



## County and Municipal Revenue Sharing Reductions

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Recent impacts to economic activity from efforts to prevent the spread of COVID-19 have resulted in significant reductions in the amount of sales tax collections for the months of April and May and likely the month of June. County and Municipal Revenue Sharing Programs are both funded in part with a percentage of sales tax. The unanticipated drop in tax revenue has created the need to adjust the standard monthly amount of the County and Municipal Revenue Sharing distributions to minimize or eliminate the impact of over-distributed funds to local governments.

To date, the department has been distributing 95% of the forecast amount of revenues available for the county and municipal revenue sharing programs. In the month of March, the economy's reaction to the COVID-19 pandemic resulted in significantly decreased taxable sales activity. The timing of this sudden economic downturn late in the state fiscal year requires the department to make an adjustment over the final two months of the state fiscal year. This will ensure that the County and Municipal Revenue Sharing Trust Funds do not end the year in deficit.

The adjustment amount is based on the revenues received in April and a conservative assumption of 50% decline for collections of May and June. The department will similarly reduce the statewide distributions from County and Municipal Revenue Sharing 50% for each of May and June. Please note that with the complex nature of Municipal Revenue Sharing computations, the reductions each municipality receives will vary from the 50% total reduction. As with previous years, there will be a true-up process in August that will fully distribute any remaining 2019-20 state fiscal year funds due to local governments during the 2019-20 local government fiscal year.

If you have any question, please contact Marsha Revell at the Florida Department of Revenue at [Marsha.Revell@floridarevenue.com](mailto:Marsha.Revell@floridarevenue.com).

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