

## Estimated Revenue Impacts of Tax and Fee Increases: 2002 to 2009 (FY 2003 to FY 2010)

Tax or Fee Increases	Action	Effective Date	Estimated Revenue							
			FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
<b>2002 Enacted</b>										
Cigarette Tax	70 cents per pack	July 1, 2002	\$260,000,000	\$250,000,000	\$230,000,000	\$210,000,000	\$190,000,000	\$180,000,000	\$170,000,000	\$160,000,000
Corp. Business Tax, "Business Tax Reform Act"	Various changes to rates, minimums	January 1, 2002	\$1,025,000,000	\$766,000,000	\$491,000,000	\$491,000,000	\$491,000,000	\$491,000,000	\$491,000,000	\$491,000,000 *
Estate Tax	Offsets federal law changes	January 1, 2002	\$60,000,000	\$120,000,000	\$180,000,000	\$180,000,000	\$180,000,000	\$180,000,000	\$180,000,000	\$180,000,000 *
Various Fee Increases (across departments)	Various	July 1, 2002	\$129,000,000	\$129,000,000	\$129,000,000	\$129,000,000	\$129,000,000	\$129,000,000	\$129,000,000	\$129,000,000 **
	<b>Total:</b>		<b>\$1,474,000,000</b>	<b>\$1,265,000,000</b>	<b>\$1,030,000,000</b>	<b>\$1,010,000,000</b>	<b>\$990,000,000</b>	<b>\$980,000,000</b>	<b>\$970,000,000</b>	<b>\$960,000,000</b>
<b>2003 Enacted</b>										
Cigarette Tax	55 cents per pack	July 1, 2003		\$179,000,000	\$160,000,000	\$140,000,000	\$120,000,000	\$110,000,000	\$100,000,000	\$90,000,000
Realty Transfer Fee	Various rate increases	July 14, 2003		\$62,000,000	\$74,000,000	\$82,000,000	\$70,520,000	\$57,826,400	\$38,165,424	\$38,165,424
Outdoor Advertising Fee	6% gross receipts	July 1, 2003		\$7,417,000	\$6,740,000	\$0	\$0	\$0	\$0	\$0
Casinos	Various fees and rates	July 1, 2003		\$89,737,000	\$85,492,000	\$85,328,000	\$36,177,000	\$27,911,000	\$22,302,000	\$15,915,000
Hotel Occupancy Tax	State 7%; 5% after 6/30/04	August 1, 2003		\$80,972,000	\$78,024,000	\$74,000,000	\$84,195,000	\$86,285,000	\$80,000,000	\$85,000,000
Court Fee (Divorce Filing)	\$50 increase to \$250	July 1, 2003		\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
Real Estate Licenses, Other	Various fee increases	July 1, 2003		\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000
Employer Assessment, (Right to Know)	Various fee increases	July 1, 2003		\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000
Alcoholic Beverage Licenses	Various fee increases	July 1, 2003		\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
County Recording Fees	Various fee increases	July 1, 2003		\$15,600,000	\$15,600,000	\$15,600,000	\$15,600,000	\$15,600,000	\$15,600,000	\$15,600,000
Criminal History Background Check Fee	Various fee increases	July 1, 2003		\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000
Motor Vehicle "Security Surcharge"	\$7 per registration	June 1, 2003		\$34,000,000	\$34,000,000	\$34,000,000	\$34,000,000	\$34,000,000	\$34,000,000	\$34,000,000
	<b>Total:</b>			<b>\$480,226,000</b>	<b>\$465,356,000</b>	<b>\$442,428,000</b>	<b>\$371,992,000</b>	<b>\$343,122,400</b>	<b>\$301,567,424</b>	<b>\$290,180,424</b>
<b>2004 Enacted***</b>										
Cigarette Tax	35 cents per pack	July 1, 2004			\$100,000,000	\$95,000,000	\$85,000,000	\$80,000,000	\$75,000,000	\$70,000,000
Corp. Business Tax, Partial Extended NOL Suspension		January 1, 2004			\$140,000,000	\$205,000,000	\$0	\$0	\$0	\$0
Realty Transfer Fee	Various rate increases >\$350,000 value	July 1, 2004			\$84,000,000	\$92,000,000	\$79,120,000	\$64,878,400	\$42,819,744	\$42,819,744
Expensive-Home Purchase Assessment	1% of value; all home over \$1 million	July 1, 2004			\$51,434,000	\$86,400,000	\$127,714,000	\$118,689,000	\$91,110,000	\$82,000,000
Motor Vehicle Surcharge	\$200 per guilty driver	July 1, 2004			\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000
Telephone Assessment		July 1, 2004			\$115,000,000	\$119,000,000	\$128,861,000	\$130,245,000	\$132,000,000	\$137,000,000
Transitional Energy Facilities Assessment Extended		July 1, 2004			\$54,000,000	\$54,000,000	\$0	\$0	\$0	\$0
HMO Assessment (extended in 2005)		July 1, 2004			\$55,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000
Hazardous Discharge /Spill Fund Tax Increase		January 1, 2004			\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Tire Clean-Up Surcharge	\$1.50 per new tire	July 1, 2004			\$8,300,000	\$9,000,000	\$9,817,000	\$9,637,000	\$10,000,000	\$10,000,000
Cosmetic Surgery		July 1, 2004			\$0	\$9,840,000	\$9,840,000	\$9,840,000	\$9,840,000	\$9,840,000
Motor Vehicle Fee Acceleration	Pre-pay 4 years of reg. fees	July 1, 2004			\$45,000,000	\$64,500,000	\$45,000,000	\$45,000,000	\$45,000,000	\$45,000,000
Ambulatory Medical Facilities Assessment		July 1, 2004			\$22,700,000	\$23,900,000	\$27,800,000	\$29,300,000	\$29,300,000	\$29,300,000
Decouple Depreciation		July 1, 2004			\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000
High Income Taxpayer Rate Increase	From 6.37% to 8.97% for >\$500K Income	January 1, 2004			\$1,075,000,000	\$991,000,000	\$1,100,000,000	\$1,265,000,000	\$1,012,000,000	\$910,800,000
	<b>Total:</b>				<b>\$1,860,434,000</b>	<b>\$1,899,640,000</b>	<b>\$1,763,152,000</b>	<b>\$1,902,589,400</b>	<b>\$1,597,069,744</b>	<b>\$1,486,759,744</b>

## Estimated Revenue Impacts of Tax and Fee Increases: 2002 to 2009 (FY 2003 to FY 2010)

Tax or Fee Increases	Action	Effective Date	Estimated Revenue							
			FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
<b>2005 Enacted ****</b>										
Income Tax - Higher Income Pension Exclusion		January 1, 2005				\$45,000,000	\$45,000,000	\$45,000,000	\$45,000,000	\$45,000,000
Insurance Premiums Tax (Include Horizon)		January 1, 2005				\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000
	<b>Total:</b>					<b>\$75,000,000</b>	<b>\$75,000,000</b>	<b>\$75,000,000</b>	<b>\$75,000,000</b>	<b>\$75,000,000</b>
<b>2006 Enacted *****</b>										
Sales Tax - Rate Increase	Rate increase from 6 cents to 7 cents.	July 15, 2006					\$1,205,000,000	\$1,253,200,000	\$1,178,008,000	\$1,201,568,160
Sales Tax - Expand Base to Certain Consumer Services		October 1, 2006					\$343,000,000	\$356,720,000	\$335,316,800	\$342,023,136
Transitional Energy Facilities Assessment Extended		July 8, 2006					\$53,500,000	\$257,222,000	\$234,489,000	\$239,679,000
Cigarette Tax Rate Increase	17.5 cent increase per pack.	July 15, 2006					\$30,000,000	\$28,000,000	\$26,000,000	\$24,000,000
Corporation Business Tax Surcharge	4% surcharge and increased minimum tax.	July 8, 2006					\$119,000,000	\$119,000,000	\$90,000,000	\$0
Extend to Commercial Properties the Assessment on Homes Sold for Over \$1 Million		August 1, 2006					\$17,000,000	\$13,940,000	\$9,200,400	\$9,200,400
Surcharge on New Luxury Car Registrations	0.4% fee on high value, low EPA mpg rating.	July 15, 2006					\$17,000,000	\$17,000,000	\$17,000,000	\$17,000,000
Nuclear Facilities Security Detail		July 8, 2006					\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Increase Rental Car Fee	From \$2 per day to \$5 per day.	July 8, 2006					\$34,843,000	\$33,915,000	\$31,000,000	\$31,000,000
	<b>Total:</b>						<b>\$1,823,343,000</b>	<b>\$2,082,997,000</b>	<b>\$1,925,014,200</b>	<b>\$1,868,470,696</b>
<b>2009 Enacted *****</b>										
Income Tax - One year rate increase on income >\$500,000	Top rate from 8.97% to 10.25% in TY2009	January 1, 2009								\$620,000,000
Income Tax - One year elimination of property tax deduction	Filers over \$250,000 may not claim TY2009	January 1, 2009								\$100,000,000
Income Tax - One year rate increase \$400,000 to \$500,000	New rate of 8.0% in TY2009; up from 6.37%	January 1, 2009								\$83,000,000
Income Tax - One year rate increase on income >\$1,000,000	New rate of 10.75% in TY2009; up from 8.97%	January 1, 2009								\$200,000,000
Income Tax - Apply to lottery winnings over \$10,000		January 1, 2009								\$8,000,000
Insurance Premiums Tax - Various changes	Includes dedication to Health Care Subsidy Fund	January 1, 2009								\$35,300,000
Corp. Business Tax - Extend expiring surcharge	4% surcharge extended	July 1, 2009								\$80,000,000
Cigarette Tax	12.5 cent increase to 2.70 per pack	July 1, 2009								\$30,700,000
Alcoholic Beverage Tax	25% increase, excluding beer	July 1, 2009								\$21,600,000
	<b>Total:</b>									<b>\$1,178,600,000</b>
	<b>Estimated Total, Each Year:</b>		<b>\$1,474,000,000</b>	<b>\$1,745,226,000</b>	<b>\$3,355,790,000</b>	<b>\$3,427,068,000</b>	<b>\$5,023,487,000</b>	<b>\$5,383,708,800</b>	<b>\$4,868,651,368</b>	<b>\$5,859,010,864</b>

\* Business Tax Reform Act estimates are from the 2002 OLS Fiscal Estimate for A-2501, plus a higher estimate for FY 2004 NOLs. Estate tax estimate is from the Fiscal Estimate for A-2302.

Actual Business Tax Reform Act amounts have not yet been reported by the Division of Taxation.

\*\* The estimates for the various fee increases are from the 2002 OLS Fiscal Estimate for A-2506. Actual amounts have not yet been reported by the Division of Taxation.

\*\*\* The 2004 estimates for the enacted changes are from the FY 2005 Budget-in-Brief, committee statements, the FY 2005 Appropriations Bill, and the Governor's "FAIR" proposal.

\*\*\*\* The 2005 Enacted amounts are from Executive estimates.

\*\*\*\*\* The 2006 Enacted amounts are from Appropriations Act estimates and Executive estimates.

\*\*\*\*\* The 2009 Enacted amounts are from the FY 2010 Governor's Budget Message, March 2009, the Treasurer's May 19 budget update, and OLS Fiscal Notes.

Prepared by the Office of Legislative Services (Revenue, Finance and Appropriations Section).