

FINANCIAL OUTLOOK STATEMENT FOR 1987 REGULAR SESSION
 FY 1986-87 AND 1987-88
 GENERAL REVENUE AND WORKING CAPITAL FUNDS
 (MILLIONS OF DOLLARS)

DATE 07/16/87
 TIME 09:18

	GENERAL REVENUE FUND	WORKING CAPITAL FUND	TOTAL ALL FUNDS	RECURRING FUNDS	NON RECURRING FUNDS
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FUNDS AVAILABLE 1986-87					
BALANCE FORWARD FROM 1985-86	185.9	131.1	317.0	.0	317.0
ESTIMATED REVENUES	7506.8	.0	7506.8	7531.9	25.1
MIDYEAR REVERSIONS	26.6	.0	26.6	.0	26.6
FIXED CAPITAL OUTLAY REVERSIONS	.5	.0	.5	.0	.5
WORKING CAPITAL FUND INTEREST	.0	7.8	7.8	.0	7.8
TRANSFER TO WORKING CAPITAL FUND	185.9	185.9	.0	.0	.0
TRANSFER FROM WORKING CAPITAL FUND	251.2	251.2	.0	.0	.0
CANCELLATION OF WARRANTS	1.3	.0	1.3	.0	1.3
TRUST FUND TRANSFERS (HB 1381, 1986)	3.0	.0	3.0	.0	3.0
RESCINDED TF TRANSFER (SB 1326, 1987)	1.0	.0	1.0	.0	1.0
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TOTAL 86-87 FUNDS AVAILABLE	\$ 7788.4	\$ 73.6	\$ 7862.0	\$ 7531.9	\$ 330.1
EFFECTIVE APPROPRIATIONS 1986-87					
OPERATIONS	3894.0	.0	3894.0	3764.3	129.7
AID TO LOCAL GOVERNMENT	3751.1	.0	3751.1	3727.2	23.9
FIXED CAPITAL OUTLAY	107.6	.0	107.6	.0	107.6
BEACH RESTORATION MATCH GUARANTEE	.0	6.0	6.0	.0	6.0
BASE STUDENT ALLOCATION GUARANTEE	.0	10.0	10.0	.0	10.0
SUPPLEMENTAL APPROPRIATIONS (A)	35.7	.0	35.7	25.9	9.8
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TOTAL 86-87 EFF. APPROPRIATIONS	\$ 7788.4	\$ 16.0	\$ 7804.4	\$ 7517.4	\$ 287.0
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RESERVES AVAILABLE	\$.0	\$ 57.6	\$ 57.6	\$ 14.5	\$ 43.1
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OBLIGATIONS AND ENCUMBRANCES					
NONE	.0	.0	.0	.0	.0
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UNENCUMBERED RESERVES	\$.0	\$ 57.6	\$ 57.6	\$ 14.5	\$ 43.1
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FUNDS AVAILABLE 1987-88					
BALANCE FORWARD FROM 86-87	.0	57.6	57.6	.0	57.6
ESTIMATED REVENUES (B)	8036.5	.0	8036.5	8037.1	.6-
MIDYEAR REVERSIONS	15.0	.0	15.0	.0	15.0
FIXED CAPITAL OUTLAY REVERSIONS	2.4	.0	2.4	.0	2.4
UNUSED APPROPRIATIONS	42.3	10.0	52.3	.0	52.3
BROWARD COUNTY TAX ROLL DECISION	14.1	.0	14.1	.0	14.1
WORKING CAPITAL FUND INTEREST	.0	4.1	4.1	.0	4.1
CANCELLATION OF WARRANTS	1.4	.0	1.4	.0	1.4
TRUST FUND REVERSIONS (SB 1326)	3.4	.0	3.4	.0	3.4
LOTTERY STARTUP LOAN REPAYMENT (HB 686)	.5	.0	.5	.0	.5
MEASURES AFFECTING REVENUES (C)	705.2	.0	705.2	620.5	84.7
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TOTAL 87-88 FUNDS AVAILABLE	\$ 8820.8	\$ 71.7	\$ 8892.5	\$ 8657.6	\$ 234.9
APPROPRIATIONS 1987-88					
OPERATIONS	4408.2	.0	4408.2	4348.0	60.2
OPERATIONS VETOES	3.5-	.0	3.5-	1.3-	2.2-
AID TO LOCAL GOVERNMENT	4197.8	.0	4197.8	4191.2	6.6
AID TO LOCAL GOVERNMENT VETOES	2.2-	.0	2.2-	.1-	2.1-
FIXED CAPITAL OUTLAY	21.4	.0	21.4	.0	21.4
FIXED CAPITAL OUTLAY VETOES	5.3-	.0	5.3-	.0	5.3-
SPECIAL BILLS (D)	12.5	.0	12.5	2.1	10.4
BASE STUDENT ALLOCATION GUARANTEE	.0	10.0	10.0	.0	10.0
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APPROPRIATIONS FOR 87-88	\$ 8628.9	\$ 10.0	\$ 8638.9	\$ 8539.9	\$ 99.0
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RESERVES AVAILABLE	\$ 191.9	\$ 61.7	\$ 253.6	\$ 117.7	\$ 135.9
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OBLIGATIONS AND ENCUMBRANCES					
NONE	.0	.0	.0	.0	.0
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UNENCUMBERED RESERVES	\$ 191.9	\$ 61.7	\$ 253.6	\$ 117.7	\$ 135.9
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***** FOOTNOTES *****

(A) THE FOLLOWING SUPPLEMENTAL APPROPRIATIONS HAVE BEEN SIGNED INTO LAW-

\$ 32.1 MILLION (HB 1A) CORRECTIONS DEFICIT (\$7.0 MILLION NR)
 \$ 3.6 MILLION (HB 686) DEPARTMENT OF REVENUE, DEPARTMENT OF COMMERCE (\$2.8 MILLION NR)

(B) THESE ESTIMATES CONTAIN REVENUES THAT ARE SUBJECT TO LITIGATION. THE ISSUES ARE AS FOLLOWS-

THE SERVICE CHARGES AGAINST THE CONSTITUTIONAL GAS TAX COLLECTIONS HAVE BEEN CONTESTED AS UNCONSTITUTIONAL. THE AMOUNTS SUBJECT TO LITIGATION ARE \$7.2 MILLION FROM FY 1984-85, \$7.5 MILLION FROM FY 1985-86, \$7.8 MILLION FROM FY 1986-87, AND \$8.1 MILLION FROM FY 1987-88.

ALSO UNDER LITIGATION ARE SEVERAL ISSUES WHICH PUT AT RISK SUBSTANTIAL AMOUNTS OF GENERAL REVENUE MONIES. THE FIRST OF THESE ISSUES INVOLVES THE BEVERAGE TAX. A U.S. SUPREME COURT DECISION FOUND THAT A HAWAII LAW (VERY SIMILAR TO THE PRE-1985 FLORIDA LAW) UNFAIRLY DISCRIMINATED AGAINST OUT-OF-STATE LIQUOR PRODUCERS. UNDER THE PRE-1985 LAW, AT RISK IN THE FLORIDA SUITS IS \$234.9 MILLION IN REFUNDS. UNDER THE CURRENT LAW, AN ADDITIONAL \$52.3 MILLION IN REFUNDS IS AT RISK IN THE LAWSUITS UNDER LITIGATION. A RULING AGAINST THE STATE'S CURRENT LAW COULD PLACE ALL BEVERAGE TAX COLLECTIONS AT RISK IF ADDITIONAL SUITS WERE FILED. THIS DECISION COULD TAKE PLACE AS EARLY AS FY 1987-88.

THE SECOND ISSUE INVOLVES THE CONSTITUTIONALITY OF FLORIDA'S INSURANCE PREMIUM TAX LAW, WHICH TAXES INSURANCE COMPANIES AT DIFFERENT RATES DEPENDING ON WHETHER THEY ARE IN-STATE OR OUT-OF-STATE. THE CURRENT SUIT SEEKS TO DECLARE THIS DIFFERENCE IN RATES TO BE DISCRIMINATORY. IF THE LAW IS DECLARED UNCONSTITUTIONAL, MINIMALLY \$400 MILLION OF GENERAL REVENUE AND \$130 MILLION OF TRUST FUND MONIES WOULD BE AT RISK. THIS DECISION COULD TAKE PLACE AS EARLY AS FY 1988-89.

THIRD, THE FIRST DISTRICT COURT OF APPEAL HAS FOUND THE STATE FRANCHISE FEE ON BANKS AND SAVINGS INSTITUTIONS EQUAL TO 5.5% OF NET INCOME TO BE SUBSTANTIVELY INDISTINGUISHABLE FROM THE STATE CORPORATE INCOME TAX. AS SUCH, THE TAX IS INVALID TO THE EXTENT IT CONFLICTS WITH A FEDERAL LAW AGAINST STATE TAXATION ON EARNINGS OF U.S. OBLIGATIONS WHICH ARE INCLUDED IN THE TAX BASE OF THE FLORIDA INSTITUTIONS. BY PRELIMINARY ESTIMATE, AT RISK IS \$56.7 MILLION IN TAXES PAID UNDER PROTEST AND ABOUT \$22 MILLION ANNUALLY IN THE FUTURE SHOULD THE APPEALS COURT DECISION BE UPHELD BY THE SUPREME COURT WHERE THE CASE IS ON FURTHER APPEAL. A DECISION IS EXPECTED BY FY 1987-88.

(C) THE FOLLOWING LAW CHANGES AFFECTED GENERAL REVENUE (\$ MILLIONS)-

CS/HB 253	\$	1.1	CONCEALED FIREARMS LICENSURE/SERVICE CHARGE
HB 781		.1	SERVICE CHARGE ON SOLICITOR REGISTRATION
CS/CS/HB 1247		3.6-	LOTTERY IMPACT ON PARIMUTUELS
CS/HB 1506		28.8	SALES TAX REVISIONS/TAX AMNESTY
CS/SB 142		18.6	DOCUMENTARY STAMP TAX/INTANGIBLES TAX SPEEDUP/TAX ADMINISTRATION
CS/SB 145		2.7	TAX ADMINISTRATION
CS/SB 145		46.9	CORPORATE INCOME TAX
CS/SB 145		46.4	INSURANCE PREMIUM TAX
SB 355		0.9-	USE TAX/VESSELS
CS/CS/SB 711		40.2-	DOCUMENTARY STAMP TAX/CARL TRUST FUND
CS/CS/SB 711		28.6	PHOSPHATE SEVERANCE TAX/CARL TRUST FUND
CS/CS/SB 711		5.4	OIL AND GAS SEVERANCE TAX/CARL TRUST FUND
CS/SB 777		495.9	SALES TAX ON SERVICES
CS/SB 777		16.3	TAX AMNESTY
CS/SB 837		17.3	PARIMUTUELS/ADDITIONAL DAYS/GALAXY
SB 861		.2-	TREASURY INVESTMENT FEES
CS/SB 906		.0	INSURANCE PREMIUM TAX/REDUCED ASSESMENTS(\$62.0- LONG RUN IMPACT)
CS/SB 1269		12.5	SALES TAX/FAIRNESS IN RETAIL TRADE
SB 1325		29.5	ADDITIONAL AUDITORS / DEPARTMENT OF REVENUE

(D) THE FOLLOWING SPECIAL GENERAL REVENUE APPROPRIATIONS HAVE BEEN PASSED

HB 1405(1986)	\$5,800,000	TO DEPT. OF COMMUNITY AFFAIRS, DEPT. OF GENERAL SERVICES (NR)
HB 36	1,000,000	TO DEPT. OF NATURAL RESOURCES FOR YOUTH CONSERVATION CORPS
CS/HB 270	488,973	TO RELIEF ACT (NR)
CS/HB 1384	50,000	TO AUDITOR GENERAL FOR MEDICAID STUDY (NR)
HB 1466	60,000	TO JLMC FOR ENVIRONMENTAL EFFICIENCY STUDY COMMISSION (NR)
HB 1472	500,000	TO LEGAL AFFAIRS FOR SEMINOLE INDIAN LAND TRANSFER (NR)
CS/HB 1506	364,757	TO DIV. OF ADMINISTRATIVE HEARINGS FOR HEARING OFFICERS
CS/SB 359	90,209	TO DEPT. OF HRS FOR ADULT CONGREGATE LIVING
CS/CS/SB 410	60,000	TO POLLUTANT TAX AND CLEANUP (NR)
CS/SB 538	50,000	TO DEPT. OF HRS FOR FOSTER GRANDPARENT VOLUNTEER PROGRAM
CS/SB 624	250,000	TO DEPT. OF ENVIRONMENTAL REGULATION FOR WATER RESOURCE SURVEY (NR)
CS/SB 777	2,100,000	TO DEPT. OF REVENUE FOR SALES TAX IMPLEMENTATION (NR)
CS/SB 986	1,515,979	TO DEPT. OF LABOR FOR ASBESTOS REMOVAL (1,000,000 NR)
CS/SB 1072	50,000	TO JLMC FOR CIGARETTE STUDY COMMISSION (NR)
SB 1244	75,000	TO DEPT. OF REVENUE FOR MAILORDER SALES TAX (NR)