game consoles, digital media receivers, or devices that are not primarily designed to process data.” Related accessories do not include “furniture or systems, devices, software, monitors with a television tuner, or peripherals designed or intended primarily for recreational use.”

The tax exemptions do not apply to sales within a theme park or entertainment complex, as defined in 509.013(9), Florida Statutes, within a public lodging establishment, as defined in 509.013(4), Florida Statutes or within an airport, as defined in 330.27(2), Florida Statutes.

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

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Back-to-School Holiday, 2x14 Days, \$100 Clothing/\$50 Supplies/\$1,500 or less Computers/\$150 or less graphing calculators

Bill Number(s): Governor - Section 8

Section 2: Description of Data and Sources

- REC Impact for Back-to-School Sales Tax Holiday - 2 * 2 Weeks, Governor's Proposed Language - Section 11, 4/14/2023, <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/pdf/page448-456.pdf>
- REC Impact for Back-to-School Sales Tax Holiday - 2 * 2 Weeks, Governor's Proposed Language - Section 11, 2/17/2023, <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/pdf/page134-142.pdf>,
- REC Impact for CS/HB 7071, Section 43, School Sales Tax Holiday, 14 Days, \$100 Clothing/\$50 Supplies/\$1,500 or Less Computers, Revenue Estimating Impact Conference, 6/3/2022, <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2022/pdf/page726-733.pdf>
- Clothing and Shoes expenditures forecast, December 2023 National Economic Estimating Conference.
- Consumer Computer expenditures forecast, December 2023 National Economic Estimating Conference.
- U.S. Population (total and 65+), 3rd Quarter estimates, December 2023 National Economic Estimating Conference.
- Florida Population (total and 65+), 3rd Quarter estimates, November 2023 Demographic Estimating Conference.
- Estimates of Florida public school enrollment, August 2023 K-12 Enrollment Estimating Conference.
- Estimates of Florida private school enrollment, Private School Annual Report 2022-2023 (Florida Department of Education). Available at <http://www.fldoe.org/schools/school-choice/private-schools/annual-reports.stml>.
- Estimates of Florida public and private college/university fall enrollment, Integrated Postsecondary Education Data System (National Center for Education Statistics). Available at www.nces.ed.gov/ipeds. Estimates include Florida College System institutions, State Universities, career centers, and private institutions eligible to participate in the EASE or ABLE tuition assistance programs. Last accessed 12/13/2023.

Section 3: Methodology (Include Assumptions and Attach Details)

NOTE: The methodology below offers some incremental modifications to deriving taxable expenditures from consumer expenditure estimates.

Clothing/Shoes/Backpacks: Florida expenditures for clothing and shoes are derived from total national expenditures for clothing and shoes using Florida population (adjusted for ages 65+). The total Florida annual expenditures are converted to a 1-day amount and assume that 55% of the expenditures would be under the \$100 limit. Backpacks are assumed to be included in clothing. Backpacks are included in the clothing total. An advantage buying factor is also applied.

This impact is built to eliminate the overlap with other sales tax holidays. The overlap between HB 7063 Section 17, baby & toddler clothing and baby diapers (permanent) and Back-to-School clothing (2 x 2 weeks) is eliminated here for the July – August period and the January period since the two holidays will overlap. The clothing estimate in Back-to-School is reduced to exclude baby and toddler clothing and baby diapers for all four weeks of the holiday. Baby diapers are considered clothing in the DOR TIP and in the Consumer Expenditure Survey. Adult diapers are not considered clothing in the Consumer Expenditure Survey. Adult diapers are included under medical supplies.

School Supplies: For school supplies (including staplers), an amount of expenditures is assumed per student, by grade level. The per student expenditure is multiplied by the estimated number of students enrolled in public or private elementary and secondary schools, Florida Colleges, State Universities, public technical colleges/career centers, and private colleges/universities. The estimated total expenditure by students is increased for advantage business spending by 20% and an additional 10% is added for the extended list. It is assumed that 90% of expenditures would be under the \$50 limit.

There may potentially exist an overlap between children's toys, as part of Freedom Summer, and school supplies, specifically pencils, markers, crayons, pencil sharpeners. There is no overlap in the second period in January 2024, so the Back-to-School impact for this category remains. The overlap may be minimal and smaller than estimated here since items used for arts and crafts and items required on school supply lists are not necessarily the same type. The original Governor's proposed language in the 2023 session included certain school supplies in children's toys, specifically art supplies. The Toy Industry Association's definitions and categorization also include such items in "toys." The REC 4/14/2023 agreed not to reduce the Back-to-School holiday impact for any potential overlap in these items.

Learning Aids & Jigsaw Puzzles: Florida expenditures for games, toys, and hobbies are derived from total national expenditures for games, toys, and hobbies using Florida population. It is assumed that learning aids and jigsaw puzzles as defined represent 10% of the category. The total Florida annual expenditures are converted to a 1-day amount and assume that 40% of the

REVENUE ESTIMATING CONFERENCE

Revenue Source: Sales and Use Tax

Issue: Back-to-School Holiday, 2x14 Days, \$100 Clothing/\$50 Supplies/\$1,500 or less Computers/\$150 or less graphing calculators

Bill Number(s): Governor - Section 8

expenditures in the category would be under the \$30 limit. An advantage buying factor to account for additional purchasing is used.

Computers: Florida expenditures are derived from total national expenditures for computers and peripherals using Florida population. In addition to hardware expenditures, expenditures for computer software and accessories are added. Expenditures for Calculators, Typewriters & Other are used to estimate expenditures for graphing calculators. Since only certain modes of software sales are subject to sales tax (if the software is purchased in a Florida store), only a share of expenditures on software are included. The total Florida expenditures are adjusted for the percentage of total expenditures assumed to be exempt. An advantage buy factor is added for additional purchases by the general public. Purchases for commercial use are not exempt.

		2024-25	
Expenditure Type		PROPOSED	ADOPTED
1	Clothing & Shoes - \$100 or Less	\$ (113.1)	
2	School Supplies - \$50 or Less	\$ (13.4)	
3	Learning Aids and Jigsaw Puzzles - \$30 or Less	\$ (1.6)	
4	Personal Computers and Related Accessories - \$1,500 or Less	\$ (35.1)	
5	Total Impact	\$ (163.2)	

**Estimates in millions of dollars*

Section 4: Proposed Fiscal Impact: The impact is nonrecurring for FY 2023-24 only.

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25			(\$163.2m)			
2025-26						
2026-27						
2027-28						
2028-29						

List of affected Trust Funds: Sales and Use Tax Grouping

Section 5: Consensus Estimate (Adopted: 12/15/2023) The Conference adopted the proposed estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2024-25	(144.5)	0.0	(Insignificant)	0.0	(4.9)	0.0	(13.8)	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	(163.2)	0.0	(19.7)	0.0	(182.9)	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

	B	C	D	F	G	H
2						
3		Governor's Proposed Language, S. 8				
4		Back-to-School Sales Tax Holiday - 2 * 2 Weeks				
5						
6			Period I		14 Days	
7					2 Weeks	
8					7/22/2024 Start	
9					8/4/2024 End	
10						
11			Period II		14 Days	
12					2 Weeks	
13					1/1/2025 Start	
14					1/14/2025 End	
15						
16						
17						
18						(NONRECURRING)
19						
20					2024-25	
21			Expenditure Type		PROPOSED	ADOPTED
22	1		Clothing & Shoes - \$100 or Less		\$ (113.1)	
23	2		School Supplies - \$50 or Less		\$ (13.4)	
24	3		Learning Aids and Jigsaw Puzzles - \$30 or Less		\$ (1.6)	
25	4		Personal Computers and Related Accessories - \$1,500 or Less		\$ (35.1)	
26	5		Total Impact		\$ (163.2)	
27					<i>*Estimates in millions of dollars</i>	
28						
29						
30						
31						
32						
33						
34						
35						
36						

	A	B	C	D	E	F	G	H	I
2		Governor's Proposed Language, S. 8							
3		SALES TAX HOLIDAY - CLOTHING							
4		Period I			14 Days				
5					2 Weeks				
6					7/22/2024 Start				
7					8/4/2024 End				
8									
9		Period II			14 Days				
10					2 Weeks				
11					1/1/2025 Start				
12					1/14/2025 End				
13									
14									
15		2024-25			Estimate				
16	1	National Personal Expenditure on Clothing and Shoes (Mln. \$)			514,105.1				
17		CONVERTED to TAXABLE SALES							
18									
19									
20						Annual expenditures	Adopted Share of Boys & Girls ages 2-5 in ages 2-15 clothing & included in Baby & Toddler		
21		Men 16+			453.91		27.6%		
22		Boys 2-15			107.07		29.54		
23		Women 16+			643.75				
24		Girls 2-15			91.46		25.23		
25		Children under 2			73.9		73.90		
26		Men's footwear			145.3				
27		Boys' footwear			48		13.24		
28		Women's footwear			48				
29		Girls' footwear			32.37		8.93		
30		Total			1643.76		150.84	9% Already included in Baby & Toddler Cloth	
31									
32									
33		National Personal Expenditure on Clothing and Shoes (Mln. \$)			466,929.6				
34		LESS BABY AND TODDLER CLOTHING & SHOES							
35									
36									
37									
38	2	Florida Share based on Population Forecast (Mln. \$)	6.7%		31,164.6				
39					KEPT ADJUSTMENT				
40	3	Florida Expenditures on Apparel & Shoes (adjusted for 65+)	98.0%		30,526.7				
41									
42									
43									
44	4	Sales Tax at 6%	6.0%		1,831.6				
45									
46	5	Exempted Amount			1,282.1				
47		Assumption	55%		70.0%				
48									
49	6	Preliminary Per Day Fiscal Impact in Florida	1		(3.5)				
50									
51	7	Number of Days in the Holiday	28		(98.4)				
52									
53	8a	Advantage Buying	1.150		(14.75)				
54	8b	Base Adjustment for Tourists			-				
55	8c	Total Adjustment			(14.75)				
56									
57	9	Adjusted Fiscal Impact in Florida			(113.1)				
58									Excludes baby & toddler clothing & baby diapers
59									
60									
61									
62	11	Total Impact			(\$113.1)				
63									
64									

	A	B	C	D	E	F
1						
2		Governor's Proposed Language, S. 8				
3		SALES TAX HOLIDAY - SCHOOL SUPPLIES (Incl Staplers, Flash Drives)				
19		Period I	14 Days			
20			2 Weeks			
21			7/22/2024 Start			
22			8/4/2024 End			
23						
24		Period II	14 Days			
25			2 Weeks			
26			1/1/2025 Start			
27			1/14/2025 End			
28						
29		2024-25				
31	Row	Grade Level	Expenditures per Student	Number of Students	Total Expenditures	
32	1	PreK	22.00	78,213	1.7	
33	2	KG	22.00	251,586	5.5	
34	3	1	22.00	266,142	5.9	
35	4	2	22.00	271,002	6.0	
36	5	3	27.00	282,185	7.6	
37	6	4	29.00	275,028	8.0	
38	7	5	29.00	285,682	8.3	
39	8	6	34.00	265,852	9.0	
40	9	7	34.00	271,260	9.2	
41	10	8	34.00	282,355	9.6	
42	11	9	37.00	279,820	10.4	
43	12	10	37.00	277,410	10.3	
44	13	11	37.00	266,619	9.9	
45	14	12	37.00	249,863	9.2	
46	15	Total PK-12		3,603,015	110.5	
47	16	Total HigherEd	38.00	1,440,531	54.7	
48	17	Total All Students		5,043,546	165.3	
49						
50	18	Advantage Buying by Business, General Public				
51	19	40% Factor to move to 28 days + 10% for Expanded List				82.6
52						40% + 10%
53	20	School Supplies				Adopted
54	21	Total Sales Tax	6%			14.9
55		Assumption: share of items under price limit	90%			13.4
56						
57	22	Total Impact				(\$13.4)
58						
59		Potential overlap with Children's toys (Freedom Summer) for consideration				(\$1.40)
60						
61						
62		Share of OVERLAPPED ITEMS in a sample supply list				
63			3rd grade	6th grade		Grand Total
64		Pencils, markers, crayons, pencil sharpener	71.43	12.03		83.46
65		Total	338.22	487.23		825.45
66						
67		Share of OVERLAPPED ITEMS	21%	2%		10%
68						

	A	B	C	D	E
2		Governor's Proposed Language, S. 8			
3		SALES TAX HOLIDAY - LEARNING AIDS & JIGSAW PUZZLES			
4		Period I		14 Days	
5				2 Weeks	
6				7/22/2024 Start	
7				8/4/2024 End	
8					
9		Period II		14 Days	
10				2 Weeks	
11				1/1/2025 Start	
12				1/14/2025 End	
13					
14					
15					
16					
17		2024-25	Adopted		Proposed
18	1	National Personal Expenditure on Games, Toys, and Hobbies (Mln. \$)			116,157.4
19		CONVERTED to TAXABLE SALES			
20		Assumed Share for Learning Toys & Jigsaw Puzzles		10.0%	11,615.7
21	2	Florida Share based on Population Forecast (Mln. \$)		6.7%	775.3
22					
26		ASSUMED OVERLAP WITH TOYS (Freedom Summer)		100.0%	775.3
27					
28	4	Sales Tax at 6%			46.5
29					
30	5	Exempted Amount			18.6
31		Assumption of Items under Price Limit		40%	40.0%
32					
33	6	Preliminary Per Day Fiscal Impact in Florida		1	(0.05)
34					
35	7	Number of Days in the Holiday		28	(1.4)
36					
37	8	Advantage Buying		1.150	(0.21)
38					
39	9	Adjusted Fiscal Impact in Florida			(1.6)
40					
41					
42	10	Total Impact			(\$1.6)
43		LESS ASSUMED OVERLAP WITH TOYS			
44					

	A	B	C	D	E	F	G
2		Governor's Proposed Language, S. 8					
3		SALES TAX HOLIDAY - COMPUTERS = \$1,500 or less, graphing calculators \$150 or less					
4		Period I			14 Days		
5					2 Weeks		
6					7/22/2024 Start		
7					8/4/2024 End		
8							
9		Period II			14 Days		
10					2 Weeks		
11					1/1/2025 Start		
12					1/14/2025 End		
13							
14							
15							
16							
17		2024-25			Adopted		
18		BEA/ NEEC forecast			<i>Computers & Peripheral Equipment</i>	<i>Computer Software & Accessories</i>	<i>Calculators, Typewriters & Other</i>
19		National Information Processing Equipment					
20		Annual expenditures					
21		1 Annual expenditures converted to taxable sales		\$ mln	90,666.7	215,544.6	398.1
22		2 Percent of category			100%	5%	50%
23					90,666.7	10,777.2	199.0
24		<i>IBIS World Industry Report 44312, Computer Stores in the US, estimates that 61.5% of computer store revenues come from sales of computers, while 5.6% of sales come from sales of software.</i>					
25		4 Florida Share based on Population Forecast		6.7% \$ mln	6,051.4	719.3	13.3
26							
27		5 Annual Sales Tax at 6%		6.0% \$ mln	363.1	43.2	0.8
28							
29		6 Exempted Amount based on Purchase Price		\$ mln	272.3	32.4	0.60
30					75.0%	75.0%	75.0%
31					\$1500 or Less	\$1500 or Less	\$150 or Less
32		7 Preliminary Per Day Fiscal Impact in Florida		1.0 \$ mln	0.75	0.09	0.002
33							
34		8 28-Day Holiday		28 \$ mln	20.9	2.5	0.046
35		Assumption (55% - 30% - 25%)					
36		9 Advantage Buying by the General Public		50.0%	10.4	1.2	0.023
37							
38		10			(\$31.3)	(\$3.7)	(\$0.100)
39							
40		Total Impact		\$ mln		(\$35.1)	
41							
42		Computers Exemption Key					
43		First \$1500			80%		
44		First \$1000			75%		
45		First \$750			50%		
46		\$1500 or Less			70%		
47		\$1000 or Less			55%		
48		\$750 or Less			45%		