



MONTHLY REVENUE REPORT

Office of Economic & Demographic Research

Volume 37, Number 10
April 2017

Revised General Revenue Collections for April 2017 (Sales Tax Data Reported is Unaudited)

General Revenue (GR) collections for April 2017 were \$99.6 M (3.5%) over the monthly estimate based on the General Revenue forecast adopted March 17, 2017. The overage can be attributed to Corporate Income Tax collections, which were over estimate by \$114.5 M for the month (further discussed below). On net, all other sources, including Refunds, were just under the estimate for the month, by \$14.8 M or 0.5%.

After making adjustments to total Sales Tax collections for local taxes and distributions, audits, bad checks, and transfers to Sales Tax from the Communications Services Tax (CST), Sales Tax GR for the month of April was \$18.4 M (0.8%) under estimate. Final Sales Tax Liability (the sum of all sales tax components, detailed below) was under estimate by \$6.0 M or 0.2% for the month.

Three of the six Sales Tax components were over estimate for the month as follows: Automobiles (over by \$8.4 M or 2.0%), Business (over by \$6.1 M or 1.4%), and Building (over by \$2.3 M or 1.7%). The remaining three components were under estimate: Consumer Nondurables (under by \$15.0 M or 2.2%), Tourism (under by \$5.7 M or 1.0%), and Other Durables (under by \$2.2 M or 1.6%). Note that this Sales Tax report largely reflects activity that occurred in March.

Of the sources that were over estimate for the month, the largest was Corporate Income Tax (over by \$114.5 M or 50.3%). Recent changes to due dates have created uncertainty regarding the flow of monthly Corporate Income Tax receipts. While the REC adjusted the monthly estimates to account for the expected changes, it is currently unclear whether the higher collections in April reflect true gains to the estimate or an error in the timing adjustment where shortfalls in the remaining months of the fiscal year will offset the gains in March and April. Other Taxes, Licenses, and Fees were over estimate by \$5.3 M primarily because the Department of Corrections reclassified Subsistence Fees from Refunds/Reimbursements to Fees. This resulted in a positive adjustment of approximately \$5.0 M to Other Taxes, Licenses, and Fees and an equal negative adjustment to Other Nonoperating Revenues. Other sources that were over estimate for the month include Insurance Taxes (over by \$7.0 M or 5.5%); Beverage Taxes (over by \$6.4 M or 27.8%); Parimutuel Taxes (over by \$5.1 M due to the timing of the trust fund transfers); Article V Fees (over by \$1.0 M or 8.8%); and Tobacco Tax (over by \$1.0 M or 6.7%).

Indian Gaming revenues matched the estimate for the month of \$7.8 M. As has been done since August 2015, funds received in excess of the adopted forecast are being effectively held in reserve by the State until the final resolution of the legal dispute regarding the operation of banked card games. The portion of the April monthly payment (approximately \$11.7 M) associated with banked card games is not included in the reported collections. The total payments being accounted for separately now equal \$200.6 M.

Of the sources that were under estimate for the month, the largest shortfall was in Other Nonoperating Revenues (under by \$6.0 M or 35.4%) resulting from the revenue reclassification described above, as well as lower than expected receipts in the Fines, Forfeitures, and Judgments component. Five sources were under the estimates for the month but remain over the estimates for the year, including Corporate Filing Fees (under by \$5.8 M or 8.9%); Highway Safety Fees (under by \$3.6 M or 9.8%); Documentary Stamp Tax GR (under by \$1.3 M or 2.2%); Service Charges (under by \$1.3 M or 2.1%); and Intangibles Taxes (under by \$0.2 M or 0.7%). Other sources that were under estimate for the month include Counties' Medicaid Share (under by \$1.8 M or 6.7%); Earnings on Investments (under by \$1.6 M or 14.3%); and Severance Taxes (under by \$0.3 M or 21.4%).

Refunds were \$0.5 M over estimate for April. Corporate Income Tax and Other Refunds were higher than expected by approximately \$1.0 M and \$0.1 M, respectively. In contrast, Insurance Premium Tax and Sales Tax Refunds were under the estimates by \$0.4 M and \$0.3 M, respectively. Because refunds reduce revenue, coming in over the estimate in Refunds decreases the bottom-line Net GR.

In summary, Net GR collections for April were over estimate by \$99.6 M. The figures in the table below show the variance from monthly estimates that are based on the results of the March 17, 2017, estimating conference. Details of the estimates can be found at <http://edr.state.fl.us/Content/>. Note that the listing of sources below has been rearranged to reflect each source's overall importance to GR.

Actual General Revenue Collections Compared to the March 17, 2017 Estimates

Month	March	April	May	June
Monthly Overage (millions)	4.6	99.6		
Year to Date Overage (millions - cumulative)	-28.4	71.2		
Percent of Monthly Estimate Collected	100.2%	103.5%		
Percent of Total Year Estimate Collected	71.4%	81.5%		

APRIL 2017 GENERAL REVENUE COLLECTIONS (\$ MILLIONS) BASED ON THE MARCH 2017 REVENUE ESTIMATING CONFERENCE

	MONTH			FISCAL YEAR TO DATE				
	ACTUAL CURRENT MONTH	ESTIMATE CURRENT MONTH	OVER/ UNDER ESTIMATE	ACTUAL CURRENT YEAR	ESTIMATE CURRENT YEAR	OVER/ UNDER ESTIMATE	PRIOR YEAR ACTUAL	PERCENT INCREASE/ DECREASE
SALES TAX COLLECTIONS	2,155.8	2,174.2	(18.4)	19,086.2	19,181.8	(95.6)	18,327.8	4.1%
CORPORATE INCOME TAX	341.9	227.4	114.5	1,716.1	1,593.5	122.6	1,736.4	-1.2%
DOCUMENTARY STAMP TAX	61.0	62.3	(1.3)	611.8	599.2	12.6	604.0	1.3%
INSURANCE TAXES	134.9	127.9	7.0	424.1	421.1	2.9	406.6	4.3%
HIGHWAY SAFETY FEES	33.4	37.0	(3.6)	385.2	383.2	2.0	306.3	25.8%
SERVICE CHARGES	59.1	60.4	(1.3)	396.1	394.9	1.2	393.0	0.8%
INTANGIBLES TAXES	28.2	28.4	(0.2)	306.1	303.1	3.0	274.3	11.6%
CORPORATE FILING FEES	59.5	65.3	(5.8)	274.8	273.1	1.7	250.6	9.7%
COUNTIES' MEDICAID SHARE	24.8	26.6	(1.8)	249.3	251.8	(2.5)	246.8	1.0%
BEVERAGE TAXES	29.4	23.0	6.4	240.6	229.2	11.5	275.8	-12.8%
TOBACCO TAX	15.4	14.4	1.0	139.2	139.4	(0.2)	143.5	-3.0%
OTHER NONOPERATING REVENUES	10.9	16.9	(6.0)	152.3	159.4	(7.1)	162.3	-6.1%
ARTICLE V FEES AND TRANSFERS	12.2	11.2	1.0	105.0	104.6	0.4	115.9	-9.4%
INDIAN GAMING	7.8	7.8	0.0	106.7	100.4	6.3	178.9	-40.3%
EARNINGS ON INVESTMENTS	9.5	11.1	(1.6)	104.9	108.1	(3.2)	88.9	18.0%
OTHER TAXES LICENSES AND FEES	7.9	2.6	5.3	30.4	25.3	5.1	27.2	11.8%
PARIMUTUEL TAXES	5.7	0.6	5.1	21.4	16.2	5.2	17.0	26.2%
SEVERANCE TAXES	0.9	1.2	(0.3)	8.9	9.2	(0.3)	9.3	-4.6%
TOTAL REVENUE	2,998.4	2,898.3	100.1	24,359.2	24,293.6	65.6	23,564.5	3.4%
LESS REFUNDS	19.4	18.9	0.5	275.9	281.5	(5.6)	408.5	-32.5%
NET REVENUE	2,979.1	2,879.4	99.6	24,083.3	24,012.1	71.2	23,156.0	4.0%