



HISTORIC  
FRANKLIN  
TENNESSEE

# MEMORANDUM

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## MEMORANDUM

June 12, 2014

TO: Eric Stuckey, City Administrator

FROM: Russ Truell, ACA/CFO

RE: Local Sales Tax Report

The local sales tax remittance from the State of Tennessee for June was \$2,201,566 compared to \$2,168,372 for the same month in 2013, an increase of \$33,194, or 1.5%. [The June remittance is for sales tax collected during the month of April, representing the tenth month of the fiscal year on an accrual basis.] During the same period, the State of Tennessee sales tax collections were up 0.9% from the prior year.

Year-to-date, the City has received \$22.56 million compared to \$21.62 million in the previous year, a difference of \$940,734 or 4.4%. The State of Tennessee sales tax collections, year-to-date, are \$5.99 billion compared to \$5.79 billion in the prior year, a difference of \$194.9 million or 3.4%.

For budget comparisons, the City anticipated collections of \$22.68 million through ten months of the fiscal year. Through April, the City is \$ 123,428, or 0.4%, below budgeted collections. As a further comparison, the April collection of \$2.20 million compares to \$1.81 million in 2008, \$1.57 million in 2009, \$1.71 million in 2010, \$1.86 million in 2011 and \$1.89 million in 2012.



# TENNESSEE DEPARTMENT OF REVENUE

COUNTY EXECUTIVE/MAYOR  
 WILLIAMSON COUNTY  
 1320 W MAIN ST STE 125  
 FRANKLIN TN 37064-3700

June 9, 2014

Month of: MAY  
 Tot. Collections: \$7,460,066.53  
 Cost of Admin: \$83,925.76  
 Net Collections: \$7,376,140.77

The Department of Revenue has collected and allocated the above total during the month indicated from Local Option Sales Tax as follows:

COUNTY/CITY NAME	TOTAL COLLECTIONS	LESS ADMIN. COSTS	NET COLLECTIONS
WILLIAMSON COUNTY	\$221,639.32	\$2,493.44	\$219,145.88
FRANKLIN	\$4,498,213.88	\$50,604.91	\$4,447,608.97
FAIRVIEW	\$193,451.38	\$2,176.33	\$191,275.05
BRENTWOOD	\$2,104,222.88	\$23,672.51	\$2,080,550.37
SPRING HILL	\$287,144.04	\$3,230.37	\$283,913.67
THOMPSON STATION	\$102,026.57	\$1,147.80	\$100,878.77
NOLENSVILLE	\$53,368.46	\$600.40	\$52,768.06

Note that we have deducted 1.125% state cost of administration leaving the net collections. The Department of Finance and Administration has been notified to issue a payment to the Trustee of your county in the amount of the net collections.

Please be aware that normal Local Option Sales Tax collections may fluctuate. This could be due to additional collections on assessments or reductions as a result of taxpayer refunds or returned checks. Should your collection amount increase significantly, it might be the result of an audit assessment.

For additional information regarding the allocation you may call the Division of Fiscal Services at (615) 741-1028 between 8:00 a.m. and 4:30 p.m., Monday through Friday, holidays excepted. If you need information concerning other matters, please see the back of this notice for our local offices and phone numbers.

c: County Trustee; City Mayor  
 Director of Accounts: County, F & A

$4447608.97 \div 2 = 2223804.49$   
 $\times 1\% (E) \quad 22238.05$

2,201,566.44



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

**LARRY B. MARTIN  
COMMISSIONER**

FOR IMMEDIATE RELEASE  
WEDNESDAY, JUNE 11, 2014

CONTACT: DAVID THURMAN  
615-741-4806

**MAY REVENUES**

NASHVILLE – Tennessee revenue collections recorded negative growth in May, largely due to a legal change in the timing of business tax payments. Finance and Administration Commissioner Larry Martin reported today that May ended with a net negative growth of 2.96% over collections made in the same month last year. Overall May revenues were \$878.6 million, which is \$40.0 million less than the state budgeted. May sales tax collections reflect business activity that occurred during April.

“May collections were significantly skewed due to the business tax change, along with the payment of a large sales tax settlement,” Martin said. “Tennessee’s sales tax collections continue to reflect a slow recovery from the recession, and require us to closely monitor collections and expenditures for the remainder of this year to end with a balanced budget.”

On an accrual basis, May is the tenth month in the 2013-2014 fiscal year.

The general fund was under collected by \$42.0 million, and the four other funds were over collected by \$2.0 million.

Sales tax collections were \$10.5 million less than the budgeted estimate for May. The May growth rate was positive 0.93%. For ten months revenues are under collected by \$29.1 million. The year-to-date growth rate for ten months was positive 3.36%.

Franchise and excise taxes combined were \$2.2 million below the budgeted estimate of \$48.7 million. For ten months revenues are \$224.2 million less than the budgeted estimate.

Inheritance and estate tax collections were \$1.5 million above the May estimate. For ten months collections are \$20.6 million above the budgeted estimate.

Privilege tax collections were \$3.7 million less than the May budgeted estimate, and for ten months collections are \$14.1 million below the budgeted estimate.

Gasoline and motor fuel collections for May increased by 8.33% and were \$3.0 million more than the budgeted estimate. For ten months revenues are positive 0.85% and \$1.6 million above the budgeted estimate of \$688.2 million.

Business tax collections were \$28.5 million less than the May estimate, and year-to-date collections for ten months are \$1.2 million below the budgeted estimate.

Tobacco tax collections were \$0.4 million above the budgeted estimate of \$21.2 million. For ten months revenues are under collected in the amount of \$6.7 million.

All other taxes in total were equal to the budgeted estimates for May.

Year-to-date collections for ten months were \$222.3 million less than the budgeted estimate. The general fund was under collected by \$236.0 million and the four other funds were over collected by \$13.7 million.

The budgeted revenue estimates for 2013-2014 are based on the State Funding Board's consensus recommendation of December 19<sup>th</sup>, 2012, and adopted by the first session of the 108<sup>th</sup> General Assembly in April 2013. They are available on the state's website at <http://www.tn.gov/finance/bud/Revenues.shtml>.

The Funding Board met on December 10, 2013, to hear updated revenue projections from the state's various economists. The board met again on December 17 and adopted revised revenue ranges for 2013-2014. The revised ranges assume an under collection from the July 2013 budgeted estimate in the amount of \$111.2 million to \$134.5 million in total taxes and in the amount of \$126.1 million to \$145.6 million in general fund taxes for the current fiscal year.

**Table 1**  
**Revenue Collections by Fund**  
**May**  
**2013-2014**

Fund	2014				2013 Actual	2014	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
General Fund	\$712,249,000	\$754,226,000	(\$41,977,000)	-5.57%	\$745,001,000	(\$32,752,000)	-4.40%
Highway Fund	58,413,000	57,340,000	1,073,000	1.87%	55,143,000	3,270,000	5.93%
Sinking Fund	34,213,000	34,313,000	(100,000)	-0.29%	33,507,000	706,000	2.11%
City & County Fund	70,786,000	69,771,000	1,015,000	1.45%	68,769,000	2,017,000	2.93%
Earmarked Fund	2,900,000	2,900,000	0	0.00%	2,900,000	0	0.00%
<b>Total</b>	<b>\$878,561,000</b>	<b>\$918,550,000</b>	<b>(\$39,989,000)</b>	<b>-4.35%</b>	<b>\$905,320,000</b>	<b>(\$26,759,000)</b>	<b>-2.96%</b>

**Revenue Collections by Tax**  
**May**  
**2013-2014**

Tax Source	2014				2013 Actual	2014	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
Franchise & Excise	\$46,509,000	\$48,700,000	(\$2,191,000)	-4.50%	\$45,271,000	\$1,238,000	2.73%
Income	6,420,000	5,110,000	1,310,000	25.64%	4,038,000	2,382,000	58.99%
Inheritance & Estate	8,188,000	6,683,000	1,505,000	22.52%	22,474,000	(14,286,000)	-63.57%
Gasoline	55,012,000	51,227,000	3,785,000	7.39%	51,062,000	3,950,000	7.74%
Petroleum Special	5,602,000	5,394,000	208,000	3.86%	5,222,000	380,000	7.28%
Tobacco	21,563,000	21,197,000	366,000	1.73%	21,325,000	238,000	1.12%
Beer	1,523,000	1,708,000	(185,000)	-10.83%	1,525,000	(2,000)	-0.13%
Motor Vehicle Registration	20,677,000	20,954,000	(277,000)	-1.32%	21,346,000	(669,000)	-3.13%
Motor Vehicle Title	1,020,000	1,143,000	(123,000)	-10.76%	1,011,000	9,000	0.89%
Mixed Drink	6,651,000	6,407,000	244,000	3.81%	6,430,000	221,000	3.44%
Business	20,888,000	49,402,000	(28,514,000)	-57.72%	47,435,000	(26,547,000)	-55.97%
Privilege	49,050,000	52,765,000	(3,715,000)	-7.04%	49,597,000	(547,000)	-1.10%
Gross Receipts	90,000	184,000	(94,000)	-51.09%	195,000	(105,000)	-53.85%
TVA - In Lieu of Tax Payments	27,076,000	28,410,000	(1,334,000)	-4.70%	27,298,000	(222,000)	-0.81%
Alcoholic Beverage	5,123,000	4,662,000	461,000	9.89%	4,712,000	411,000	8.72%
Sales and Use	590,248,000	600,700,000	(10,452,000)	-1.74%	584,795,000	5,453,000	0.93%
Motor Vehicle Fuel	12,679,000	13,714,000	(1,035,000)	-7.55%	11,375,000	1,304,000	11.46%
Severance	236,000	181,000	55,000	30.39%	196,000	40,000	20.41%
Coin-operated Amusement	6,000	9,000	(3,000)	-33.33%	13,000	(7,000)	-53.85%
Unauthorized Substance	0	0	0	NA	0	0	NA
<b>Total</b>	<b>\$878,561,000</b>	<b>\$918,550,000</b>	<b>(\$39,989,000)</b>	<b>-4.35%</b>	<b>\$905,320,000</b>	<b>(\$26,759,000)</b>	<b>-2.96%</b>

**Table 2**  
**Revenue Collections by Fund**  
**Year-to-Date**  
**August - May**  
**2013-2014**

Fund	2013 - 2014				2012-2013	2013-2014	
	Actual	Budgeted	B/(W)	Percent		Actual	B/(W)
General Fund	\$7,974,440,000	\$8,210,451,000	(\$236,011,000)	-2.87%	\$7,980,579,000	(\$6,139,000)	-0.08%
Highway Fund	565,921,000	570,671,000	(4,750,000)	-0.83%	569,571,000	(3,650,000)	-0.64%
Sinking Fund	342,734,000	343,073,000	(339,000)	-0.10%	334,486,000	8,248,000	2.47%
City & County Fund	759,070,000	740,306,000	18,764,000	2.53%	741,587,000	17,483,000	2.36%
Earmarked Fund	29,000,000	28,999,000	1,000	0.00%	29,000,000	0	0.00%
<b>Total</b>	<b>\$9,671,165,000</b>	<b>\$9,893,500,000</b>	<b>(\$222,335,000)</b>	<b>-2.25%</b>	<b>\$9,655,223,000</b>	<b>\$15,942,000</b>	<b>0.17%</b>

**Revenue Collections by Tax**  
**Year-to-Date**  
**August - May**  
**2013-2014**

Tax Source	2013 - 2014				2012-2013	2013-2014	
	Actual	Budgeted	B/(W)	Percent		Actual	B/(W)
Franchise & Excise	\$1,457,812,000	\$1,682,000,000	(\$224,188,000)	-13.33%	\$1,618,255,000	(\$160,443,000)	-9.91%
Income	235,698,000	199,292,000	36,406,000	18.27%	259,982,000	(24,284,000)	-9.34%
Inheritance & Estate	90,540,000	69,914,000	20,626,000	29.50%	94,634,000	(4,094,000)	-4.33%
Gasoline	505,267,000	502,475,000	2,792,000	0.56%	504,851,000	416,000	0.08%
Petroleum Special	51,900,000	52,391,000	(491,000)	-0.94%	51,741,000	159,000	0.31%
Tobacco	215,948,000	222,631,000	(6,683,000)	-3.00%	225,678,000	(9,730,000)	-4.31%
Beer	14,418,000	14,488,000	(70,000)	-0.48%	14,719,000	(301,000)	-2.04%
Motor Vehicle Registration	215,661,000	213,562,000	2,099,000	0.98%	213,508,000	2,153,000	1.01%
Motor Vehicle Title	9,870,000	10,760,000	(890,000)	-8.27%	9,499,000	371,000	3.91%
Mixed Drink	62,078,000	59,469,000	2,609,000	4.39%	57,591,000	4,487,000	7.79%
Business	122,086,000	123,237,000	(1,151,000)	-0.93%	118,467,000	3,619,000	3.05%
Privilege	229,321,000	243,406,000	(14,085,000)	-5.79%	224,143,000	5,178,000	2.31%
Gross Receipts	12,236,000	15,020,000	(2,784,000)	-18.54%	11,460,000	776,000	6.77%
TVA - In Lieu of Tax Payments	277,953,000	285,879,000	(7,926,000)	-2.77%	282,790,000	(4,837,000)	-1.71%
Alcoholic Beverage	45,840,000	44,918,000	922,000	2.05%	43,709,000	2,131,000	4.88%
Sales and Use	5,989,549,000	6,018,600,000	(29,051,000)	-0.48%	5,794,574,000	194,975,000	3.36%
Motor Vehicle Fuel	132,702,000	133,373,000	(671,000)	-0.50%	127,449,000	5,253,000	4.12%
Severance	2,111,000	1,979,000	132,000	6.67%	2,030,000	81,000	3.99%
Coin-operated Amusement	155,000	106,000	49,000	46.23%	139,000	16,000	11.51%
Unauthorized Substance	20,000	0	20,000	NA	4,000	16,000	NA
<b>Total</b>	<b>\$9,671,165,000</b>	<b>\$9,893,500,000</b>	<b>(\$222,335,000)</b>	<b>-2.25%</b>	<b>\$9,655,223,000</b>	<b>\$15,942,000</b>	<b>0.17%</b>