

***Documentary Stamp Tax
Executive Summary
April 2021***

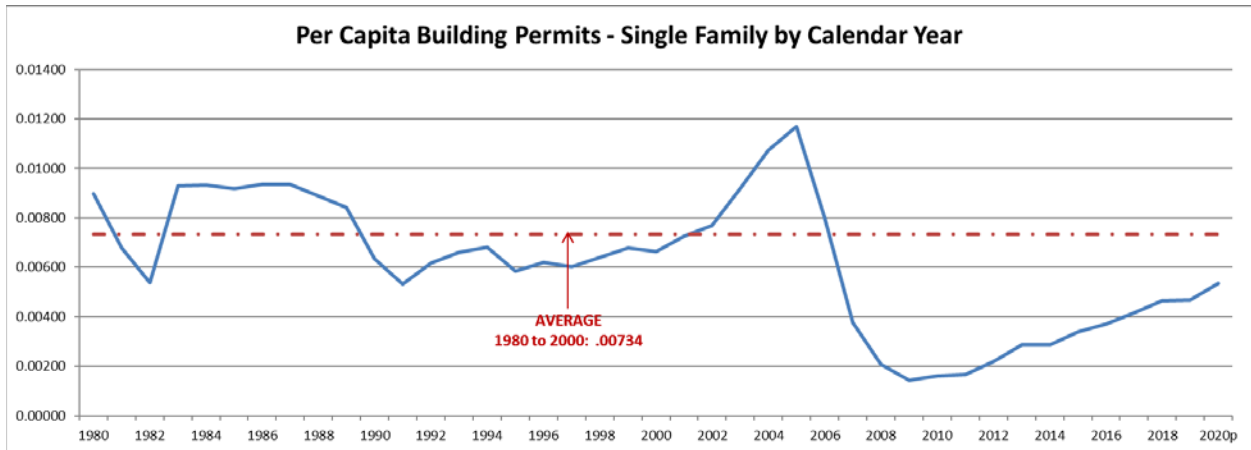
The pace of Florida's recovery in Documentary Stamp Tax collections will be driven in large measure by the time it takes the ***construction industry*** to revive fully. Because construction activity continues to be subpar, attention over the past few years has focused on the market for existing homes as an upstream indicator of future construction need.

All of these metrics point to an existing home market that is fully recovered. Existing home sales volume in each of the calendar years from 2014 to 2020 exceeded the 2005 peak year. The story is similar for sales price. Florida's existing home price gains have roughly tracked national gains over the last six years; however, growth in the state's median home price for single family homes has generally stayed upwardly steady as the national median peaks and dips. Overall, the national median price increases have outpaced Florida; however, Florida's prices have virtually matched the national median over the most recent months. The state's median price in February was 99.3 percent of the national median price. Florida's median price finally surpassed its own prior peak (\$256,200 in June 2006) in June 2018, and it reached a new high at \$314,900 in February 2021.

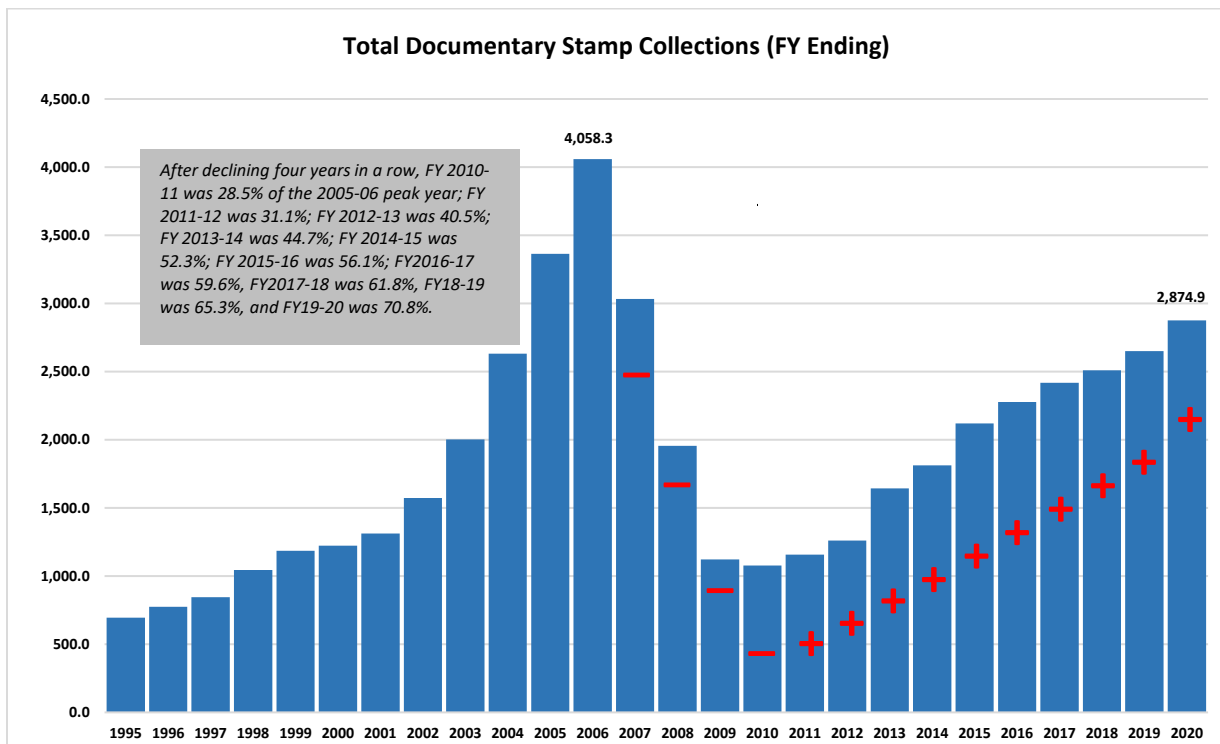
The upward pressure on prices has likely been caused by the tightening supply produced by the convergence of two different forces. Over the longer term, the excess number of homes that moved into the market from the foreclosure process finally came to an end. Part of the past difference in strength between sales volume and price was attributable to the fact that the supply of existing homes for sale in Florida was inflated over the last nine years by the atypically large number of homes coming out of the lengthy foreclosure process and into the market after the collapse of the state's housing boom. As these homes returned to the available sales inventory, they dampened some of the price changes suggested by the increasing demand. The supply-boosting result of foreclosures has now unwound. This newly tightened supply has been intensified over the past year by the record low interest rates induced by the Federal Reserve's actions to institute rate cuts to near-zero percent as an important firewall between the pandemic-related turmoil in the economy at-large and the financial system.

The Federal Reserve's actions also helped boost the construction market. Despite the strong double-digit growth in six of the preceding eight calendar years, the per capita level was still well below historic standards for single family building permits in 2019—just 63.8 percent of the long-run per capita level. With the robust growth seen in 2020, this percentage is expected to have reached 72.8 percent. See the related graph on the following page.

Even with a fully recovered existing home market, Documentary Stamp Tax collections were only 70.8 percent of their prior peak as the 2019-20 fiscal year ended. With the improvement in the construction sector and elevated pricing over the past year, this percentage is expected to reach 91.6 percent in the 2020-21 fiscal year.



Overall, documentary stamp tax collections in Fiscal Year 2020-21 are expected to grow at 29.3 percent to \$3.72 billion, easily surpassing the 8.4 percent growth reached in Fiscal Year 2019-20 and marking the first time since Fiscal Year 2014-15 that Florida has seen a double-digit increase. The projected growth arises from strong sales and elevated pricing in the housing market co-occurring with the substantial increase in refinancing activity. In contrast, documentary stamp tax collections in Fiscal Year 2021-22 are expected to decline -5.6 percent as activity in the housing market downshifts and refinancing activity drops in tandem with the rising interest rates. Annual collections thereafter grow between 2.0 percent and 3.0 percent as some future activity was pulled forward into the current period. The prior peak level of nearly \$4.1 billion is expected to be surpassed in Fiscal Year 2027-28.



The table below shows both the new forecast for total collections from Documentary Stamp Tax and the constitutionally required distribution to the Land Acquisition Trust Fund (LATF). The new estimates for the LATF have grown relative to those adopted in December 2020 due to the higher forecast for total collections.

Documentary Stamp Tax Total Collections			Land Acquisition Trust Fund								
Fiscal Year	Total Doc Stamps	Percent Change	Total to LATF	Debt Service	Remainder LATF	Total to LATF	Debt Service	Remainder LATF	Total to LATF	Debt Service	Remainder LATF
			(New Estimates)			(Old Estimates)			(Difference)		
2020-21	3,718.0	29.3%	1,223.7	157.6	1,066.1	1,066.5	157.6	908.9	157.2	-	157.2
2021-22	3,509.7	-5.6%	1,155.0	136.1	1,018.9	1,104.0	136.1	967.9	51.0	-	51.0
2022-23	3,578.5	2.0%	1,177.7	125.0	1,052.7	1,132.8	125.0	1,007.7	44.9	-	44.9
2023-24	3,675.0	2.7%	1,209.5	104.8	1,104.7	1,163.4	104.8	1,058.6	46.1	-	46.1
2024-25	3,778.0	2.8%	1,243.5	104.8	1,138.7	1,196.1	104.8	1,091.3	47.4	-	47.4
2025-26	3,887.5	2.9%	1,279.7	81.3	1,198.4	1,230.9	81.3	1,149.5	48.8	-	48.8
2026-27	4,000.3	2.9%	1,316.9	60.9	1,256.0	1,266.7	60.9	1,205.8	50.2	-	50.2
2027-28	4,116.3	2.9%	1,355.2	44.4	1,310.8	1,303.5	44.4	1,259.1	51.7	-	51.6
2028-29	4,239.8	3.0%	1,395.9	24.9	1,371.0	1,342.7	24.9	1,317.9	53.2	-	53.1
2029-30	4,367.1	3.0%	1,437.9	6.9	1,431.0	1,383.1	6.9	1,376.2	54.8	-	54.8
2030-31	4,498.0	3.0%	1,481.1	6.9	1,474.2	1,424.7	6.9	1,417.8	56.4	-	56.5
2031-32	4,633.0	3.0%	1,525.6	6.9	1,518.7	1,467.5	6.9	1,460.6	58.1	-	58.1
2032-33	4,771.9	3.0%	1,571.5	3.4	1,568.1	1,511.7	3.4	1,508.2	59.8	-	59.9
2033-34	4,915.0	3.0%	1,618.7	3.4	1,615.3	1,557.1	3.4	1,553.7	61.6	-	61.7
2034-35	5,062.4	3.0%	1,667.4	3.4	1,664.0	1,603.9	3.4	1,600.5	63.5	-	63.5
2035-36	5,214.3	3.0%	1,717.5	3.4	1,714.1	1,652.1	3.4	1,648.7	65.4	-	65.4
2036-37	5,370.7	3.0%	1,769.1	3.4	1,765.7	1,701.8	3.4	1,698.3	67.3	-	67.3
2037-38	5,531.8	3.0%	1,822.3	3.4	1,818.9	1,752.9	3.4	1,749.5	69.3	-	69.4
2038-39	5,697.7	3.0%	1,877.0	3.4	1,873.6	1,805.6	3.4	1,802.2	71.4	-	71.4
2039-40	5,868.6	3.0%	1,933.4	3.4	1,930.0	1,859.9	3.4	1,856.4	73.5	-	73.5

Note: Estimates in bold were adopted at the General Revenue Estimating Conference (March 2021). The constitutional provisions requiring the set-aside of funds into the Land Acquisition Trust Fund expire July 1, 2035. The long-run forecast assumes the Legislature continues this treatment beyond that date.

Documentary Stamp Tax Collections and Distributions (Millions)
General Revenue Conference, March 2021

Statutory %s	\$ Cap	F.S Reference	Description	2019-20*	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2038-38	2038-39	2039-40	
				29.33%	-5.60%	1.96%	2.70%	2.80%	2.90%	2.90%	2.90%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
		201.15	Total Collection	2874.9	3718.0	3509.7	3578.5	3675.0	3778.0	3887.5	4000.3	4116.3	4239.8	4367.1	4498.0	4633.0	4771.9	4915.0	5062.4	5214.3	5370.7	5531.8	5697.7	5868.6	
			DOR Admin Cost	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	
			Remainder available for distribution	2862.7	3708.2	3499.9	3568.7	3665.3	3768.2	3877.7	3990.5	4106.5	4230.0	4357.3	4488.2	4623.2	4762.1	4905.2	5052.7	5204.5	5360.9	5522.0	5687.9	5858.8	
		(1)	Debt Service (deposited to LATF)	156.3	157.6	136.1	125.0	104.8	104.8	81.3	60.9	44.4	24.9	6.9	6.9	6.9	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	
			- Florida Forever	134.9	134.9	113.4	102.3	82.1	82.1	65.2	44.8	34.9	15.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
			- Everglades Restoration Bonds Prior to July 1, 2016	22.8	22.7	22.7	22.7	22.7	22.7	16.1	16.1	9.5	9.5	6.9	6.9	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	
		(2)	Land Acquisition Trust Fund (1+2+3+4+5+6)	788.4	1066.1	1018.9	1052.7	1104.7	1138.7	1198.4	1256.0	1310.8	1371.0	1431.0	1474.2	1518.7	1568.1	1615.3	1664.0	1714.1	1765.7	1818.9	1873.6	1930.0	
			1. Everglades Projects / Comp Everglades Rest Plan	197.1	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	
25.00%	200.00	375.041(3)(b)1.	+++ South Florida Water Management District	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	
76.50%	100.00	375.041(3)(b)1.	+++ Planning, Engineering and Construction	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
7.60%	50.00	375.041(3)(b)1.	+++ Remaining Everglades Purposes	65.1	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	
			2. Spring Restoration, Protection & Management	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	
			3. Lake Apopka / St. Johns Water Management District	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	
			4. Debt Service / Bonds Post July 1, 2016 [pursuant to 375.041(3)(b)]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
			5. Everglades Trust Fund	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	
33.00%		375.041(3)(b)4.	Residual	472.3	747.1	699.9	733.7	785.7	819.7	879.4	942.0	996.8	1057.0	1117.0	1160.2	1204.7	1254.1	1301.3	1350.0	1400.1	1451.7	1504.9	1559.6	1616.0	
		(3)	Total to Land Acquisition Trust Fund	944.7	1223.7	1155.0	1177.7	1209.5	1243.5	1279.7	1316.9	1355.2	1395.9	1437.9	1481.1	1525.6	1571.5	1618.7	1667.4	1717.5	1769.1	1822.3	1877.0	1933.4	
8.00%		215.20(1)	Remainder	1918.0	2484.5	2344.9	2391.0	2455.7	2524.7	2598.1	2673.7	2751.4	2834.1	2919.4	3007.1	3097.5	3190.6	3286.5	3385.3	3487.0	3591.8	3699.7	3810.9	3925.4	
		201.15(4)	General Revenue Service Charge	154.2	199.5	188.4	192.1	197.2	202.8	208.6	214.7	220.9	227.5	234.3	241.4	248.6	256.0	263.7	271.6	279.7	288.1	296.8	305.7	314.8	
			Net Available for Distribution	1763.8	2285.0	2156.6	2199.0	2258.5	2321.9	2389.5	2459.0	2530.5	2606.6	2685.0	2765.8	2848.9	2934.6	3022.8	3113.7	3207.3	3303.7	3403.0	3505.2	3610.6	
STTF																									
	75.00	(a)	State Economic Enhancement and Development Trust Fund (DEO)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
24.18%	541.75	(a)	State Transportation Trust Fund	351.6	466.8	446.6	456.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8	466.8	
GDTF	0.15%	3.25	(b)	Grants and Donations Trust Fund (DEO)	2.6	3.3	3.1	3.2	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	
SHTF	11.24%	5.62%	35.00	(c)	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	
			(c)	State Housing Trust Fund	81.6	110.9	103.7	106.1	109.4	113.0	116.8	120.7	124.7	129.0	133.4	137.9	142.6	147.4	152.4	157.5	162.8	168.2	173.8	179.5	185.4
			(c)	Local Government Housing Trust Fund	81.6	110.9	103.7	106.1	109.4	113.0	116.8	120.7	124.7	129.0	133.4	137.9	142.6	147.4	152.4	157.5	162.8	168.2	173.8	179.5	185.4
SHTF	12.93%	1.62%	40.00	(d)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0		
			(d)	State Housing Trust Fund	23.5	31.9	29.9	30.5	31.5	32.5	33.6	34.7	35.9	37.1	38.4	39.7	41.1	42.4	43.9	45.3	46.8	48.4	50.0	51.7	
			(d)	Local Government Housing Trust Fund	164.6	223.5	209.0	213.8	220.5	227.7	235.3	243.2	251.3	259.9	268.8	277.9	287.3	297.0	307.0	317.3	327.9	338.8	350.0	361.6	
GITF	0.02%	0.30	(e)	General Inspection Trust Fund	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3		
			(e)	Total to Trust Funds (Except LATF)	780.7	1022.6	971.2	991.8	1016.2	1031.5	1047.8	1064.6	1081.9	1100.3	1119.3	1138.8	1158.9	1179.6	1200.9	1222.9	1245.5	1268.8	1292.8	1317.5	
		(6)	Remainder To General Revenue Fund	983.1	1262.4	1185.3	1207.2	1242.3	1290.4	1341.6	1394.4	1448.6	1506.3	1565.8	1627.0	1690.0	1755.0	1821.9	1890.8	1961.8	2034.9	2110.2	2187.7	2267.6	

* The actual FY 2019-20 distribution numbers do not add up to the total collection receipts due to timing issues related to transfers that occurred at the end of the fiscal year.

Documentary Stamp Tax Total Collections

Land Acquisition Trust Fund

Fiscal Year	Total Doc Stamps	Percent Change	(New Estimates)			(Old Estimates)			(Difference)		
			Total to LATF	Debt Service	Remainder LATF	Total to LATF	Debt Service	Remainder LATF	Total to LATF	Debt Service	Remainder LATF
1994-95	695.3	-10.3%									
1995-96	775.2	11.5%									
1996-97	844.2	8.9%									
1997-98	1,045.4	23.8%									
1998-99	1,185.1	13.4%									
1999-00	1,223.5	3.2%									
2000-01	1,313.2	7.3%									
2001-02	1,572.5	19.7%									
2002-03	2,001.5	27.3%									
2003-04	2,632.1	31.5%									
2004-05	3,365.2	27.9%									
2005-06	4,058.3	20.6%									
2006-07	3,032.8	-25.3%									
2007-08	1,954.9	-35.5%									
2008-09	1,122.8	-42.6%									
2009-10	1,078.6	-3.9%									
2010-11	1,156.5	7.2%									
2011-12	1,261.6	9.1%									
2012-13	1,643.4	30.3%									
2013-14	1,812.5	10.3%									
2014-15	2,120.8	17.0%									
2015-16	2,276.9	7.4%									
2016-17	2,417.8	6.2%									
2017-18	2,510.0	3.8%									
2018-19	2,651.1	5.6%									
2019-20	2,874.9	8.4%									
2020-21	3,718.0	29.3%	1,223.7	157.6	1,066.1	1,066.5	157.6	908.9	157.2	-	157.2
2021-22	3,509.7	-5.6%	1,155.0	136.1	1,018.9	1,104.0	136.1	967.9	51.0	-	51.0
2022-23	3,578.5	2.0%	1,177.7	125.0	1,052.7	1,132.8	125.0	1,007.7	44.9	-	44.9
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2037-38	5,531.8	3.0%	1,822.3	3.4	1,818.9	1,752.9	3.4	1,749.5	69.3	-	69.4
2038-39	5,697.7	3.0%	1,877.0	3.4	1,873.6	1,805.6	3.4	1,802.2	71.4	-	71.4
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