

**Revenue Estimating Conference  
Tobacco Tax and Surcharge  
Executive Summary  
December 3, 2015  
Revised for Post-Session 2016**

The Revenue Estimating Conference reviewed Tobacco Tax and Surcharge revenues on December 3, 2015 and increased the forecasts for both cigarette and other tobacco products revenues from the July 2015 forecast.

Cigarette tax and surcharge revenues were \$12.8 million over estimate for July through November 2015. The revenues were also higher than the same period in the previous fiscal year. As a result, the conference added to the estimate for Fiscal Year 2015-16. The conference does not believe that this increasing trend will continue, as the overall downward trend in cigarette consumption over the past ten years is likely to continue in the future. Therefore, the expected revenues in Fiscal Years 2016-17 through 2020-21 are expected to decline, although at a slower rate than expected at the July 2015 conference.

Other Tobacco Products (OTP) tax and surcharge revenues were \$1.4 million over estimate for July through November 2015. The conference increased the forecast for Fiscal Year 2015-16 because of strong performance fiscal-year-to-date and kept the growth rates in Fiscal Years 2016-17 through 2020-21 the same as the previous forecast, resulting in about \$1.4 million in additional revenues each fiscal year.

There was one measure that passed in HB7099 during 2016 Regular Session that will impact OTP tax and surcharge revenues. The bill redefines the “wholesale sales price” of tobacco products and as a result there will be a positive impact of \$2.3 million in Fiscal Year 2016-17, \$0.7 million of which will be OTP tax (General Revenue) and \$1.6 million of which will be OTP surcharge (Trust Fund).

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

**Tobacco Tax and Surcharge Conference**  
**Comparison of the December 2015 and Post-Session 2016 Forecasts**

<b>COLLECTIONS</b>						
	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
<b>Cigarette Tax</b>						
December 2015	274.9	272.7	268.6	264.5	260.6	256.6
Post-Session 2016	274.9	272.7	268.6	264.5	260.6	256.6
Difference	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cigarette Surcharge</b>						
December 2015	822.6	815.8	803.6	791.5	779.6	767.9
Post-Session 2016	822.6	815.8	803.6	791.5	779.6	767.9
Difference	0.0	0.0	0.0	0.0	0.0	0.0
<b>OTP Tax</b>						
December 2015	31.8	32.5	33.2	33.9	34.6	35.3
Post-Session 2016	31.8	33.2	34.0	34.7	35.4	36.1
Difference	0.0	0.7	0.8	0.8	0.8	0.8
<b>OTP Surcharge</b>						
December 2015	76.3	78.1	79.8	81.4	83.0	84.7
Post-Session 2016	76.3	79.7	81.4	83.0	84.8	86.5
Difference	0.0	1.6	1.6	1.6	1.8	1.8

<b>DISTRIBUTIONS</b>						
	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
<b>Health Care Trust Fund</b>						
December 2015	827.0	822.4	812.7	803.1	793.7	784.4
Post-Session 2016	827.0	824.0	814.2	804.6	795.5	786.2
Difference	0.0	1.6	1.6	1.6	1.8	1.8
<b>General Revenue Service Charge</b>						
December 2015	93.9	93.3	92.2	91.0	89.8	88.7
Post-Session 2016	93.9	93.4	92.3	91.1	90.0	89.0
Difference	0.0	0.1	0.1	0.1	0.2	0.2
<b>General Revenue Excise Tax</b>						
December 2015	151.7	150.3	147.8	145.3	142.9	140.5
Post-Session 2016	151.7	150.3	147.8	145.3	142.9	140.5
Difference	0.0	0.0	0.0	0.0	0.0	0.0
<b>OTP General Revenue Tax</b>						
December 2015	31.8	32.5	33.2	33.9	34.6	35.3
Post-Session 2016	31.8	33.2	34.0	34.7	35.4	36.1
Difference	0.0	0.7	0.8	0.8	0.8	0.8
<b>Total GR Distributions</b>						
December 2015	277.4	276.1	273.1	270.2	267.3	264.6
Post-Session 2016	277.4	276.9	274.1	271.2	268.3	265.6
Difference	0.0	0.8	0.9	0.9	1.0	1.0
<b>All Other Funds</b>						
December 2015	101.3	100.6	99.3	98.0	96.8	95.6
Post-Session 2016	101.3	100.6	99.3	98.0	96.8	95.6
Difference	0.0	0.0	0.0	0.0	0.0	0.0

**Tobacco Tax and Surcharge Conference**  
**Comparison of the December 2015 and Post-Session 2016 Forecasts**

<b>COLLECTIONS</b>						
	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
<b>Cigarette Tax</b>						
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Post-Session 2016	274.9	272.7	268.6	264.5	260.6	256.6
Difference	0.0	0.0	0.0	0.0	0.0	0.0
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	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
<b>Health Care Trust Fund</b>						
December 2015	827.0	822.4	812.7	803.1	793.7	784.4
Post-Session 2016	827.0	824.0	814.2	804.6	795.5	786.2
Difference	0.0	1.6	1.6	1.6	1.8	1.8
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<b>General Revenue Excise Tax</b>						
December 2015	151.7	150.3	147.8	145.3	142.9	140.5
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**Tobacco Tax and Surcharge Conference**  
**Cigarette Tax and Surcharge Forecast**  
 Post-Session 2016

	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				
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				
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				
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				
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				
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				
<b>2015-16</b>																
Dec 2015	823.5	0.75%	275.2	0.3	274.9	22.0	2.5	7.3	73.4	15.6	2.5	151.7	856.1	97.5	76.3	872.0
Post-Session 2016	823.5	0.75%	275.2	0.3	274.9	22.0	2.5	7.3	73.4	15.6	2.5	151.7	822.6	0.0	65.8	756.8
<b>2016-17</b>																
Dec 2015	816.7	-0.82%	273.0	0.3	272.7	21.8	2.5	7.2	72.8	15.6	2.5	150.3	859.5	0.0	68.7	792.3
Post-Session 2016	816.7	-0.82%	273.0	0.3	272.7	21.8	2.5	7.2	72.8	15.6	2.5	150.3	843.8	0.0	67.5	770.2
<b>2017-18</b>																
Dec 2015	804.5	-1.50%	268.9	0.3	268.6	21.5	2.4	7.1	71.7	15.6	2.4	147.8	810.3	0.0	64.8	752.8
Post-Session 2016	804.5	-1.50%	268.9	0.3	268.6	21.5	2.4	7.1	71.7	15.6	2.4	147.8	816.1	0.0	65.3	750.6
<b>2018-19</b>																
Dec 2015	792.4	-1.50%	264.8	0.3	264.5	21.2	2.4	7.0	70.6	15.6	2.4	145.3				
Post-Session 2016	792.4	-1.50%	264.8	0.3	264.5	21.2	2.4	7.0	70.6	15.6	2.4	145.3	843.8	0.0	67.5	770.2
<b>2019-20</b>																
Dec 2015	780.5	-1.50%	260.9	0.3	260.6	20.8	2.3	6.9	69.5	15.6	2.4	142.9	810.3	0.0	64.8	752.8
Post-Session 2016	780.5	-1.50%	260.9	0.3	260.6	20.8	2.3	6.9	69.5	15.6	2.4	142.9	816.1	0.0	65.3	750.6
<b>2020-21</b>																
Dec 2015	768.8	-1.50%	256.9	0.3	256.6	20.5	2.3	6.8	68.5	15.6	2.3	140.5				
Post-Session 2016	768.8	-1.50%	256.9	0.3	256.6	20.5	2.3	6.8	68.5	15.6	2.3	140.5	810.3	0.0	64.8	752.8

**Tobacco Tax and Surcharge Conference**  
**Other Tobacco Products Tax and Surcharge Forecast**  
 Post-Session 2016

			Other Tobacco Products Tax to GR	Other Tobacco Products Surcharge			
	Total Revenue	% change		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
<b>2015-16</b>							
Dec 2015	108.1	5.3%	31.8	76.3	0	6.1	70.2
Post-Session 2016	108.1	5.3%	31.8	76.3	0	6.1	70.2
<b>2016-17</b>							
Dec 2015	110.6	2.3%	32.5	78.1	0	6.2	71.9
Post-Session 2016	112.9	4.4%	33.2	79.7	0	6.3	73.4
<b>2017-18</b>							
Dec 2015	113.0	2.2%	33.2	79.8	0	6.4	73.4
Post-Session 2016	115.4	2.2%	34.0	81.4	0	6.5	74.9
<b>2018-19</b>							
Dec 2015	115.3	2.0%	33.9	81.4	0	6.5	74.9
Post-Session 2016	117.7	2.0%	34.7	83.0	0	6.6	76.4
<b>2019-20</b>							
Dec 2015	117.6	2.0%	34.6	83.0	0	6.6	76.4
Post-Session 2016	120.2	2.1%	35.4	84.8	0	6.8	78.0
<b>2020-21</b>							
Dec 2015	120.0	2.0%	35.3	84.7	0	6.8	77.9
Post-Session 2016	122.6	2.0%	36.1	86.5	0	7.0	79.5