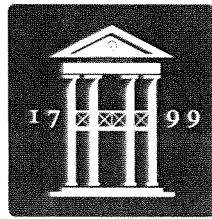


ADMINISTRATION

Russell B. Truell
Assistant City Administrator, CFO
Finance



John C. Schroer
Mayor of Franklin

Eric S. Stuckey
City Administrator

H I S T O R I C
F R A N K L I N
T E N N E S S E E

MEMORANDUM

June 11, 2010

TO: Eric Stuckey, City Administrator

FR: Russ Truell, ACA/CFO

RE: Local Sales Tax Report

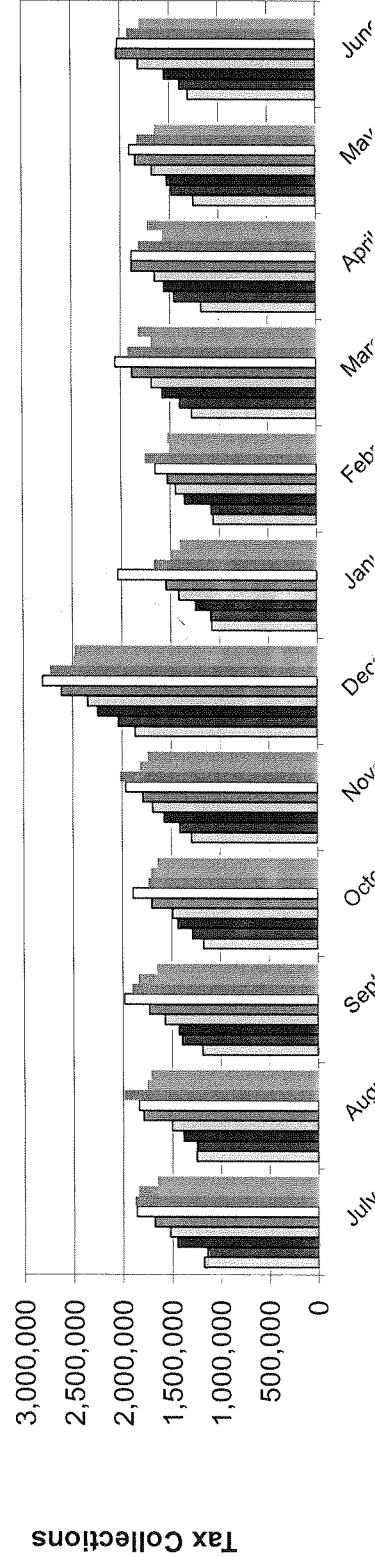
The local sales tax remittance from the State of Tennessee for June was \$ 1,719,674 compared to \$1,572,824 for the same month in 2009, an increase of \$ 146,851 or 9.3%. [The June remittance is for sales tax collected during the month of April, representing the tenth month of the fiscal year on an accrual basis.] During the same period, the State of Tennessee sales tax collections were up 3.7%.

Year-to-date, the City has received \$ 17.3 million compared to \$17.7 million in the previous year, a difference of \$ 389,007 or 2.2%. Year to date, the State of Tennessee sales tax collections are down 3.4%.

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 | 1,553,462 | 1,649,228 | 1,883,777 | 1,885,024 | 1,812,244 | 1,572,824 | 1,719,674 | 9.3% | 146,851 |
| 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 | 23,149,433 | 21,152,117 | 17,320,795 | 17,709,802 | -389,007 |
| | 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 -2.2% | last yr YTD | YTD difference |

Local Sales Taxes





TENNESSEE DEPARTMENT OF REVENUE

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

June 10, 2010
 Month of: MAY
 Tot. Collections: \$5,727,471.07
 Cost of Admin: \$64,434.04
 Net Collections: \$5,663,037.03

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 | \$179,650.90 | \$2,021.07 | \$177,629.83 |
| FRANKLIN | \$3,513,617.30 | \$39,528.19 | \$3,474,089.11 |
| FAIRVIEW | \$93,001.27 | \$1,046.26 | \$91,955.01 |
| BRENTWOOD | \$1,659,613.10 | \$18,670.65 | \$1,640,942.45 |
| SPRING HILL | \$174,117.64 | \$1,958.82 | \$172,158.82 |
| THOMPSON STATION | \$79,759.85 | \$897.30 | \$78,862.55 |
| NOLENSVILLE | \$27,711.01 | \$311.75 | \$27,399.26 |

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

Handwritten calculations:
 $3474089.11 \div 2 = 1,737,044.55$
 $(-) \times 1\% = 17,370.44$

 $1,719,674.11$

Department of Finance & Administration

Dave Goetz, Commissioner

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FOR IMMEDIATE RELEASE
FRIDAY, JUNE 11, 2010CONTACT: LOLA POTTER
615.532.8560 (OFFICE)
615.202.0701 (CELL)

MAY REVENUES

NASHVILLE - State tax collections for May were less than budgeted, yet included positive growth in state sales tax collections. Finance and Administration Commissioner Dave Goetz reports that overall May revenues were \$767.1 million, which is \$18.6 million less than the state budgeted. May sales tax collections represent consumer spending that occurred in the month of April.

"May is the second consecutive month this fiscal year in which sales tax collections posted positive growth over the year before; and before April, we had not seen positive growth since May of 2008," Goetz said. "This is encouraging and we hope this marks the beginning of economic recovery for Tennessee. However, we will continue to closely monitor collections and do whatever is necessary to end this fiscal year with a balanced budget and leave the next governor with a balanced budget on a recurring basis."

On an accrual basis, May is the tenth month in the 2009-2010 fiscal year.

The general fund was under-collected by \$16.5 million, and the four other funds were under-collected by \$2.1 million.

Sales tax collections were \$6.1 million less than the estimate for May. The May growth rate was positive 3.70%. For ten months revenues are under-collected by \$207.9 million. The year-to-date growth rate for ten months was negative 3.38%.

Franchise and excise taxes combined were \$8.5 million below the budgeted estimate of \$31.4 million. The growth rate for May was negative 12.50%. For ten months revenues are over collected by \$54.9 million and the year-to-date growth rate is 6.86%.

Privilege tax collections were \$1.4 million below the May estimate. For ten months collections are \$23.8 million below the budgeted estimate.

Tobacco tax collections were \$2.2 million under the budgeted estimate of \$24.9 million. For ten months revenues are under collected in the amount of \$3.1 million.

Gasoline and motor fuel collections for May increased by 6.38%. For ten months revenues are under-collected by \$15.4 million and the ten month year-to-date growth rate is 0.48%.

Year-to-date collections for ten months are \$219.3 million less than the budgeted estimate. The general fund was under collected by \$170.1 million and the four other funds were under collected by \$49.2 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 website 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 mid-year 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.

[View Revenue Collections](#)

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Department of Finance & Administration 312 Rosa L. Parks Avenue Nashville, TN 37243 (615) 741-0320 Finance@tn.gov

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

month only

| Class of Tax | May | | Change | Percent |
|-------------------------------|----------------------|----------------------|---------------------|--------------|
| | 2009 | 2010 | | |
| Franchise & Excise | \$26,135,000 | \$22,867,000 | (\$3,268,000) | -12.50% |
| Income | 4,747,000 | 4,860,000 | 113,000 | 2.38% |
| Inheritance & Estate | 4,085,000 | 5,778,000 | 1,693,000 | 41.44% |
| Gasoline | 48,613,000 | 50,625,000 | 2,012,000 | 4.14% |
| Petroleum Special | 4,966,000 | 5,385,000 | 419,000 | 8.44% |
| Tobacco | 25,102,000 | 22,736,000 | (2,366,000) | -9.43% |
| Beer | 1,851,000 | 1,553,000 | (298,000) | -16.10% |
| Motor Vehicle Registration | 21,225,000 | 18,496,000 | (2,729,000) | -12.86% |
| Motor Vehicle Title | 701,000 | 799,000 | 98,000 | 13.98% |
| Mixed Drink | 4,316,000 | 4,766,000 | 450,000 | 10.43% |
| Business | 2,797,000 | 31,548,000 | 28,751,000 | 1027.92% |
| Privilege | 38,225,000 | 41,252,000 | 3,027,000 | 7.92% |
| Gross Receipts | 176,000 | 13,000 | (163,000) | -92.61% |
| TVA - In Lieu of Tax Payments | 24,015,000 | 26,498,000 | 2,483,000 | 10.34% |
| Alcoholic Beverage | 3,459,000 | 4,004,000 | 545,000 | 15.76% |
| Sales and Use | 494,012,000 | 512,281,000 | 18,269,000 | 3.70% |
| Motor Vehicle Fuel | 11,832,000 | 13,574,000 | 1,742,000 | 14.72% |
| Severance | 248,000 | 162,000 | (86,000) | -34.68% |
| Coin-operated Amusement | 1,000 | 13,000 | 12,000 | 1200.00% |
| Unauthorized Substance | 32,000 | (62,000) | (94,000) | -293.75% |
| Total | \$716,538,000 | \$767,148,000 | \$50,610,000 | 7.06% |

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

year to date

| Class of Tax | August - May | | Change | Percent |
|-------------------------------|------------------------|------------------------|------------------------|---------------|
| | 2008-2009 | 2009-2010 | | |
| Franchise & Excise | \$1,050,224,000 | \$1,122,261,000 | \$72,037,000 | 6.86% |
| Income | 217,608,000 | 169,996,000 | (47,612,000) | -21.88% |
| Inheritance & Estate | 70,318,000 | 70,696,000 | 378,000 | 0.54% |
| Gasoline | 491,266,000 | 495,126,000 | 3,860,000 | 0.79% |
| Petroleum Special | 50,594,000 | 51,149,000 | 555,000 | 1.10% |
| Tobacco | 243,762,000 | 238,080,000 | (5,682,000) | -2.33% |
| Beer | 15,048,000 | 13,858,000 | (1,190,000) | -7.91% |
| Motor Vehicle Registration | 200,327,000 | 198,475,000 | (1,852,000) | -0.92% |
| Motor Vehicle Title | 8,192,000 | 8,501,000 | 309,000 | 3.77% |
| Mixed Drink | 44,399,000 | 46,034,000 | 1,635,000 | 3.68% |
| Business | 20,744,000 | 60,071,000 | 39,327,000 | 189.58% |
| Privilege | 183,943,000 | 175,705,000 | (8,238,000) | -4.48% |
| Gross Receipts | 19,138,000 | 13,897,000 | (5,241,000) | -27.39% |
| TVA - In Lieu of Tax Payments | 235,070,000 | 264,913,000 | 29,843,000 | 12.70% |
| Alcoholic Beverage | 36,627,000 | 38,179,000 | 1,552,000 | 4.24% |
| Sales and Use | 5,278,204,000 | 5,099,914,000 | (178,290,000) | -3.38% |
| Motor Vehicle Fuel | 127,996,000 | 126,818,000 | (1,178,000) | -0.92% |
| Severance | 1,966,000 | 1,855,000 | (111,000) | -5.65% |
| Coin-operated Amusement | 119,000 | 83,000 | (36,000) | -30.25% |
| Unauthorized Substance | 999,000 | (1,869,000) | (2,868,000) | -287.09% |
| Total | \$8,296,544,000 | \$8,193,742,000 | (\$102,802,000) | -1.24% |