

ADMINISTRATION

Russell B. Truell
Assistant City Administrator, CFO
Finance



Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

**HISTORIC
FRANKLIN
TENNESSEE**

MEMORANDUM

April 19, 2012

TO: Eric Stuckey, City Administrator

FR: Russ Truell, ACA/CFO

RE: Local Sales Tax Report

The local sales tax remittance from the State of Tennessee for April was \$1,729,002 compared to \$1,628,745 for the same month in 2011, an increase of \$100,257 or 6.2%. [The April remittance is for sales tax collected during the month of February, representing the eighth month of the fiscal year on an accrual basis.] During the same period, the State of Tennessee sales tax collections were up 7.6%.

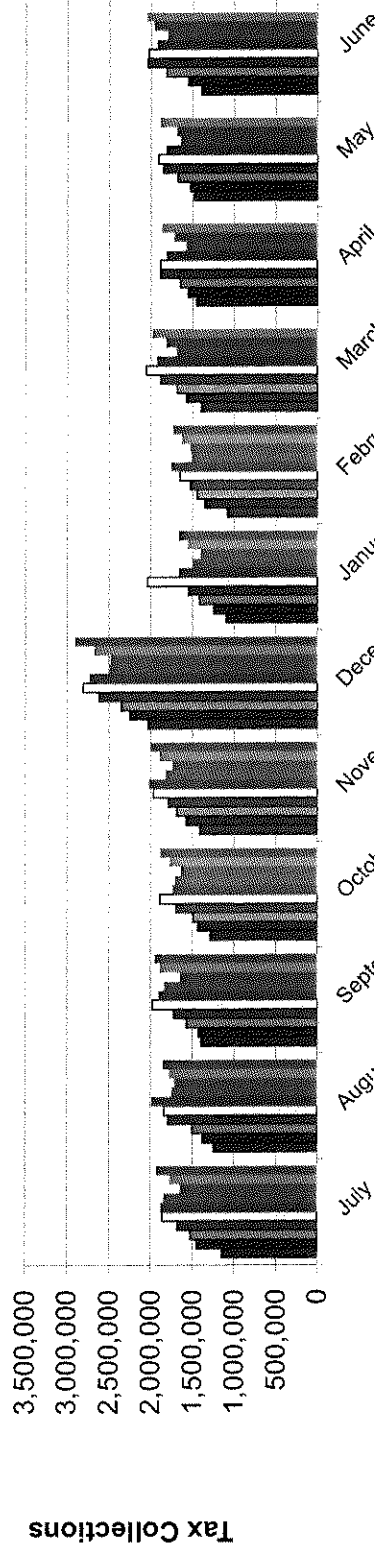
Year-to-date, the City has received \$15.89 million compared to \$14.94 million in the previous year, a difference of \$948,606 or 6.3%. The State of Tennessee sales tax collections, year-to-date, were \$4.52 billion compared to \$ 4.22 billion in the prior year, a difference of \$ 297.6 million or 7.1%.

For budget comparisons, the City anticipated collections of \$15.31 million for the first eight months of the fiscal year. Through February, the City is \$581,220 ahead of budgeted collections. As a further comparison, the February collection of \$1.72 million compares to \$1.65 million in 2007, \$1.75 million in 2008, \$1.51 in 2009 and \$1.52 in 2010.

Local Sales Tax Revenue Comparison

Month	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	% over prior yr	\$ over prior yr
July	1,030,595	1,178,452	1,142,684	1,448,615	1,520,851	1,676,862	1,857,805	1,876,318	1,842,160	1,646,449	1,769,523	1,925,395	8.8%	155,872
August	1,052,818	1,248,418	1,244,434	1,381,099	1,498,953	1,788,477	1,837,563	1,985,123	1,747,507	1,711,487	1,774,021	1,843,928	3.9%	69,907
September	1,127,922	1,188,574	1,395,252	1,423,877	1,567,311	1,724,983	1,977,557	1,900,808	1,834,296	1,645,241	1,888,809	1,946,970	3.1%	58,161
October	1,051,540	1,173,770	1,284,783	1,433,786	1,484,549	1,695,501	1,887,613	1,734,361	1,707,123	1,639,767	1,767,404	1,881,099	6.4%	113,695
November	1,235,695	1,292,190	1,411,314	1,571,854	1,686,900	1,787,276	1,980,370	2,018,105	1,816,125	1,736,146	1,892,149	1,998,723	5.6%	106,573
December	1,802,271	1,862,351	2,032,755	2,245,611	2,348,329	2,617,849	2,806,905	2,730,286	2,491,017	2,479,640	2,670,491	2,902,675	8.7%	232,184
January	999,859	1,081,641	1,091,350	1,241,700	1,415,392	1,544,557	2,034,121	1,664,281	1,502,087	1,401,388	1,552,324	1,664,281	7.2%	111,957
February	971,017	1,061,854	1,079,337	1,351,992	1,445,409	1,526,301	1,649,397	1,752,131	1,507,868	1,521,898	1,628,745	1,729,002	6.2%	100,257
March	1,176,221	1,274,840	1,395,948	1,572,431	1,682,707	1,880,654	2,054,793	1,925,296	1,688,794	1,819,095	1,979,080	0	0.0%	0
April	1,179,452	1,179,175	1,453,049	1,553,462	1,649,228	1,883,777	1,885,024	1,812,244	1,572,824	1,719,674	1,866,180	0	0.0%	0
May	1,182,119	1,254,595	1,478,979	1,524,900	1,674,495	1,846,229	1,909,074	1,824,127	1,642,271	1,686,756	1,884,275	0	0.0%	0
June	1,249,480	1,308,845	1,390,654	1,547,355	1,812,106	2,033,237	2,025,044	1,926,353	1,800,044	1,961,270	2,047,664	0	0.0%	0
Total Budgeted	14,058,989	15,104,705	16,400,539	18,296,682	19,786,230	22,005,703	23,885,264	23,149,433	21,152,117	20,968,821	22,720,667	15,892,073	14,943,467	948,606
	Up 10.4%	Up 7.4%	Up 8.6%	Up 11.6%	Up 8.1%	Up 11.2%	Up 8.5%	Down -3.1%	Down -8.6%	Down -0.9%	year to date 8.4%	year to date 6.3%	last yr YTD 14,943,467	YTD difference

Local Sales Taxes





STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285

MARK A. EMKES
COMMISSIONER

FOR IMMEDIATE RELEASE
THURSDAY, APRIL 12, 2012

CONTACT: JERRY ADAMS
615-741-4806

MARCH REVENUES

NASHVILLE - Tennessee revenue collections continued to exceed budgeted expectations in March. Finance and Administration Commissioner Mark Emkes said today that overall March revenues were \$916.1 million, which is \$78.6 million more than the state budgeted.

“March sales tax collections, representing February spending, recorded the 24th consecutive month of positive growth,” Emkes said. “We believe this to be a clear indication of continued consumer optimism, and represents an upswing in the state’s economy.”

“Year-to-date corporate tax collections are very encouraging. However, this item needs to be carefully followed because about one-fourth of all collections typically occur in the month of April and these numbers have been extremely volatile in the recent past.”

“In addition, we need to monitor a number of national and global issues, including resolution of the federal budget and the Patient Protection and Affordable Care Act, escalating gas prices and potential for rising inflation as well as the European financial crises and turbulence in the Middle East. We’ll need to be extremely diligent for the remainder of this year in order to keep the budget in balance and financially posture ourselves for the future.”

On an accrual basis, March is the eighth month in the 2011-2012 fiscal year.

The general fund was over collected by \$79.2 million and the four other funds were under collected by \$600,000.

Sales tax collections were \$34.6 million more than the estimate for March. The March growth rate was positive 7.58%. For eight months revenues are over collected by \$140.5 million. The year-to-date growth rate for eight months was positive 7.06%.

Franchise and excise taxes combined were \$50.2 million above the budgeted estimate of \$141.8 million. For eight months revenues are over collected by \$198.6 million. The year-to-date growth rate for eight months was positive 26.65%.

Gasoline and motor fuel collections for March increased by 5.30% but were \$157,000 below the budgeted estimate. For eight months revenues are under collected by \$3.7 million.

Tobacco taxes collections were \$1.0 million under the budgeted estimate of \$25.1 million. For eight months revenues are under collected in the amount of \$12.0 million.

Inheritance and estate taxes were under collected by \$4.2 million for the month. Year to date collections for eight months are \$284,000 less than the budgeted estimate.

Privilege tax collections were \$1.4 million more than the March estimate, but on a year to date basis, August through March, collections are \$470,000 below the estimate.

All other taxes were under collected by a net of \$2.2 million.

Year-to-date collections for eight months were \$330.1 million more than the budgeted estimate. The general fund was over collected by \$316.9 million and the four other funds were over collected by \$13.2 million. The FY 2012 budget assumed an overcollection of \$209.6 million in General Fund taxes. Therefore, the amount overcollected above and beyond what's already in the budget is \$107.3 million (\$316.9 million minus \$209.6 million).

The budgeted revenue estimates for 2011-2012 are based on the State Funding Board's consensus recommendation of April 15, 2011 and adopted by the first session of the 107th General Assembly in May. They are available on the state's website at <http://www.tn.gov/finance/bud/budget.shtml>.

The State Funding Board met on December 9th and 14th to hear updated revenue projections from the state's various economists. The board met again on December 19th and adopted revised revenue ranges for 2011-2012. The revised ranges assume an over collection of \$187.8 million to \$220.5 million in total taxes and \$177.0 million to \$209.6 million in general fund taxes from the fiscal year 2011-2012 budgeted estimate.

Table 1
Revenue Collections by Fund
March
2011-2012

Fund	2012				2011 Actual	2012	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
General Fund	\$765,407,000	\$686,234,000	\$79,173,000	11.54%	\$669,535,000	\$95,872,000	14.32%
Highway Fund	51,328,000	54,225,000	(2,897,000)	-5.34%	53,427,000	(2,099,000)	-3.93%
Sinking Fund	32,503,000	32,252,000	251,000	0.78%	30,701,000	1,802,000	5.87%
City & County Fund	64,670,000	62,580,000	2,090,000	3.34%	59,738,000	4,932,000	8.26%
Earmarked Fund	2,174,000	2,174,000	0	0.00%	2,051,000	123,000	6.00%
Total	\$916,082,000	\$837,465,000	\$78,617,000	9.39%	\$815,452,000	\$100,630,000	12.34%

Revenue Collections by Tax
March
2011-2012

Tax Source	2012				2011 Actual	2012	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
Franchise & Excise	\$192,043,000	\$141,800,000	\$50,243,000	35.43%	\$123,994,000	\$68,049,000	54.88%
Income	14,347,000	14,251,000	96,000	0.67%	13,604,000	743,000	5.46%
Inheritance & Estate	6,614,000	10,856,000	(4,242,000)	-39.08%	16,877,000	(10,263,000)	-60.81%
Gasoline	42,268,000	43,637,000	(1,369,000)	-3.14%	40,796,000	1,472,000	3.61%
Petroleum Special	4,438,000	4,606,000	(168,000)	-3.65%	4,331,000	107,000	2.47%
Tobacco	24,064,000	25,091,000	(1,027,000)	-4.09%	24,825,000	(761,000)	-3.07%
Beer	1,533,000	1,310,000	223,000	17.02%	1,345,000	188,000	13.98%
Motor Vehicle Registration	24,135,000	27,036,000	(2,901,000)	-10.73%	28,728,000	(4,593,000)	-15.99%
Motor Vehicle Title	1,159,000	1,155,000	4,000	0.35%	1,199,000	(40,000)	-3.34%
Mixed Drink	5,496,000	4,924,000	572,000	11.62%	4,899,000	597,000	12.19%
Business	4,696,000	6,049,000	(1,353,000)	-22.37%	4,978,000	(282,000)	-5.66%
Privilege	14,426,000	12,982,000	1,444,000	11.12%	11,333,000	3,093,000	27.29%
Gross Receipts	28,000	(72,000)	100,000	138.89%	(315,000)	343,000	108.89%
TVA - In Lieu of Tax Payments	28,662,000	27,684,000	978,000	3.53%	26,096,000	2,566,000	9.83%
Alcoholic Beverage	3,819,000	3,769,000	50,000	1.33%	3,660,000	159,000	4.34%
Sales and Use	537,965,000	503,400,000	34,565,000	6.87%	500,067,000	37,898,000	7.58%
Motor Vehicle Fuel	10,201,000	8,820,000	1,381,000	15.66%	8,916,000	1,285,000	14.41%
Severance	188,000	163,000	25,000	15.34%	172,000	16,000	9.30%
Coin-operated Amusement	0	4,000	(4,000)	-100.00%	2,000	(2,000)	-100.00%
Unauthorized Substance	0	0	0	NA	(55,000)	55,000	NA
Total	\$916,082,000	\$837,465,000	\$78,617,000	9.39%	\$815,452,000	\$100,630,000	12.34%

Table 2
Revenue Collections by Fund
Year-to-Date
August - March
2011-2012

Fund	2011-2012				2010-2011 Actual	2011-2012	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
General Fund	\$5,789,027,000	\$5,472,102,000	\$316,925,000	5.79%	\$5,300,404,000	\$488,623,000	9.22%
Highway Fund	442,592,000	440,782,000	1,810,000	0.41%	430,450,000	12,142,000	2.82%
Sinking Fund	261,090,000	260,051,000	1,039,000	0.40%	246,573,000	14,517,000	5.89%
City & County Fund	531,471,000	521,149,000	10,322,000	1.98%	508,844,000	22,627,000	4.45%
Earmarked Fund	17,400,000	17,400,000	0	0.00%	16,400,000	1,000,000	6.10%
Total	\$7,041,580,000	\$6,711,484,000	\$330,096,000	4.92%	\$6,502,671,000	\$538,909,000	8.29%

Revenue Collections by Tax
Year-to-Date
August - March
2011-2012

Tax Source	2011-2012				2010-2011 Actual	2011-2012	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
Franchise & Excise	\$1,008,910,000	\$810,300,000	\$198,610,000	24.51%	\$796,611,000	\$212,299,000	26.65%
Income	26,300,000	28,755,000	(2,455,000)	-8.54%	31,022,000	(4,722,000)	-15.22%
Inheritance & Estate	64,891,000	65,175,000	(284,000)	-0.44%	71,072,000	(6,181,000)	-8.70%
Gasoline	405,017,000	406,849,000	(1,832,000)	-0.45%	409,057,000	(4,040,000)	-0.99%
Petroleum Special	41,652,000	42,257,000	(605,000)	-1.43%	41,597,000	55,000	0.13%
Tobacco	182,058,000	194,046,000	(11,988,000)	-6.18%	189,840,000	(7,782,000)	-4.10%
Beer	11,496,000	11,063,000	433,000	3.91%	12,234,000	(738,000)	-6.03%
Motor Vehicle Registration	156,651,000	158,096,000	(1,445,000)	-0.91%	155,974,000	677,000	0.43%
Motor Vehicle Title	7,646,000	7,340,000	306,000	4.17%	7,171,000	475,000	6.62%
Mixed Drink	42,208,000	38,884,000	3,324,000	8.55%	37,247,000	4,961,000	13.32%
Business	62,467,000	66,332,000	(3,865,000)	-5.83%	55,509,000	6,958,000	12.53%
Privilege	131,937,000	132,407,000	(470,000)	-0.35%	117,230,000	14,707,000	12.55%
Gross Receipts	16,158,000	16,375,000	(217,000)	-1.33%	9,060,000	7,098,000	78.34%
TVA - In Lieu of Tax Payments	230,332,000	220,364,000	9,968,000	4.52%	216,745,000	13,587,000	6.27%
Alcoholic Beverage	33,346,000	32,187,000	1,159,000	3.60%	31,174,000	2,172,000	6.97%
Sales and Use	4,516,089,000	4,375,600,000	140,489,000	3.21%	4,218,462,000	297,627,000	7.06%
Motor Vehicle Fuel	102,644,000	103,948,000	(1,304,000)	-1.25%	101,428,000	1,216,000	1.20%
Severance	1,719,000	1,451,000	268,000	18.47%	1,636,000	83,000	5.07%
Coin-operated Amusement	78,000	55,000	23,000	41.82%	91,000	(13,000)	-14.29%
Unauthorized Substance	(19,000)	0	(19,000)	NA	(489,000)	470,000	NA
Total	\$7,041,580,000	\$6,711,484,000	\$330,096,000	4.92%	\$6,502,671,000	\$538,909,000	8.29%