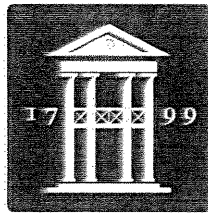


ADMINISTRATION

Russell B. Truell
Assistant City Administrator, CFO
Finance



ITEM #12 A
FINANCE
04-19-11

Eric S. Stuckey
City Administrator

HISTORIC
FRANKLIN
TENNESSEE

MEMORANDUM

April 14, 2011

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 \$ 1,628,745 compared to \$1,521,898 for the same month in 2010, an increase of \$ 106,847 or 7.0%. [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 8.0%.

Year-to-date, the City has received \$14.9 million compared to \$13.8 million in the previous year, a difference of \$ 1,161,441 or 8.4%. The State of Tennessee sales tax collections, year-to-date, were \$4.22 billion compared to \$ 4.02 billion in the prior year, a difference of \$ 179.6 million or 4.4%.

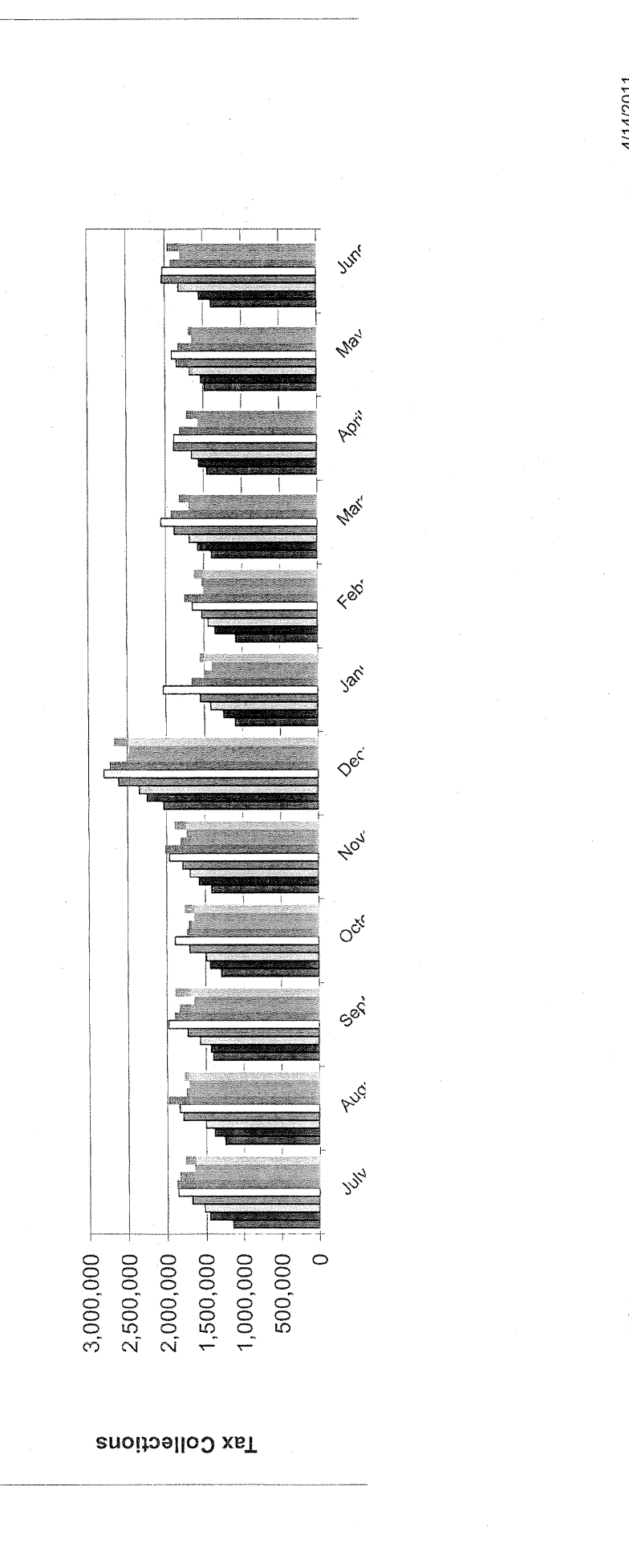
For budget comparisons, the City anticipated collections of \$13.6 million for the first eight months of the fiscal year. Through February, the City is \$ 231,363 ahead of budgeted collections. As a further comparison, the February collection of \$ 1.63 million compares to \$1.65 million in 2007, \$1.75 million in 2008, and \$1.51 million in 2009.

Local Sales Tax Revenue Comparison

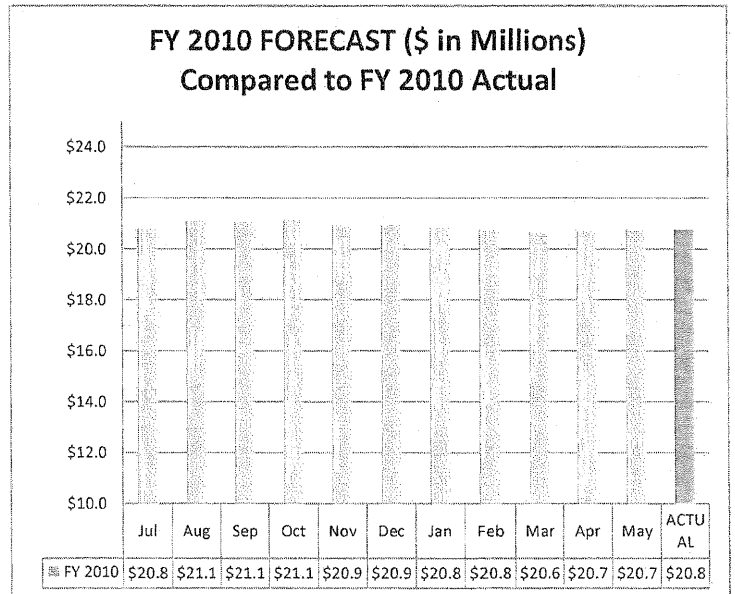
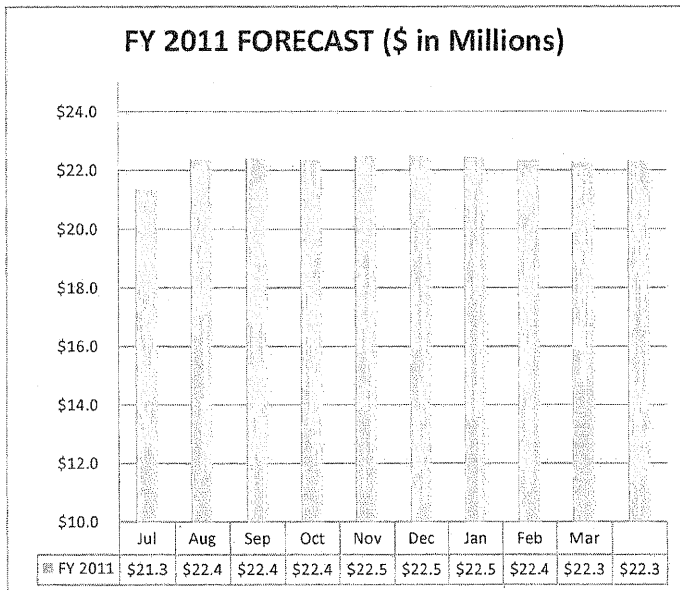
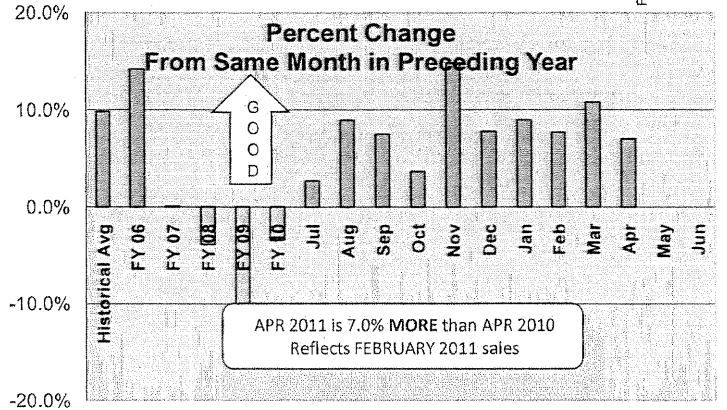
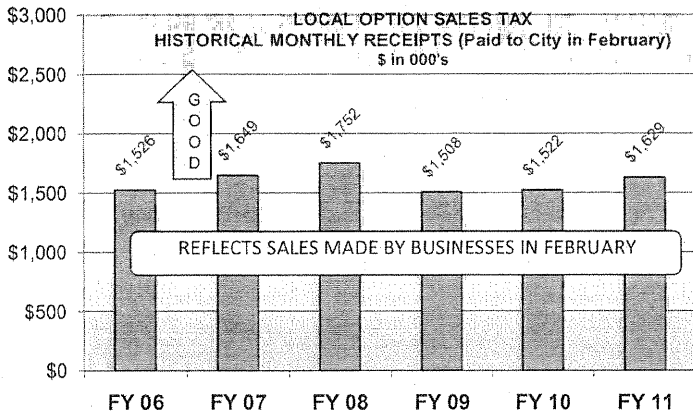
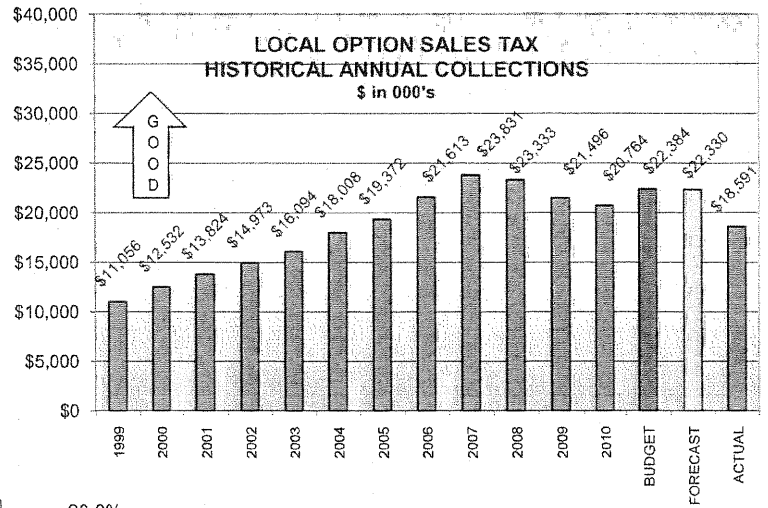
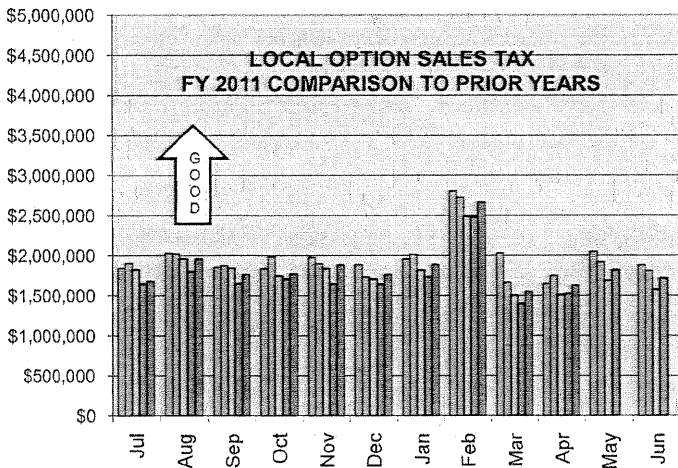
Month	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	% over prior yr	\$ over prior yr
July	963,117	1,030,595	1,178,452	1,142,684	1,448,615	1,520,851	1,676,862	1,857,805	1,876,318	1,842,160	1,646,449	1,769,523	7.5%	123,074
August	978,025	1,052,818	1,248,418	1,244,434	1,381,099	1,498,953	1,788,477	1,837,563	1,985,123	1,747,507	1,711,487	1,774,021	3.7%	62,534
September	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	1,888,809	14.8%	243,568
October	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	1,767,404	7.8%	127,637
November	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	1,892,149	9.0%	156,003
December	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	2,670,491	7.7%	190,852
January	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	1,552,324	10.8%	150,926
February	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	1,628,745	7.0%	106,847
March	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	0	0.0%	0
April	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	0	0.0%	0
May	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	1,686,756	0	0.0%	0
June	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	1,961,270	0	0.0%	0
Total	12,734,711	14,058,989	15,104,705	16,400,539	18,296,662	19,786,230	22,005,703	23,885,264	23,149,433	21,152,117	20,968,821	14,943,467	13,782,026	1,161,441

Budgeted	Up	13.4%	Up	10.4%	Up	7.4%	Up	8.6%	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%	last yr YTD	YTD difference
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Local Sales Taxes



**CITY of FRANKLIN
LOCAL OPTION SALES TAX**



Department of Finance & Administration
Mark Emkes, Commissioner

GOVERNOR
Bill Haslam
Visit Bill's Web Site

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FOR IMMEDIATE RELEASE
TUESDAY, APRIL 12, 2011

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

MARCH REVENUES

NASHVILLE – Tennessee revenue collections for March continued to exceed the budgeted expectations. Finance and Administration Commissioner Mark Emkes today announced that overall March revenues were \$815.5 million, which is \$9.5 million more than the state budgeted. It marks the eighth consecutive positive growth month for this fiscal year.

"The sales tax growth rate for March – almost eight percent - gives us the best indication of consumer optimism," Emkes said. "That's the largest monthly growth we've seen in the last 61 months, dating back to February 2006.

"It clearly represents a Tennessee economy on the up-swing, but we'll need to continue to watch spending and work with lawmakers to end this fiscal year with a balanced budget."

On an accrual basis, March is the eighth month in the 2010-2011 fiscal year.

The general fund was over collected by \$9.6 million and the four other funds were under collected by \$100,000.

Sales tax collections were \$32.8 million more than the estimate for March. The March growth rate was positive 7.97%. For eight months revenues are over collected by \$117.9 million. The year-to-date growth rate for eight months was positive 4.45%.

Franchise and excise taxes combined were \$22.4 million below the budgeted estimate of \$146.4 million. For eight months revenues are over collected by \$31.8 million. The year-to-date growth rate for eight months was positive 7.82%.

Gasoline and motor fuel collections for March decreased by 2.15% and were \$5.2 million below the budgeted estimate. For eight months revenues are over collected by \$5.5 million.

Tobacco taxes collections were \$1.2 million under the budgeted estimate of \$26.0 million. For eight months revenues are under collected in the amount of \$4.3 million.

Inheritance and estate taxes were over collected by \$8.7 million for the month. Year to date collections for eight months are \$22.4 million more than the budgeted estimate.

All other taxes were under collected by a net of \$3.2 million.

Year-to-date collections for eight months were \$153.7 million more than the budgeted estimate. The general fund was over collected by \$133.1 million and the four other funds were over collected by \$20.6 million.

The budgeted revenue estimates for 2010-2011 are based on the State Funding Board's consensus recommendation of April 7, 2010 and adopted by the second session of the 106th. General Assembly in June. They are available on the state's website at <http://www.tn.gov/finance/bud/budget.html>.

The State Funding Board met on the 8th and 14th of December 2010, and again on February 7, 2011. As a result of these meetings the board adopted mid-year revised revenue ranges for 2010-2011. The board issued a formal letter addressed to the governor and the chairman of House and Senate Finance Ways and Means Committees dated February 25, 2011, detailing the board's actions.

The 2010-2011 revised ranges adopted by the board reflect growth rates ranging from 3.60% to 4.00% in total taxes, and 3.95% to 4.45% in general fund taxes.

Based on the board's consensus recommendation, the official budgeted estimates for 2010-2011 were revised in March 2011.

The revised estimates are reflected on pages A-72 and A-74 in the 2011-2012 Budget Document and assume an over collection in total taxes in the amount of \$198.5 million, and an over collection of \$161.3 million in general fund taxes.

Year-to-date collections through March compared to the February revision are \$2.3 million above the total estimate, and \$6.0 million above the general fund estimate. The four other funds that share in state tax collections are \$3.7 below the revised estimate.



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Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - March			Percent
	2009-2010	2010-2011	Change	
Franchise & Excise	\$738,849,000	\$796,611,000	\$57,762,000	7.82%
Income	25,519,000	31,022,000	5,503,000	21.56%
Inheritance & Estate	51,189,000	71,072,000	19,883,000	38.84%
Gasoline	395,614,000	409,057,000	13,443,000	3.40%
Petroleum Special	40,495,000	41,597,000	1,102,000	2.72%
Tobacco	193,539,000	189,840,000	(3,699,000)	-1.91%
Beer	11,022,000	12,234,000	1,212,000	11.00%
Motor Vehicle Registration	149,535,000	155,974,000	6,439,000	4.31%
Motor Vehicle Title	6,722,000	7,171,000	449,000	6.68%
Mixed Drink	36,533,000	37,247,000	714,000	1.95%
Business	26,410,000	55,509,000	29,099,000	110.18%
Privilege	117,151,000	117,230,000	79,000	0.07%
Gross Receipts	13,789,000	9,060,000	(4,729,000)	-34.30%
TVA - In Lieu of Tax Payments	211,916,000	216,745,000	4,829,000	2.28%
Alcoholic Beverage	30,093,000	31,174,000	1,081,000	3.59%
Sales and Use	4,038,879,000	4,218,462,000	179,583,000	4.45%
Motor Vehicle Fuel	96,459,000	101,428,000	4,969,000	5.15%
Severance	1,546,000	1,636,000	90,000	5.82%
Coin-operated Amusement	70,000	91,000	21,000	30.00%
Unauthorized Substance	(1,771,000)	(489,000)	1,282,000	72.39%
Total	\$6,183,559,000	\$6,502,671,000	\$319,112,000	5.16%