



**THE FLORIDA SENATE**  
**SENATOR BILL GALVANO**  
*President*

## **MEMORANDUM**

**TO:** All Senators  
**FROM:** Bill Galvano  
**SUBJECT:** General Revenue Collection Report for September  
**DATE:** October 27, 2020

---

This morning, the Legislature's Office of Economic and Demographic Research (EDR) released the General Revenue Collection Report for September, which I have attached for your reference.

On the heels of a positive report in August in which general revenue collections exceeded the estimate by \$177.3 million, including \$153.8 million in sales tax collections, I am pleased to report that September (which reflects activity that largely occurred in August) is also positive with a gain of \$230.2 million above the new forecast, including \$121.7 million in sales tax collections.

As a reminder, the August General Revenue Estimate was approximately \$3.4 billion less than the prior, pre-Covid-19 pandemic, estimate adopted in January for fiscal year 2020-21. When reviewing actual collections in the first two months since that estimate, we have seen a combined gain of \$406.1 million.

EDR indicates that the September report benefits from the release of pent-up demand with regard to consumer spending. After increasing to a rate of 33.6 percent in April, from 7.9 percent for the entire 2018-19 fiscal year, the personal savings rate dropped from 17.7 percent in July to 14.1 percent in August. Many Florida families are still struggling with pandemic-related unemployment or underemployment caused by closures or reduction in services and capacity within certain portions of our economy. However, these numbers indicate that in recent weeks others have regained confidence in our economy and are beginning to resume more normal spending habits, easing off what had been an atypically high savings rate when larger portions of the economy were closed or restricted.

As mentioned earlier, sales tax collections were \$121.7 million above estimate despite pandemic-related declines in the tourism and hospitality industries accounting for a 28.2 percent drop in receipts when compared with September 2019 collections in that category. Overall sales

October 27, 2020

Page 2

tax collections continue to move toward 2019 levels. It is also encouraging to see in the September report that 12 of 17 revenue sources came in above the new estimates, with seven actually gaining over the September 2019 levels. Corporate filing fee gains have completely offset the prior year losses and while four revenue sources were negative when compared to the same month prior year, the total combined loss was only \$3.6 million for these sources. In fact, beverage taxes, which were 40 percent below same month collections last month, were only 5.2 percent below same month collections this month reflecting the reopening of bars in the state and the recovery of that industry.

I would like to thank Amy Baker and the entire team of talented and dedicated professionals at EDR for their tireless service to our state, particularly during these challenging and unprecedented times. Reliable fiscal estimates are the cornerstone of our budgeting process. Ms. Baker's team consistently provides detailed analysis of our economy that we can depend on as we make fiscal decisions that impact millions of Floridians on a daily basis. EDR is second to none, and it has been an honor to serve alongside these outstanding public servants.

As we look to the future, with the health, social, and economic impacts of COVID-19 still greatly impacting day to day life for Floridians across our state, there are many who remain understandably skeptical about Florida's future. However, as I close what will be my last update on fiscal matters during my term as Senate President, I am optimistic because of the positive news in this report.

Finally, it has been an honor and a privilege to serve with each of you in the Florida Senate, and to serve you as your President. I remain very confident that our state is well prepared for the future and our best days are ahead.