

Revenue Estimating Conference
Tobacco Tax and Surcharge
Executive Summary
July 16, 2015

The Revenue Estimating Conference reviewed Tobacco Tax and Surcharge revenues on July 16, 2015. The forecasts for both cigarette revenues and other tobacco products revenues were increased from the February 2015 conference results.

Cigarette tax and surcharge revenues were \$20.9 million over estimate for February 2015 through June 2015, resulting in Fiscal Year 2014-15 revenues exceeding revenues in Fiscal Year 2013-14. Despite this increase, the conference believes that the overall downward trend in cigarette consumption over the past ten years will continue in the future. Cigarette tax and surcharge revenues are expected to continue to decline in subsequent fiscal years at the same rate as previously projected, as people reduce consumption or substitute for alternative products. Although the adopted forecast still declines, revenues are expected to be slightly higher in each fiscal year than the February forecast because the forecast is starting from a higher level.

Other Tobacco Products tax and surcharge revenues ended Fiscal Year 2014-15 12.2% (or \$11.2 million) above Fiscal Year 2013-14 revenues. Because of this growth, and solid growth rates in fiscal years 2010-11 through 2012-13, the Conference increased the forecast for these revenues by approximately \$4.2 to \$10.1 million in fiscal years 2015-16 through 2019-20.

The table below summarizes the changes in collections and distributions since the last forecast.

Tobacco Tax and Surcharge Conference
Comparison of the February 2015 and July 2015 Forecasts

COLLECTIONS							
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Cigarette Tax							
February 2015	267.9	262.0	256.5	251.3	246.5	242.1	
July 2015	274.2	266.9	261.2	256.0	251.2	246.6	242.2
Difference	6.3	4.9	4.7	4.7	4.7	4.5	
Cigarette Surcharge							
February 2015	801.5	783.9	767.4	752.0	737.7	724.4	
July 2015	816.1	798.5	781.7	766.1	751.5	738.0	724.7
Difference	14.5	14.6	14.3	14.1	13.8	13.6	
OTP Tax							
February 2015	29.0	29.6	30.0	30.4	30.8	31.2	
July 2015	30.0	31.4	32.1	32.8	33.5	34.2	34.8
Difference	1.0	1.8	2.1	2.4	2.7	3.0	
OTP Surcharge							
February 2015	69.5	70.9	71.9	72.9	73.9	74.9	
July 2015	72.7	75.4	77.1	78.8	80.4	82.0	83.6
Difference	3.2	4.5	5.2	5.9	6.5	7.1	
DISTRIBUTIONS							
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Health Care Trust Fund							
February 2015	801.4	786.4	772.2	759.0	746.7	735.4	
July 2015	817.5	804.0	790.1	777.3	765.3	754.3	743.6
Difference	16.1	17.6	17.9	18.3	18.6	18.9	
General Revenue Service Charge							
February 2015	91.1	89.3	87.7	86.1	84.7	83.3	
July 2015	93.0	91.3	89.6	88.1	86.6	85.3	84.0
Difference	1.9	2.0	1.9	2.0	1.9	2.0	
General Revenue Excise Tax							
February 2015	147.4	143.8	140.4	137.3	134.4	131.7	
July 2015	151.3	146.8	143.3	140.2	137.2	134.4	131.7
Difference	3.9	3.0	2.9	2.9	2.8	2.7	
OTP General Revenue Tax							
February 2015	29.0	29.6	30.0	30.4	30.8	31.2	
July 2015	30.0	31.4	32.1	32.8	33.5	34.2	34.8
Difference	1.0	1.8	2.1	2.4	2.7	3.0	
Total GR Distributions							
February 2015	267.5	262.7	258.1	253.8	249.9	246.2	
July 2015	274.3	269.4	265.1	261.1	257.3	253.9	250.6
Difference	6.8	6.7	7.0	7.3	7.4	7.7	
All Other Funds							
February 2015	99.1	97.2	95.5	93.9	92.4	91.0	
July 2015	100.9	98.8	97.0	95.4	93.9	92.5	91.1
Difference	1.8	1.6	1.5	1.5	1.5	1.5	

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Tobacco Tax and Surcharge Conference
Cigarette Tax and Surcharge Forecast
 July 2015

	Packs (calculated)	% Change	Cigarette Tax										Cigarette Surcharge			
			Cigarette Tax	Refunds	Net Tax	GR Service Charge	AB&T Trust Fund	County Rev Sharing	PMATF	Moffitt Center	Biomedical Research TF	General Revenue	Cigarette Surcharge	Floor Tax	GR Service Charge	Health Care Trust Fund
2003-04	1,252.9	0.6%	418.7	3.0	415.7	30.5	3.8	11.1	113.0	11.2	0.0	248.5				
2004-05	1,314.2	4.9%	439.2	1.1	438.1	32.2	4.0	11.7	119.6	15.8	0.0	258.3				
2005-06	1,284.7	-2.2%	429.3	1.0	428.3	31.3	3.9	11.4	115.2	16.0	0.0	250.2				
2006-07	1,259.4	-2.0%	420.9	0.1	420.8	30.7	3.8	11.2	113.2	15.9	0.0	246.1				
2007-08	1,232.5	-2.1%	411.9	0.3	411.6	29.9	3.7	10.9	110.3	15.9	0.0	239.3				
2008-09	1,252.4	1.6%	418.5	0.1	418.5	30.5	3.8	11.1	112.3	10.8	0.0	250.4				
2009-10	959.7	-23.4%	300.8	0.3	300.5	23.6	2.7	8.0	80.3	5.7	0.0	180.2	856.1	97.5	76.3	872.0
2010-11	920.3	-4.1%	303.7	0.4	303.3	24.5	2.8	8.2	82.9	5.6	0.0	186.2	924.2	0.0	74.5	853.0
2011-12	860.1	-6.5%	288.1	0.2	287.9	23.0	2.6	7.6	76.8	5.8	0.0	171.8	859.5	0.0	68.7	792.3
2012-13	846.3	-1.6%	285.3	0.4	284.9	22.8	2.6	7.7	77.5	5.7	0.0	173.7	843.8	0.0	67.5	770.2
2013-14	810.7	-4.2%	271.3	0.7	270.7	21.7	2.4	7.0	70.7	10.6	2.5	150.6	810.3	0.0	64.8	752.8
2014-15	817.4	0.8%	274.5	0.3	274.2	21.9	2.5	7.2	73.2	15.5	2.5	151.3	816.1	0.0	65.3	750.6
2015-16																
Feb 2015	784.8	-2.20%	262.3	0.3	262.0	21.0	2.4	6.9	69.9	15.6	2.4	143.8	783.9	0.0	62.7	721.2
July 2015	799.4	-2.20%	267.2	0.3	266.9	21.3	2.4	7.1	71.2	15.6	2.4	146.8	798.5	0.0	63.9	734.6
2016-17																
Feb 2015	768.3	-2.10%	256.8	0.3	256.5	20.5	2.3	6.8	68.5	15.6	2.3	140.4	767.4	0.0	61.4	706.0
July 2015	782.6	-2.10%	261.5	0.3	261.2	20.9	2.4	6.9	69.7	15.6	2.4	143.3	781.7	0.0	62.5	719.2
2017-18																
Feb 2015	752.9	-2.00%	251.6	0.3	251.3	20.1	2.3	6.6	67.1	15.6	2.3	137.3	752.0	0.0	60.2	691.9
July 2015	767.0	-2.00%	256.3	0.3	256.0	20.5	2.3	6.8	68.3	15.6	2.3	140.2	766.1	0.0	61.3	704.8
2018-19																
Feb 2015	738.6	-1.90%	246.8	0.3	246.5	19.7	2.2	6.5	65.8	15.6	2.2	134.4	737.7	0.0	59.0	678.7
July 2015	752.4	-1.90%	251.5	0.3	251.2	20.1	2.3	6.6	67.0	15.6	2.3	137.2	751.5	0.0	60.1	691.4
2019-20																
Feb 2015	725.3	-1.80%	242.4	0.3	242.1	19.4	2.2	6.4	64.6	15.6	2.2	131.7	724.4	0.0	58.0	666.5
July 2015	738.9	-1.80%	246.9	0.3	246.6	19.7	2.2	6.5	65.8	15.6	2.2	134.4	738.0	0.0	59.0	678.9
2020-21																
Feb 2015																
July 2015	725.6	-1.80%	242.5	0.3	242.2	19.4	2.2	6.4	64.6	15.6	2.2	131.7	724.7	0.0	58.0	666.7

Tobacco Tax and Surcharge Conference
Other Tobacco Products Tax and Surcharge Forecast
 July 2015

	Total Revenue	% change	Other Tobacco Products Tax to GR	Other Tobacco Products Surcharge			
				Surcharge	Floor Tax	GR Service Charge	Health Care Trust Fund
2003-04	27.7		27.7				
2004-05	29.0	4.7%	29.0				
2005-06	27.5	-5.2%	27.5				
2006-07	33.1	20.4%	33.1				
2007-08	32.7	-1.2%	32.7				
2008-09	28.5	-12.7%	28.5				
2009-10	81.4	185.2%	25.6	55.8	7.3	5.1	57.7
2010-11	91.0	11.7%	27.3	63.7	0	5.1	58.8
2011-12	93.5	2.8%	28.0	65.6	0	5.2	60.3
2012-13	98.5	5.3%	28.4	70.1	0	5.6	64.5
2013-14	91.5	-7.1%	27.6	64.0	0	5.1	58.8
2014-15	102.7	12.2%	30.0	72.7	0	5.8	66.9
2015-16							
Feb 2015	100.5	2.0%	29.6	70.9	0	5.7	65.2
July 2015	106.8	4.0%	31.4	75.4	0	6.0	69.3
2016-17							
Feb 2015	101.9	1.4%	30.0	71.9	0	5.8	66.2
July 2015	109.2	2.3%	32.1	77.1	0	6.2	70.9
2017-18							
Feb 2015	103.3	1.4%	30.4	72.9	0	5.8	67.1
July 2015	111.6	2.2%	32.8	78.8	0	6.3	72.5
2018-19							
Feb 2015	104.7	1.4%	30.8	73.9	0	5.9	68.0
July 2015	113.8	2.0%	33.5	80.4	0	6.4	73.9
2019-20							
Feb 2015	106.1	1.3%	31.2	74.9	0	6.0	68.9
July 2015	116.1	2.0%	34.2	82.0	0	6.6	75.4
2020-21							
Feb 2015							
July 2015	118.4	2.0%	34.8	83.6	0	6.7	76.9