



NEWS

FOR IMMEDIATE RELEASE:
March 8, 2007

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TOURISM'S IMPACT ON FLORIDA MAY BE GREATER THAN WE KNOW

Tourism Satellite Accounts can provide the answer

TALLAHASSEE — Sandy beaches, infamous amusement parks, and world-class golf courses bring millions of tourists to Florida each year, giving tourism a vital role in Florida's economy. But Florida may not currently be tracking this economic impact as accurately as possible. A new research report by Florida TaxWatch recommends that the state of Florida use a Tourism Satellite Account method to more accurately measure the full impact of tourism expenditures on the state's economy.

The non-profit, non-partisan watchdog group's report "Florida Needs a Better Method to Estimate Tourism's Economic Impact," explains that tourism is not a distinct sector; rather its impact spreads throughout several major economic sectors. The report strongly recommends that Florida use a Tourism Satellite Account to track tourism's effect on our economy. Tourism Satellite Accounts are a systematic and consistent way to trace travel expenditures to the industries that produce tourism-related goods and services. The Tourism Satellite Account method was developed by the World Trade Organization and is used by several other states and over 70 countries, including the United States.

Florida TaxWatch recommends the use of a Tourism Satellite Account because it offers a reliable way to measure the size of the tourism industry in Florida and calculate its impact on the economy. Estimates provided by Tourism Satellite Accounts are comparable across countries, regions and states, they are consistent over time and they are compatible with the standard measure of a national economy.

"Florida may be underestimating, by hundreds of millions of dollars, the tremendous impact visitors of Florida make on our economy and state and local tax revenues," said Dominic M. Calabro, Florida TaxWatch President and CEO. "A Tourism Satellite Account could help provide more definitive and useful data that can help maintain, foster or hinder the growth and foundation of Florida's economy."

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Tourism Satellite Accounts allow governments to accurately track, through scientific methodology, tourist's impact on the entire economy, not just on hotels and restaurants. Currently, VISIT FLORIDA, the state's tourism marketing agency, measures the economic impact of tourists through recreation taxable sales, travel-related employment, car rental surcharges and bed taxes. The ultimate goal of the Tourism Satellite Account model is to measure the total impact of tourism on industries that benefit directly or indirectly from tourism. The model measures the purchases made by visitors on airfare, lodging, meals and beverages, shopping, and other visitor activities, and links these expenditures to the industries that directly and indirectly produce them. These include currently unreported products and services such as gasoline, auto repair, and parking, Visitor spending and government tourism-spending are both included in the model.

"Better information allows policy makers to make more informed decisions and produce better tourism and tax policies," said Calabro. "With the right information, policy makers can help Florida's taxpayers maximize the benefits from tourism in Florida."

Tourism Satellite Accounts will also help prevent certain purchases made by Florida residents from being counted as tourism revenue and tax collections as occurs now under the current system. According to previous Florida TaxWatch research, tourism and recreational activities of all visitors and Floridians generated \$62 billion in taxable transactions in 2005. This estimate would likely be larger and more comparable to other markets with the use of the Tourism Satellite Account method.

Florida TaxWatch recommends that VISIT FLORIDA work with an independent research firm to develop a Tourism Satellite Account for Florida to estimate the full economic impact of tourism in Florida.

[Click here to view the report.](#)

MEDIA AVAILABILITY: Dr. Necati Aydin, the Florida TaxWatch Senior Research Analyst who co-authored the report, will be testifying before the Florida House of Representatives Tourism and Trade Committee members on Thursday, March 8, 2007 at 9:30 a.m. and will be available for interviews afterwards. He will also be available for interviews later in the day and may be reached at (850) 222-5052.

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The Florida TaxWatch Center for Tourism conducts objective research and develops research-based policy initiatives to stimulate economic development in Florida's tourism and tourism-related industries, while ensuring taxpayer value for Florida's taxpayers. The Center's core objectives are to: (1) monitor and analyze historical and emergent factors impacting the economic health and viability of Florida's tourism industry and economic development throughout the state; (2) develop and support public policy initiatives, programs and projects which encourage and sustain Florida tourism and other mutually reinforcing industries.

Florida TaxWatch is a statewide, non-profit, non-partisan research institute that over its 28 year history has become widely recognized as the watchdog of citizens' hard-earned tax dollars. Our mission is to provide the citizens of Florida and public officials with high quality, independent research and education on government revenues, expenditures, taxation, public policies and programs and to increase the productivity and accountability of Florida Government. On the web at www.FloridaTaxWatch.org.