



Monthly Revenue Report

Office of Economic & Demographic Research

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Revised General Revenue Collections for February 2011 (Sales Tax Data Reported is Unaudited)

General Revenue (GR) collections for February 2011 were \$54.2 M under the estimates adopted by the General Revenue Estimating Conference (GR REC) on December 14, 2010. Total collections continue to run above receipts for the same month prior year, February 2010. The Conference met on March 18, 2011 to update revenue estimates; new monthly estimates from that conference will be shown in next month's report.

As expected, Sales Tax GR fell below the estimate from the December GR REC. Even though total collections were \$9.8 M over estimate, after adjusting for estimated payments, unpaid liability, audits, bad checks, and transfers to Sales Tax from the Communications Services Tax, Sales Tax GR ended up \$19.4 M (about 1.4%) under estimate. Looking at the details, two of the six Sales Tax components were over estimate. The Automobiles component was over estimate by \$6.8 M (about 3.1%) and Consumer Non-Durables was over estimate by \$14.0 M (about 3.2%). Components under estimate were Other Durables, under estimate by \$0.3 M (about 0.3%); Tourism, under estimate by \$2.0 M (about 0.6%); Building, under estimate by \$0.6 M (about 0.9%); and Business, under estimate by \$8.1 M (about 2.9%). Note that this Sales Tax report largely reflects activity that actually occurred in January.

Sources notably over estimate include Corporate Filing Fees, Service Charges and Intangibles Taxes. Corporate Filing Fees, largely annual reports and supplemental filing fees paid by corporations and partnerships, were over estimate by \$4.9 M this month. This is due to a mixture of seemingly opposing causes: late and reinstatement fees resulting from legislation enacted last year are running over estimate, and business entities are remitting payments earlier than in past years. While collections will likely exceed the December 2010 estimate, we expect collections in the

remainder of the year to slow. Service Charges, transfers to GR from most trust funds, were over estimate by \$4.7 M. Virtually all components of Service Charges were over estimate by small amounts, with the Alcoholic Beverage and Tobacco Trust Fund transfer \$1.2 M over estimate and Other Service Charges (a large collection of many smaller trust funds) over estimate by \$1.8 M. Intangibles Taxes were over estimate by \$3.0 M; the tax is paid on obligations secured by liens on Florida realty.

Intangibles Taxes are usually highly correlated with the performance of the Documentary Stamp Tax. While total collections of Documentary Stamp Tax were also over estimate for the month, the transfer to GR was slightly under estimate due to timing. Transfers to GR are made on the last day of the month, based on the cash balance in the Documentary Stamp Tax trust fund. There is a time lag between receipt and posting of funds, which impacts monthly transfers. For the year to date, both collections and the transfer to GR from Documentary Stamp Tax are running over estimate.

Shortfalls in revenue sources this month were generally small, with one exception. Corporate Income Tax was \$48.4 M under estimate, and now stands \$56.2 M (5.7%) under estimate for the year. Much of this month's shortfall resulted from a monthly estimate that relied too heavily on last year's receipts. Last February, we received a very large one-time audit payment. Taking that anomaly into account, this source would have only been about \$18 M under estimate, but this makes the estimates for the remaining months suspect. Overall, Corporate Income Tax collections remain problematic; the largest payments will not be realized until after the final true-up pay-

ments and first estimated payments are received around May 1st.

Other sources under estimate include Medical Hospital Fees, reimbursements to the state by counties for medical services, primarily nursing home care. These payments were \$3.5 M under estimate for the month, and are currently running \$7.0 M (about 5.4%) under estimate for the year. Article V Fees fell \$2.8 M under estimate, with fewer foreclosure fees than expected the primary cause. Earnings on Investments were under estimate by \$2.2 M due to losses on the external portfolio. Although Refunds was under estimate for the month (by \$8.2 M), shortfalls in Refunds increase Net GR's bottom line.

In summary, Net GR collections for February were \$54.2 M under estimate for the month and \$62.7 M over estimate for the fiscal year. The table below is based on monthly estimates from the December 14, 2010 GR REC. The Conference met on March 18 and increased estimates just slightly for the current fiscal year by \$31.2 M (a bit more than 1/10th of one percent). Monthly estimates based on the March Conference will be used in next month's revenue report. Details of changes to the estimates made at the March Conference 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.

General Revenue Collections

Month: \$54.2 M under the December 2010 estimate; \$42.4 M under the March 2010 estimate adjusted for Legislative changes

Year: \$62.7 M over the December 2010 estimate; \$157.6 M under the March 2010 estimate adjusted for Legislative changes

February Lottery Transfers to DOE

Month: \$99.502 M, \$2.063 M under the November 2010 estimate

Year: \$755.257 M, \$18.092 M under the November 2010 estimate; \$25.334 M under the July 2010 estimate

FEBRUARY 2011 GENERAL REVENUE COLLECTIONS (\$ MILLIONS)								
BASED ON THE DECEMBER 2010 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	1,324.8	1,344.1	(19.4)	10,845.8	10,803.4	42.3	10,497.0	3.3%
CORPORATE INCOME TAX	26.0	74.4	(48.4)	932.0	988.2	(56.2)	943.3	-1.2%
HIGHWAY SAFETY FEES	75.9	72.3	3.6	630.3	630.1	0.1	433.7	45.3%
INSURANCE PREMIUM TAX	12.6	15.2	(2.6)	252.4	250.7	1.8	262.9	-4.0%
BEVERAGE TAXES	34.6	34.4	0.2	355.3	350.0	5.3	384.1	-7.5%
SERVICE CHARGES	32.1	27.4	4.7	302.1	296.2	6.0	267.3	13.0%
ARTICLE V FEES AND TRANSFERS	12.7	15.5	(2.8)	111.7	113.2	(1.5)	128.7	-13.2%
TOBACCO TAX	20.0	19.1	0.9	129.0	127.5	1.6	122.0	5.8%
CORPORATE FILING FEES	30.4	25.5	4.9	118.5	98.7	19.8	96.7	22.5%
MEDICAL HOSPITAL FEES	15.4	18.9	(3.5)	122.4	129.5	(7.0)	151.6	-19.3%
INTANGIBLES TAXES	13.1	10.1	3.0	109.6	100.3	9.2	108.3	1.2%
INDIAN GAMING	12.5	12.5	0.0	90.4	90.4	0.0	0.0	100.0%
EARNINGS ON INVESTMENTS	6.0	8.2	(2.2)	88.9	91.8	(2.9)	71.9	23.6%
DOCUMENTARY STAMP TAX	6.7	7.4	(0.7)	99.8	83.7	16.1	88.1	13.3%
PARIMUTUEL TAXES	0.5	0.6	(0.1)	14.0	12.1	1.9	13.3	5.0%
SEVERANCE TAXES	0.5	0.4	0.1	10.5	10.8	(0.3)	6.3	67.3%
OTHER TAXES LICENSES AND FEES	2.5	4.7	(2.2)	25.9	30.5	(4.6)	29.8	-13.0%
OTHER NONOPERATING REVENUES	12.3	10.2	2.1	113.7	106.6	7.0	130.1	-12.6%
TOTAL REVENUE	1,638.5	1,700.9	(62.4)	14,352.4	14,313.9	38.5	13,735.1	4.5%
LESS REFUNDS	11.0	19.2	(8.2)	277.3	301.6	(24.2)	466.6	-40.6%
NET REVENUE	1,627.5	1,681.7	(54.2)	14,075.0	14,012.3	62.7	13,268.5	6.1%