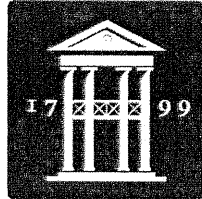


ADMINISTRATION

Russell B. Truell
Assistant City Administrator, CFO
Finance



John C. Schroer
Mayor of Franklin

Eric S. Stuckey
City Administrator

HISTORIC
FRANKLIN
TENNESSEE

MEMORANDUM

May 13, 2010

TO: Eric Stuckey, City Administrator

FR: Russ Truell, ACA/CFO

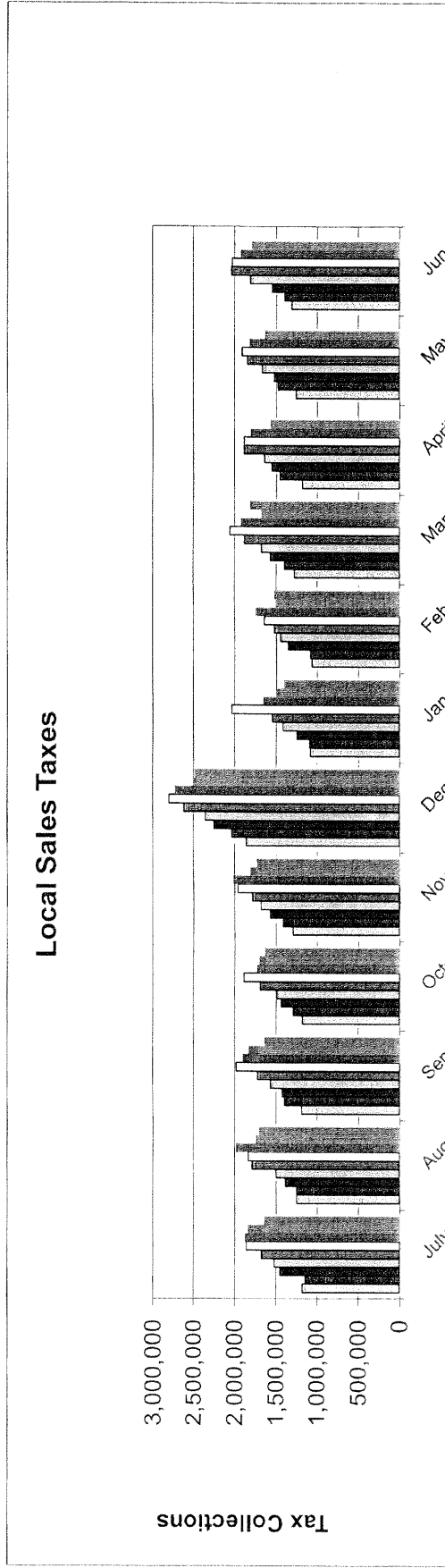
RE: Local Sales Tax Report

The local sales tax remittance from the State of Tennessee for May was \$ 1,819,095 compared to \$1,688,794 for the same month in 2009, a increase of \$ 130,301 or 7.7%. [The May remittance is for sales tax collected during the month of March, representing the ninth month of the fiscal year on an accrual basis.] During the same period, the State of Tennessee sales tax collections were up 5.6%.

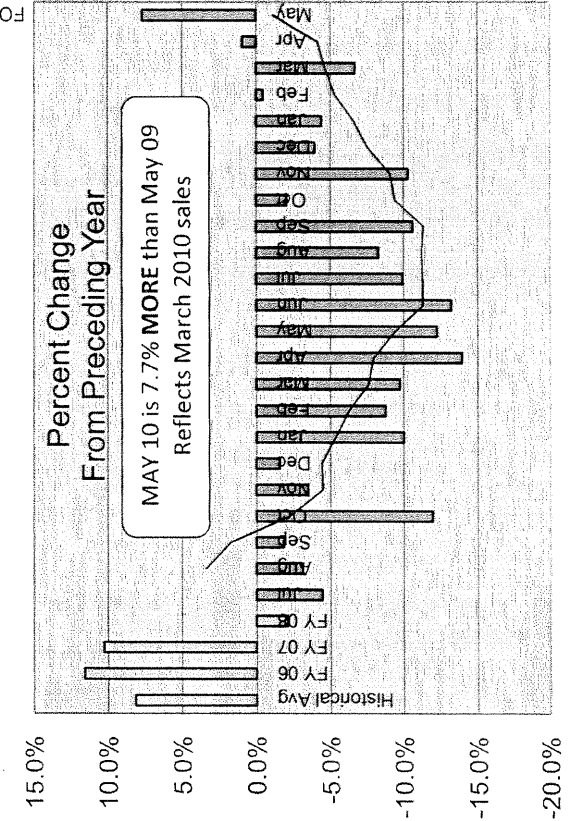
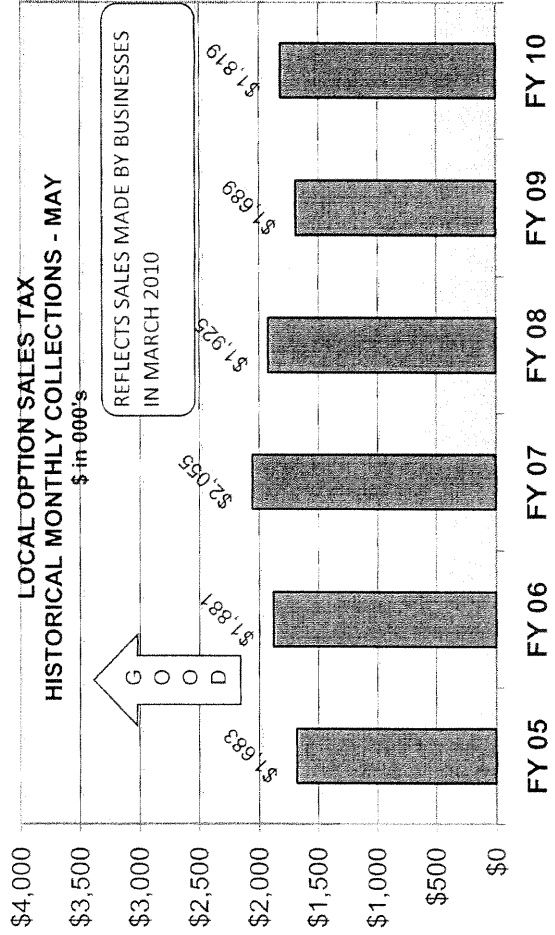
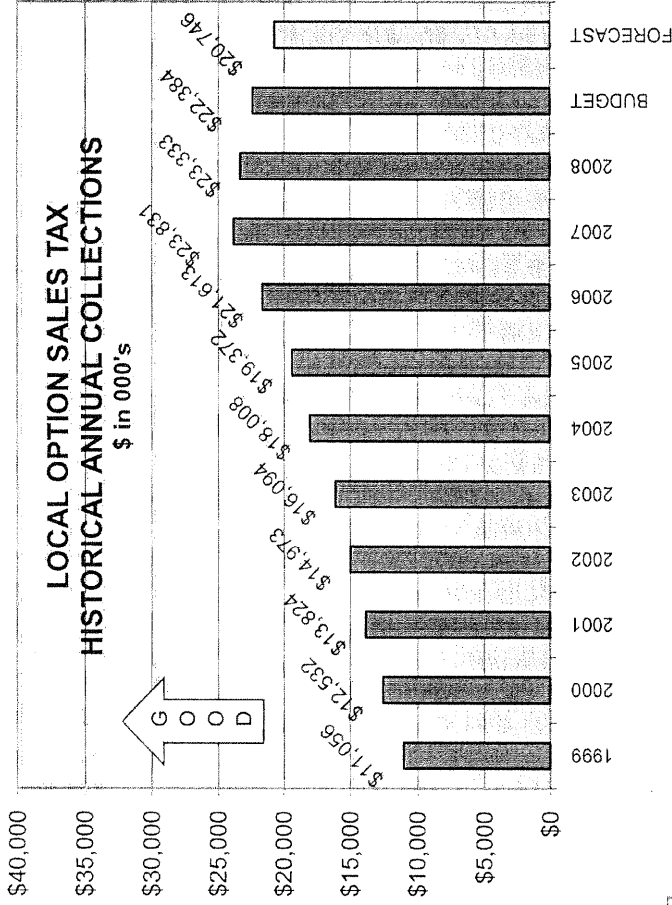
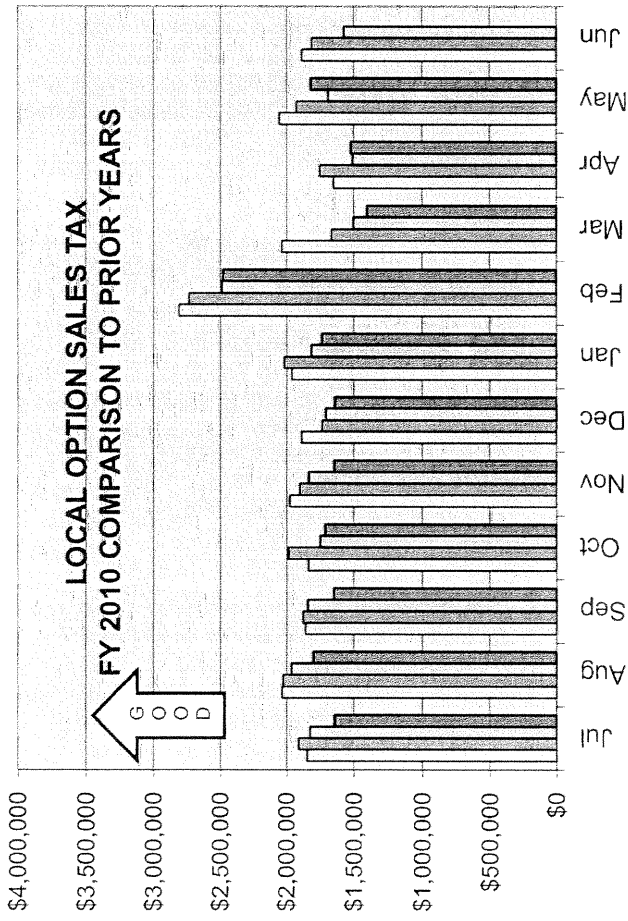
Year-to-date, the City has received \$15.6 million compared to \$16.1 million in the previous year, a difference of \$ 535,858 or 3.3%. Year to date, the State of Tennessee sales tax collections were down 4.1%.

Local Sales Tax Revenue Comparison

Month	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	% over prior yr	\$ over prior yr
July	838,370	963,117	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	-10.6%	-195,711
August	881,138	978,025	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	-2.1%	-36,021
September	833,216	1,057,301	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	-10.3%	-189,055
October	889,069	988,212	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	-3.9%	-67,356
November	933,409	1,083,745	1,235,695	1,292,190	1,411,314	1,571,854	1,686,900	1,787,276	1,960,370	2,018,105	1,816,125	1,736,146	-4.4%	-79,979
December	1,461,803	1,632,903	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	-0.5%	-11,378
January	738,162	842,297	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	-6.7%	-100,689
February	784,130	896,485	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	0.9%	14,030
March	972,338	1,085,613	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	7.7%	130,301
April	909,210	1,014,741	1,179,452	1,179,175	1,453,049	1,563,462	1,649,228	1,883,777	1,885,024	1,812,244	1,572,824	0	0.0%	0
May	974,685	1,038,869	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	0	0.0%	0
June	1,014,154	1,153,403	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	0	0.0%	0
11,229,684	12,734,711	14,058,989	15,104,705	16,400,539	18,296,682	19,786,230	22,005,703	23,885,264	23,885,264	23,149,433	21,152,117	15,601,121	16,136,979	-535,858
	Up 10.9%	Up 13.4%	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%	year to date -3.3%	last yr YTD	YTD difference



CITY of FRANKLIN LOCAL OPTION SALES TAX





TENNESSEE DEPARTMENT OF REVENUE

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

May 10, 2010
 Month of: APRIL
 Tot. Collections: \$6,090,786.99
 Cost of Admin: \$68,521.35
 Net Collections: \$6,022,265.64

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	\$173,074.53	\$1,947.09	\$171,127.44
FRANKLIN	\$3,718,796.43	\$41,836.46	\$3,676,959.97
FAIRVIEW	\$108,159.99	\$1,216.80	\$106,943.19
BRENTWOOD	\$1,790,316.35	\$20,141.06	\$1,770,175.29
SPRING HILL	\$185,547.62	\$2,087.41	\$183,460.21
THOMPSON STATION	\$84,342.38	\$948.85	\$83,393.53
NOLENSVILLE	\$30,549.69	\$343.68	\$30,206.01

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

$3676959.97 \div 2$
 $1,838,479.99$
 $- 17$
 18384.80

 $1,819,095.19$



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

DAVE GOETZ
COMMISSIONER

FOR IMMEDIATE RELEASE
WEDNESDAY, MAY 12, 2010

CONTACT: JERRY ADAMS
615-741-4806

APRIL REVENUES

NASHVILLE - Tennessee revenue collections improved in April with a net positive growth of 2.23% over April collections one year ago. Finance and Administration Commissioner Dave Goetz reported today that overall April revenues were \$1,243.0 million, which is \$43.4 million more than the state budgeted.

"April is the first positive sales tax growth month in almost two years - since May of 2008," Goetz said. "Sales tax collections started their downward spiral starting in January of that year and, beginning with the month of June, recorded an unprecedented 22 consecutive months of negative collections."

On an accrual basis, April is the ninth month in the 2009-2010 fiscal year.

The general fund was over collected by \$51.4 million, and the four other funds were under collected by \$8.0 million.

Sales tax collections were \$9.7 million more than the budgeted estimate for April. The April growth rate was positive 5.62%. For nine months revenues are under collected by \$201.8 million. The year-to-date growth rate for nine months was negative 4.11%.

Franchise and excise taxes combined were \$47.6 million above the budgeted estimate of \$312.9 million. For nine months revenues are over collected by \$63.4 million.

Hall Income tax collections for April were \$13.8 million less than the budgeted estimate. For nine months collections are \$14.2 million less than the budgeted estimate. The growth rate for the nine month period was negative 22.42%.

Inheritance and estate tax collections were \$1.4 million below the April estimate. For nine months collections are \$9.4 million under the budgeted estimate.

Gasoline and motor fuel collections for April decreased by 2.80%. For nine months revenues are negative 0.15%, and \$16.5 million below the budgeted estimate of \$620.0 million.

Tobacco tax collections were \$2.6 million under the budgeted estimate of \$24.4 million. For nine months revenues are under collected in the amount of \$1.0 million.

All other taxes for April, including the tobacco tax, were over collected by a net of \$3.9 million.

- MORE -

Year-to-date collections for nine months were \$200.7 million less than the budgeted estimate. The general fund was under collected by \$153.6 million and the four other funds were under collected by \$47.1 million.

The budgeted revenue estimates for 2009-2010 are based on the State Funding Board's consensus recommendation adopted by the first session of the 106th General Assembly in May of 2009, and are available on the state's Web site at <http://www.tn.gov/finance/bud/budget.html>.

The State Funding board met on December 18, 2009 and adopted mid-year revised revenue ranges for 2009-2010. The revised ranges reflect growth rates ranging from negative 1.50% to negative 0.25% in total taxes, and negative 2.35% to negative 0.85% in general fund taxes. Based on the consensus recommendation, the official budgeted estimates for 2009-2010 were revised in late December.

The revised estimates are reflected on pages A-70 and A-72 in the 2010-2011 Budget Document and assume an under collection in total taxes in the amount of \$161.3 million, and an under collection of \$153.2 million in the general fund.

The funding board met again in March of this year and adopted final revenue ranges for 2009-2010. The board's consensus recommendation was to recognize lower growth rates than those adopted on December 18, 2009. The revised ranges reflect growth rates ranging from negative 1.77% to negative 1.29% for total taxes, and negative 2.31% to negative 1.78% in general fund taxes.

Based upon the funding board's March recommendation the revised estimates for 2009-2010 now assume an under collection in total taxes in the amount of \$258.9 million, and an under collection of \$231.0 million in general fund taxes.

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**REVENUE COLLECTIONS
APRIL, 2010, AND 9 MONTHS YEAR-TO-DATE**

April Collections:

	<u>Budgeted Accrual Estimate</u>	<u>Actual</u>	<u>Difference</u>
General Fund	\$988,105,000	\$1,039,532,000	\$51,427,000
Highway Fund	64,037,000	59,056,000	(4,981,000)
Sinking Fund	32,399,000	32,537,000	138,000
City & County Fund	114,197,000	111,018,000	(3,179,000)
Earmarked Fund	892,000	892,000	0
Total	\$1,199,630,000	\$1,243,035,000	\$43,405,000

Year-To-Date Collections:

	<u>Budgeted Accrual Estimate</u>	<u>Actual</u>	<u>Difference</u>
General Fund	\$6,210,829,000	\$6,057,233,000	(\$153,596,000)
Highway Fund	504,563,000	470,295,000	(34,268,000)
Sinking Fund	291,124,000	289,722,000	(1,402,000)
City & County Fund	612,737,000	601,319,000	(11,418,000)
Earmarked Fund	8,026,000	8,025,000	(1,000)
Total	\$7,627,279,000	\$7,426,594,000	(\$200,685,000)

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	April			
	2009	2010	Change	Percent
Franchise & Excise	\$331,227,000	\$360,545,000	\$29,318,000	8.85%
Income	180,447,000	139,617,000	(40,830,000)	-22.63%
Inheritance & Estate	13,437,000	13,729,000	292,000	2.17%
Gasoline	51,929,000	48,887,000	(3,042,000)	-5.86%
Petroleum Special	5,230,000	5,269,000	39,000	0.75%
Tobacco	18,603,000	21,805,000	3,202,000	17.21%
Beer	1,362,000	1,283,000	(79,000)	-5.80%
Motor Vehicle Registration	25,541,000	30,444,000	4,903,000	19.20%
Motor Vehicle Title	782,000	980,000	198,000	25.32%
Mixed Drink	4,448,000	4,735,000	287,000	6.45%
Business	1,958,000	2,113,000	155,000	7.92%
Privilege	17,470,000	17,302,000	(168,000)	-0.96%
Gross Receipts	92,000	95,000	3,000	3.26%
TVA - In Lieu of Tax Payments	24,014,000	26,499,000	2,485,000	10.35%
Alcoholic Beverage	3,807,000	4,082,000	275,000	7.22%
Sales and Use	519,558,000	548,754,000	29,196,000	5.62%
Motor Vehicle Fuel	15,828,000	16,785,000	957,000	6.05%
Severance	118,000	147,000	29,000	24.58%
Coin-operated Amusement	0	0	0	NA
Unauthorized Substance	28,000	(36,000)	(64,000)	-228.57%
Total	\$1,215,879,000	\$1,243,035,000	\$27,156,000	2.23%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - April			
	2008-2009	2009-2010	Change	Percent
Franchise & Excise	\$1,024,089,000	\$1,099,394,000	\$75,305,000	7.35%
Income	212,861,000	165,136,000	(47,725,000)	-22.42%
Inheritance & Estate	66,233,000	64,918,000	(1,315,000)	-1.99%
Gasoline	442,653,000	444,501,000	1,848,000	0.42%
Petroleum Special	45,628,000	45,764,000	136,000	0.30%
Tobacco	218,660,000	215,344,000	(3,316,000)	-1.52%
Beer	13,197,000	12,305,000	(892,000)	-6.76%
Motor Vehicle Registration	179,102,000	179,979,000	877,000	0.49%
Motor Vehicle Title	7,491,000	7,702,000	211,000	2.82%
Mixed Drink	40,083,000	41,268,000	1,185,000	2.96%
Business	17,947,000	28,523,000	10,576,000	58.93%
Privilege	145,718,000	134,453,000	(11,265,000)	-7.73%
Gross Receipts	18,962,000	13,884,000	(5,078,000)	-26.78%
TVA - In Lieu of Tax Payments	211,055,000	238,415,000	27,360,000	12.96%
Alcoholic Beverage	33,168,000	34,175,000	1,007,000	3.04%
Sales and Use	4,784,192,000	4,587,633,000	(196,559,000)	-4.11%
Motor Vehicle Fuel	116,164,000	113,244,000	(2,920,000)	-2.51%
Severance	1,718,000	1,693,000	(25,000)	-1.46%
Coin-operated Amusement	118,000	70,000	(48,000)	-40.68%
Unauthorized Substance	967,000	(1,807,000)	(2,774,000)	-286.87%
Total	\$7,580,006,000	\$7,426,594,000	(\$153,412,000)	-2.02%

Table 3
August - April Revenue Overcollections/(Undercollections)
Budgeted Estimate

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Sales Tax	\$ (172,500,000)	\$ (29,300,000)	\$ (201,800,000)
Income Tax	(9,400,000)	(4,800,000)	(14,200,000)
Inheritance Tax	(9,400,000)	0	(9,400,000)
Privilege Tax	(22,400,000)	0	(22,400,000)
Business Tax	(8,900,000)	0	(8,900,000)
TVA	10,500,000	8,100,000	18,600,000
Gross Receipts	(1,400,000)	0	(1,400,000)
Gasoline & Motor Fuel Taxes	(600,000)	(15,900,000)	(16,500,000)
Motor Vehicle Registration	(1,000,000)	(3,000,000)	(4,000,000)
Other Taxes	(1,900,000)	(2,200,000)	(4,100,000)
Tobacco	(1,000,000)	0	(1,000,000)
Beer	300,000	100,000	400,000
Motor Vehicle Title	(300,000)	(200,000)	(500,000)
Mixed Drink	100,000	(100,000)	0
Alcoholic Beverage	(400,000)	(100,000)	(500,000)
Severance	100,000	200,000	300,000
Coin Operated Amusement	0	0	0
Unauthorized Substance	(700,000)	(2,100,000)	(2,800,000)
Sub-Total	\$ (217,000,000)	\$ (47,100,000)	\$ (264,100,000)
F & E Taxes	63,400,000	0	63,400,000
Total	<u>\$ (153,600,000)</u>	<u>\$ (47,100,000)</u>	<u>\$ (200,700,000)</u>