

# Monthly Economic Report

Office of Economic & Demographic Research

## General Revenue Collections for November

### GENERAL REVENUE COLLECTIONS FOR NOVEMBER 2001

Unadjusted General Revenue (GR) collections for November were \$152.4 M over the estimate adopted at the October 15, 2001 Revenue Estimating Conference (REC). (Results of the October conference are available at <http://www.state.fl.us/edr/>.) However, caution is warranted in interpreting this month's good news. Slightly more than half of November's

apparent good fortune is probably attributable to the timing of receipts rather than an error in the annual estimate. These timing issues arose in two revenue items: the Estate Tax and Tax Refunds. Estate Tax collections were \$36.8 M over estimate as a result of one very large payment. The monthly pattern of large payments has historically been more volatile than annual collections; therefore, it is usually an error to assume that an overage in any given month represents a net addition to annual collections. Refunds fell short of the November estimate by \$43.1 M, thereby raising net tax collections by a like amount. The monthly pattern of Refunds has been affected by recent law changes; however, it is expected that the annual Refunds estimate will prove accurate. Discounting these two items reduces the positive error in the estimate for November to \$72.5 M.

Caution is also indicated in interpreting the unanticipated strength in sales tax collections. Preliminary Sales Tax GR was \$37.0 M over

estimate for the month. In this case, we suspect that the excess collections are attributable to overpayment of sales taxes by payers of the new Communications Services Tax. Shortly these firms are expected to begin to amend their practices and reduce their future payments to compensate for overpayments in previous months. For this reason, the remaining \$72.5 M overage should be reduced by an additional \$37 M to get a more realistic picture of November collections. After making this adjustment, the overage for November amounts to \$35.5 M, a figure that is well within the normal range of monthly errors in the estimate. The year-to-date errors in the estimate should likewise be adjusted. When this is done the year-to-date error in the estimate is just under \$60 M.

Almost all sources were over estimate this month. In particular, Intangibles Taxes were \$10.0 M over estimate and Documentary Stamp Tax was \$7.3 M over estimate. Both these sources are benefiting from strength in the

mortgage market due to favorable interest rates. Total collections in Documentary Stamp Tax were \$20.0 M over estimate, and Intangibles Tax total collections were \$6.0 M over estimate. Both sources make a monthly transfer to GR from total collections for the month.

The only two sources under estimate were the Corporate Income Tax at \$5.4 M under estimate and Corporation Trust Fund Fees at \$0.1 M under estimate.

To summarize, without the adjustments discussed above, Net GR collections for November were \$152.4 M over estimate for the month and \$242.6 M over estimate for the fiscal year. All estimates in the table below are based on the General Revenue Estimating Conference that met on October 15, 2001. As discussed, however, a more realistic presentation of these figures is \$35.5 M over estimate for the month and \$60 M over for the fiscal year to date.

#### General Revenue Collections

Month: \$152.4 M over the October 2001 estimate

\$87.6M over the March 2001 estimate adjusted for law changes

Year: \$242.6 M over the October 2001 estimate

\$42.8 M over the March 2001 estimate adjusted for law changes

#### October Lottery Transfers to DOE

Month: \$67.8 M or \$5.8 M below Aug 2001 estimate

Year: \$282.2 M or \$9 M below Aug 2001 estimate

\$5.8 M below Feb 2001 estimate

NOVEMBER GENERAL REVENUE COLLECTIONS (\$ MILLIONS)  
(BASED ON OCTOBER 2001 ESTIMATES)

	MONTH			FISCAL YEAR TO DATE				
	ACTUAL CURRENT MONTH	ESTIMATE CURRENT MONTH	OVER/ UNDER ESTIMATE	CURRENT YEAR ACTUAL	CURRENT YEAR ESTIMATE	OVER/ UNDER ESTIMATE	PRIOR YEAR ACTUAL	PERCENT INCREASE/ DECREASE
SALES TAX COLLECTIONS	1135.6	1098.6	37.0	5623.9	5538.9	85.0	5530.5	1.7%
BEVERAGE TAXES	46.2	41.7	4.5	202.7	202.6	0.1	202.2	0.3%
CORPORATE INCOME TAX	22.4	27.8	-5.4	343.5	338.7	4.8	363.8	-5.6%
DOCUMENTARY STAMP TAX	50.4	43.1	7.3	179.0	163.5	15.5	123.5	45.0%
TOBACCO TAX	22.7	18.8	3.9	93.7	90.2	3.4	90.8	3.2%
INSURANCE PREMIUM TAX	79.9	86.1	-6.2	91.7	95.4	-3.7	78.4	17.0%
PARIMUTUEL TAXES	0.0	0.0	0.0	4.3	4.3	0.0	2.7	59.6%
INTANGIBLES TAXES	35.1	25.1	10.0	162.1	153.1	9.0	142.1	14.0%
ESTATE TAX	98.4	61.6	36.8	359.9	289.0	70.9	354.1	1.6%
INTEREST EARNINGS	21.7	16.9	4.8	114.1	103.4	10.6	128.3	-11.1%
DRIVERS LICENSE FEES	5.7	4.5	1.2	26.0	23.7	2.3	26.5	-2.0%
MEDICAL HOSPITAL FEES	11.6	10.7	0.9	55.4	52.3	3.1	52.8	4.8%
MOTOR VEHICLE CHARGES	4.6	3.2	1.4	15.0	13.5	1.5	17.3	-13.5%
AUTOMOBILE TITLE FEES	3.1	2.0	1.1	9.0	8.7	0.3	10.9	-17.5%
SEVERANCE TAXES	0.5	0.2	0.3	6.0	7.2	-1.2	6.5	-7.3%
SERVICE CHARGES	34.2	25.3	8.8	144.1	142.1	2.0	145.6	-1.0%
CORPORATION TRUST FUND FEES	0.3	0.4	-0.1	25.6	27.2	-1.6	24.6	4.3%
OTHER TAXES LICENSES & FEES	11.5	8.7	2.8	58.1	57.5	0.6	59.6	-2.6%
TOTAL REVENUE	1584.1	1474.7	109.3	7514.1	7311.5	202.5	7360.2	2.1%
LESS REFUNDS	23.4	66.5	-43.1	124.8	164.7	-40.0	127.7	-2.27%
NET REVENUE	1560.7	1408.2	152.4	7389.3	7146.8	242.5	7232.6	2.2%