

ADMINISTRATION

Russell B. Truell
Assistant City Administrator, CFO
Finance



Item #8 a)

08-16-12

Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

HISTORIC
FRANKLIN
TENNESSEE

MEMORANDUM

August 10, 2012

TO: Eric Stuckey, City Administrator

FR: Russ Truell, ACA/CFO

RE: Local Sales Tax Report

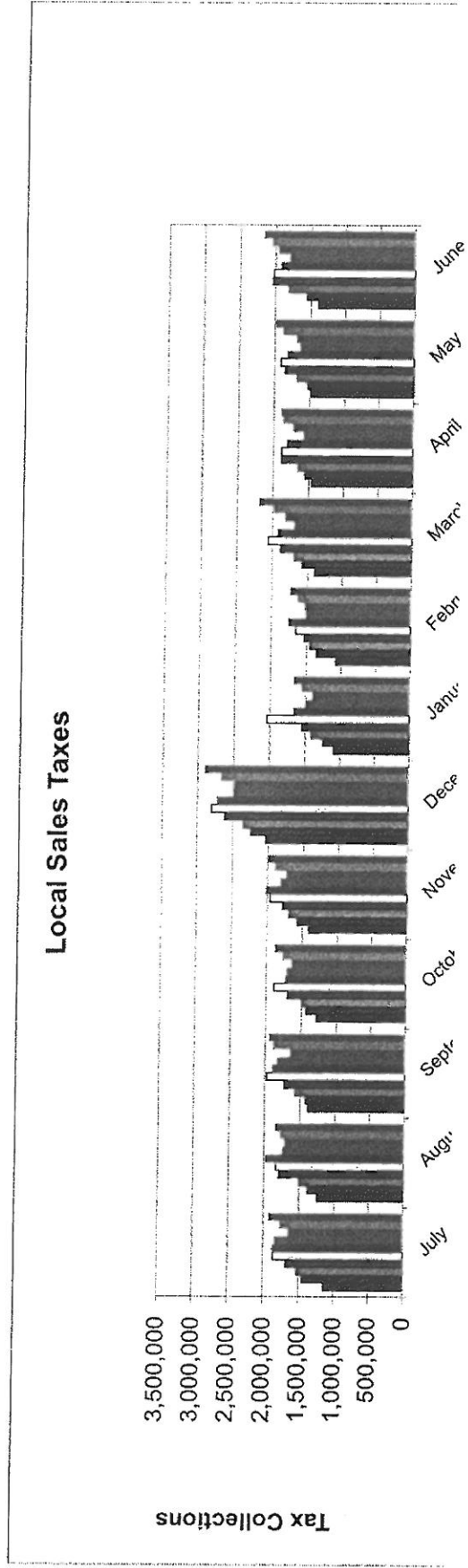
The local sales tax remittance from the State of Tennessee for August was \$2,168,095 compared to \$2,047,664 for the same month in 2011, an increase of \$120,431 or 5.9%. [The August remittance is for sales tax collected during the month of June, representing the final month of the fiscal year on an accrual basis.] During the same period, the State of Tennessee sales tax collections were up 3.3%.

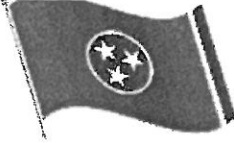
Year-to-date, the City has received \$24.14 million compared to \$22.72 million in the previous year, a difference of \$1,418,125 or 6.2%. The State of Tennessee sales tax collections, year-to-date, were \$6.90 billion compared to \$6.47 billion in the prior year, a difference of \$425.4 million or 6.6%.

For budget comparisons, the City anticipated collections of \$23.27 million for the full twelve months of the fiscal year. Through June, the City is \$859,536 ahead of budgeted collections. As a further comparison, the June collection of \$2.16 million compares to \$2.02 million in 2007, \$1.92 million in 2008, \$1.80 in 2009 and \$1.96 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	1,960,370	2,018,105	1,616,125	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	1,401,398	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	1,888,794	1,819,095	1,979,080	2,191,405	10.7%	212,325
April	1,179,452	1,179,175	1,453,049	1,553,482	1,649,228	1,883,777	1,885,024	1,812,244	1,572,824	1,719,674	1,866,180	1,897,741	1.7%	31,561
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	1,989,477	5.6%	105,202
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	2,168,095	5.9%	120,431
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	24,138,792	22,720,667	1,418,125
	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 6.2%	last yr YTD 22,720,667	YTD difference





MEDIA RELEASE

STATE OF TENNESSEE
DEPARTMENT OF FINANCE & ADMINISTRATION

FOR IMMEDIATE RELEASE
THURSDAY, AUGUST 9, 2012

CONTACT: LOLA POTTER
615.532.8560 (OFFICE)
615.202.0701 (CELL)

JULY REVENUES

NASHVILLE – Tennessee revenue collections continued their upward trend in July, but at a much slower pace compared to recent months. Finance and Administration Commissioner Mark Emkes today announced a net positive growth of 4.46% over July collections of one year ago. Overall July revenues were \$880.9 million, which is \$9.9 million more than the state budgeted.

July marks the 12th consecutive month this year in which total collections have exceeded the budgeted estimates. July sales tax collections represent consumer spending that took place in the month of June.

“We continue to believe the growth in sales and corporate tax collections indicates a very slow economic recovery in Tennessee, but we also continue to see mixed results at the national level,” Emkes said. “The latest published leading economic indicators show that the U.S. economy decelerated in the second quarter, which causes concern at the state level.

“We’ll close fiscal year 2012, which ended June 30, with a revenue surplus which will help maintain a balanced budget in fiscal 2012-2013.”

On an accrual basis, July is the twelfth month in the 2011-2012 fiscal year.

The general fund was over collected by \$2.7 million, and the four other funds were over collected by \$7.2 million.

Sales tax collections were \$14.7 million more than the estimate for July. The July growth rate was 3.30%. For twelve months revenues are over collected by \$241.8 million. The year-to-date growth rate for twelve months was positive 6.57%.

Franchise and excise taxes combined were \$0.8 million under the budgeted estimate of \$55.5 million. The growth rate for July was positive 8.64%. For twelve months revenues are over collected by \$308.2 million and the year-to-date growth rate was positive 22.26%.

Inheritance and estate tax collections were \$10.1 million below the July estimate. For twelve months collections are \$37.9 million above the budgeted estimate.

Privilege tax collections were \$1.1 million above the July budgeted estimate. For twelve months collections are \$9.0 million more than the budgeted estimate, and the year-to date growth rate was positive 11.71%.

Business tax collections were \$1.0 million less than the July estimate. Year-to-date collections for eleven months are \$15.9 million below the budgeted estimate.

Tobacco tax collections were \$2.6 million below the budgeted estimate of \$25.9 million. For twelve months revenues are under collected by \$18.5 million.

Gasoline and motor fuel tax collections for July were over collected by \$3.4 million. For twelve months revenues are under collected by \$5.1 million.

All other taxes for July were over collected by a net of \$5.2 million.

Year-to-date collections for twelve months were \$563.8 million more than the budgeted estimate. The general fund was over collected by \$543.0 million and the four other funds were over collected by \$20.8 million. The FY 2012 revised budget assumed an over collection of \$209.6 million in General Fund Taxes. Therefore, the amount over collected above and beyond what's already in the budget is \$333.4 million (\$543.0 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> (../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. The revised estimates are reflected on pages A-74 and A-76 in the 2012-2013 Budget Document.

Year-to-date collections for 2011-2012 are subject to final accrual adjustments.

[VIEW COLLECTION TABLES \(Documents/2012-07Tables.xls\)](#)

Table 1
Revenue Collections by Fund
July
2011-2012

Fund	2012				2011 Actual	2012	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
General Fund	\$711,117,000	\$708,455,000	\$2,662,000	0.38%	\$669,349,000	\$41,768,000	6.24%
Highway Fund	63,431,000	59,148,000	4,283,000	7.24%	75,141,000	(11,710,000)	-15.58%
Sinking Fund	32,977,000	32,896,000	81,000	0.25%	31,183,000	1,794,000	5.75%
City & County Fund	71,217,000	68,332,000	2,885,000	4.22%	65,570,000	5,647,000	8.61%
Earmarked Fund	2,175,000	2,175,000	0	0.00%	2,050,000	125,000	6.10%
Total	\$880,917,000	\$871,006,000	\$9,911,000	1.14%	\$843,293,000	\$37,624,000	4.46%

Revenue Collections by Tax
July
2011-2012

Tax Source	2012				2011 Actual	2012	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
Franchise & Excise	\$54,737,000	\$55,500,000	(\$763,000)	-1.37%	\$50,386,000	\$4,351,000	8.64%
Income	1,001,000	1,152,000	(151,000)	-13.11%	(145,000)	1,146,000	-790.34%
Inheritance & Estate	6,654,000	16,782,000	(10,128,000)	-60.35%	7,603,000	(949,000)	-12.48%
Gasoline	55,036,000	51,935,000	3,101,000	5.97%	52,472,000	2,564,000	4.89%
Petroleum Special	5,543,000	5,495,000	48,000	0.87%	5,371,000	172,000	3.20%
Tobacco	23,351,000	25,906,000	(2,555,000)	-9.86%	25,498,000	(2,147,000)	-8.42%
Beer	1,572,000	1,619,000	(47,000)	-2.90%	1,779,000	(207,000)	-11.64%
Motor Vehicle Registration	20,170,000	20,956,000	(786,000)	-3.75%	20,738,000	(568,000)	-2.74%
Motor Vehicle Title	975,000	982,000	(7,000)	-0.71%	928,000	47,000	5.06%
Mixed Drink	6,137,000	5,161,000	976,000	18.91%	5,282,000	855,000	16.19%
Business	4,131,000	5,103,000	(972,000)	-19.05%	4,270,000	(139,000)	-3.26%
Privilege	22,188,000	21,114,000	1,074,000	5.09%	18,715,000	3,473,000	18.56%
Gross Receipts	15,140,000	11,255,000	3,885,000	34.52%	9,891,000	5,249,000	53.07%
TVA - In Lieu of Tax Payments	28,662,000	27,684,000	978,000	3.53%	26,095,000	2,567,000	9.84%
Alcoholic Beverage	4,810,000	4,479,000	331,000	7.39%	4,672,000	138,000	2.95%
Sales and Use	613,858,000	599,200,000	14,658,000	2.45%	594,271,000	19,587,000	3.30%
Motor Vehicle Fuel	16,622,000	16,414,000	208,000	1.27%	15,227,000	1,395,000	9.16%
Severance	198,000	218,000	(20,000)	-9.17%	206,000	(8,000)	-3.88%
Coin-operated Amusement	132,000	51,000	81,000	158.82%	35,000	97,000	277.14%
Unauthorized Substance	0	0	0	NA	(1,000)	1,000	NA
Total	\$880,917,000	\$871,006,000	\$9,911,000	1.14%	\$843,293,000	\$37,624,000	4.46%

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

Fund	2011-2012				2010-2011 Actual	2011-2012	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
General Fund	\$9,416,209,000	\$8,873,200,000	\$543,009,000	6.12%	\$8,611,004,000	\$805,205,000	9.35%
Highway Fund	689,001,000	682,200,000	6,801,000	1.00%	687,610,000	1,391,000	0.20%
Sinking Fund	392,643,000	390,800,000	1,843,000	0.47%	370,831,000	21,812,000	5.88%
City & County Fund	863,818,000	851,700,000	12,118,000	1.42%	825,898,000	37,920,000	4.59%
Earmarked Fund	26,101,000	26,100,000	1,000	0.00%	24,600,000	1,501,000	6.10%
Total	#####	\$10,824,000,000	\$563,772,000	5.21%	\$10,519,943,000	\$867,829,000	8.25%

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

Tax Source	2011-2012				2010-2011 Actual	2011-2012	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
Franchise & Excise	\$1,856,476,000	\$1,548,300,000	\$308,176,000	19.90%	\$1,518,416,000	\$338,060,000	22.26%
Income	183,398,000	201,100,000	(17,702,000)	-8.80%	188,596,000	(5,198,000)	-2.76%
Inheritance & Estate	148,395,000	110,500,000	37,895,000	34.29%	107,439,000	40,956,000	38.12%
Gasoline	617,639,000	619,600,000	(1,961,000)	-0.32%	624,153,000	(6,514,000)	-1.04%
Petroleum Special	63,405,000	64,400,000	(995,000)	-1.55%	63,429,000	(24,000)	-0.04%
Tobacco	276,870,000	295,400,000	(18,530,000)	-6.27%	289,785,000	(12,915,000)	-4.46%
Beer	17,985,000	17,200,000	785,000	4.56%	18,816,000	(831,000)	-4.42%
Motor Vehicle Registration	246,777,000	249,900,000	(3,123,000)	-1.25%	245,960,000	817,000	0.33%
Motor Vehicle Title	12,037,000	11,200,000	837,000	7.47%	11,053,000	984,000	8.90%
Mixed Drink	65,336,000	59,600,000	5,736,000	9.62%	58,157,000	7,179,000	12.34%
Business	126,715,000	142,600,000	(15,885,000)	-11.14%	119,331,000	7,384,000	6.19%
Privilege	280,917,000	271,900,000	9,017,000	3.32%	251,461,000	29,456,000	11.71%
Gross Receipts	31,498,000	28,100,000	3,398,000	12.09%	19,173,000	12,325,000	64.28%
TVA - In Lieu of Tax Payments	344,980,000	331,100,000	13,880,000	4.19%	321,126,000	23,854,000	7.43%
Alcoholic Beverage	51,841,000	49,600,000	2,241,000	4.52%	48,692,000	3,149,000	6.47%
Sales and Use	6,899,944,000	6,658,100,000	241,844,000	3.63%	6,474,557,000	425,387,000	6.57%
Motor Vehicle Fuel	160,873,000	163,000,000	(2,127,000)	-1.30%	157,633,000	3,240,000	2.06%
Severance	2,441,000	2,200,000	241,000	10.95%	2,398,000	43,000	1.79%
Coin-operated Amusement	264,000	200,000	64,000	32.00%	273,000	(9,000)	-3.30%
Unauthorized Substance	(19,000)	0	(19,000)	NA	(505,000)	486,000	NA
Total	#####	\$10,824,000,000	\$563,772,000	5.21%	\$10,519,943,000	\$867,829,000	8.25%