



THE FLORIDA SENATE
SENATOR BILL GALVANO
President

MEMORANDUM

TO: All Senators
FROM: Bill Galvano
SUBJECT: General Revenue Collection Report for July
DATE: August 26, 2020

This morning, the Legislature's Office of Economic and Demographic Research (EDR) released the General Revenue Collection Report for July, which I have attached for your reference. Collections in the attached report reflect against the expectation set in January, before the pandemic, not the new estimate, adopted earlier this month.

As you may recall, January, February and March reports combined came in at \$202.4 million over estimate, while reports published in April, May and June contained significant losses as a result of the Coronavirus pandemic, local, state and federal actions to contain infections, and the pandemic-induced economic contraction that followed. However, I am pleased to report that for the first time since March 2020, overall collections for the month of July were positive, reflecting a gain of \$2.5 million for the month.

Of particular note, the reports demonstrates that three revenue sources recaptured some of their losses as formal state orders delaying payment of these taxes or fees until June came to an end. Recoupment is likely to continue over the coming months.

- Corporate Income Tax regained \$134.7 million during July, after finishing the prior year \$356.9 million under the annual estimate.
- Corporate Filing Fees regained \$34.6 million during July, after finishing the prior year \$43.5 million under the annual estimate.
- Highway Safety Fees regained \$5.8 million during July, after finishing the prior year \$66.1 million under the annual estimate.

As a reminder, sales tax collections in the attached report reflect activity that largely occurred in June, the final month of the 2019-20 Fiscal Year. Beginning in September, with the General Revenue Collection Report for August, revenues will be compared against the new estimate published on August 14.

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Moving forward, the Legislative Budget Commission (LBC) will meet in early September to review and approve the constitutionally-required Long Range Financial Outlook. This important document will provide a more holistic view of economic and budgetary factors over the next three years and will serve as an important tool for the Legislature when it reorganizes following the November election. Staff of the Senate, House, and EDR are working to finalize a draft document, which will be published with the LBC notice at least seven days prior to the meeting.

As I mentioned earlier this month, the road ahead will not be easy, but today's news should give us every reason to be hopefully optimistic that our state will fully recover from this unprecedented pandemic, and we will return to the quality of life we all cherish.