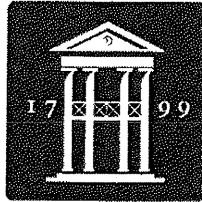


ADMINISTRATION

Russell B. Truell
Assistant City Administrator, CFO
Finance



Dr. Ken Moore
Mayor

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

October 12, 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 October was \$ 1,843,927 compared to \$1,774,021 for the same month in 2010, an increase of \$ 69,907 or 3.9%. [The October remittance is for sales tax collected during the month of August, representing the second month of the fiscal year on an accrual basis.] During the same period, the State of Tennessee sales tax collections were up 8.3%.

Year-to-date, the City has received \$3.8 million compared to \$ 3.5 million in the previous year, a difference of \$ 225,779 or 6.4%. The State of Tennessee sales tax collections, year-to-date, were \$1.12 billion compared to \$ 1.05 billion in the prior year, a difference of \$ 69.9 million or 6.7%.

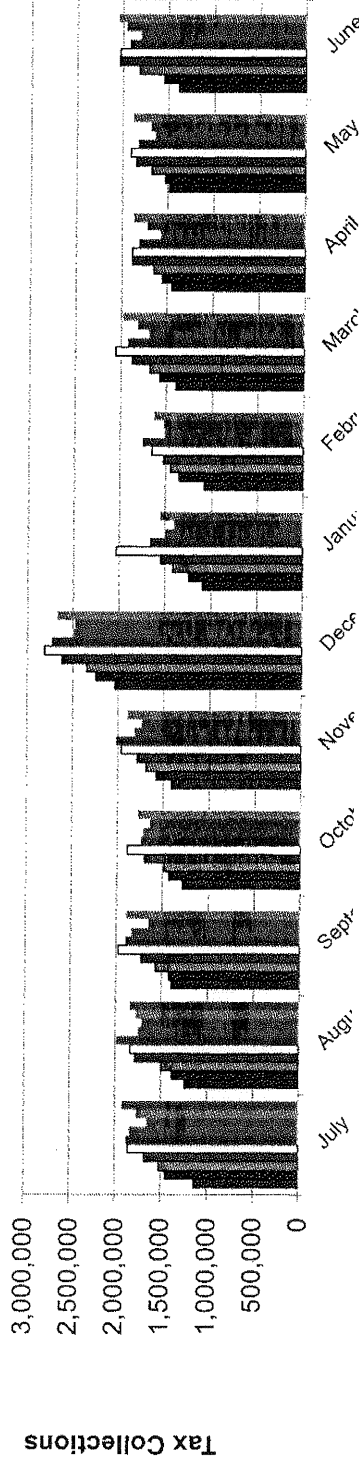
For budget comparisons, the City anticipated collections of \$ 3.6 million through this period. For the fiscal year through August, the City is \$ 138,660 ahead of budgeted collections. As a further comparison, the August collection of \$ 1.84 million compares to \$ 1.98 million in 2007, \$1.75 million in 2008, and \$1.71 million in 2009.

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 | 0 | 0.0% | 0 |
| October | 1,051,540 | 1,173,770 | 1,284,783 | 1,433,766 | 1,484,549 | 1,695,501 | 1,887,613 | 1,734,361 | 1,707,123 | 1,639,767 | 1,767,404 | 0 | 0.0% | 0 |
| 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 | 1,816,125 | 1,736,146 | 1,892,149 | 0 | 0.0% | 0 |
| 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 | 0 | 0.0% | 0 |
| 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 | 0 | 0.0% | 0 |
| 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 | 0 | 0.0% | 0 |
| March | 1,176,221 | 1,274,840 | 1,395,948 | 1,572,431 | 1,682,707 | 1,860,654 | 2,054,793 | 1,925,296 | 1,888,794 | 1,819,095 | 1,979,080 | 0 | 0.0% | 0 |
| April | 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 | 1,866,180 | 0 | 0.0% | 0 |
| 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 | 0 | 0.0% | 0 |
| 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 | 0 | 0.0% | 0 |
| 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 | 3,769,323 | 1,769,523 | 225,779 |

| | 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 6.4% | last yr YTD 3,543,544 | YTD difference |
|--|----------|---------|---------|----------|---------|----------|---------|------------|------------|------------|-------------------|-------------------|-----------------------|----------------|
|--|----------|---------|---------|----------|---------|----------|---------|------------|------------|------------|-------------------|-------------------|-----------------------|----------------|

Local Sales Taxes





TENNESSEE DEPARTMENT OF REVENUE

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

October 9, 2011
 Month of: SEPTEMBER
 Tot. Collections: \$6,578,354.23
 Cost of Admin: \$74,006.48
 Net Collections: \$6,504,347.75

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 | \$283,146.97 | \$3,185.40 | \$279,961.57 |
| FRANKLIN | \$3,767,490.93 | \$42,384.27 | \$3,725,106.66 |
| FAIRVIEW | \$122,774.97 | \$1,381.22 | \$121,393.75 |
| BRENTWOOD | \$2,142,917.87 | \$24,107.83 | \$2,118,810.04 |
| SPRING HILL | \$138,595.07 | \$1,559.19 | \$137,035.88 |
| THOMPSON STATION | \$87,661.39 | \$986.19 | \$86,675.20 |
| NOLENVILLE | \$35,767.03 | \$402.38 | \$35,364.65 |

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 calculation:
 $3725106.66 \div 2 = 1862553.33$
 $- 18625.53$

 $\$ 1,843,927.80$



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

**MARK A. EMKES
COMMISSIONER**

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 10, 2011

CONTACT: JERRY ADAMS
615-741-4806

SEPTEMBER REVENUES

NASHVILLE – Economic recovery continues a slow pattern upward in Tennessee. Finance and Administration Commissioner Mark Emkes reported today that overall September revenues were \$1.013 billion, which is 3.66% above September 2010 collections. It's the fourteenth consecutive month in which total collections exceeded the budgeted estimates.

“We are very pleased with the positive growth rates in September tax collections, particularly in the sales tax category, where we see the best indication of renewed consumer optimism in Tennessee,” Emkes said. “That’s the largest monthly growth we’ve seen in the last 69 months, dating back to January 2006.

“While this is good news, the uncertainty surrounding resolution of the federal budget and national economic indicators require us to continue with close scrutiny over state expenditures so that we keep the state’s budget in balance.”

On an accrual basis, September is the second month in the 2011-2012 fiscal year.

September collections were \$4.4 million more than the budgeted estimate. The general fund was over collected by \$4.5 million and the four other funds were under collected by \$0.1 million.

Sales tax collections were \$12.8 million more than the estimate for September. The September growth rate was 8.33%.

Franchise and excise taxes combined were \$16.1 million below the September budgeted estimate of \$268.9 million. The September growth rate was negative 6.21%.

Gasoline and motor fuel collections for September decreased by 6.30% and were \$3.0 million below the budgeted estimate of \$73.0 million.

Tobacco tax collections for the month were under collected by \$0.7 million, but the growth rate was positive 4.28%.

Privilege tax collections were \$1.9 million less than the budgeted estimate of \$17.3 million.

Inheritance and Estate tax collections were \$12.4 million above the budgeted estimate.

All other taxes were over collected by a net of \$0.9 million.

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

| Class of Tax | September | | | |
|-------------------------------|----------------------|------------------------|---------------------|--------------|
| | 2010 | 2011 | Change | Percent |
| Franchise & Excise | \$269,503,000 | \$252,761,000 | (\$16,742,000) | -6.21% |
| Income | 1,069,000 | 972,000 | (97,000) | -9.07% |
| Inheritance & Estate | 8,077,000 | 20,313,000 | 12,236,000 | 151.49% |
| Gasoline | 57,039,000 | 52,985,000 | (4,054,000) | -7.11% |
| Petroleum Special | 5,754,000 | 5,475,000 | (279,000) | -4.85% |
| Tobacco | 23,562,000 | 24,570,000 | 1,008,000 | 4.28% |
| Beer | 1,551,000 | 1,663,000 | 112,000 | 7.22% |
| Motor Vehicle Registration | 18,801,000 | 20,629,000 | 1,828,000 | 9.72% |
| Motor Vehicle Title | 921,000 | 953,000 | 32,000 | 3.47% |
| Mixed Drink | 4,474,000 | 5,071,000 | 597,000 | 13.34% |
| Business | 11,152,000 | 9,189,000 | (1,963,000) | -17.60% |
| Privilege | 13,703,000 | 15,347,000 | 1,644,000 | 12.00% |
| Gross Receipts | 48,000 | 139,000 | 91,000 | 189.58% |
| TVA - In Lieu of Tax Payments | 33,676,000 | 32,265,000 | (1,411,000) | -4.19% |
| Alcoholic Beverage | 3,751,000 | 4,162,000 | 411,000 | 10.96% |
| Sales and Use | 512,311,000 | 554,974,000 | 42,663,000 | 8.33% |
| Motor Vehicle Fuel | 11,878,000 | 11,503,000 | (375,000) | -3.16% |
| Severance | 161,000 | 288,000 | 127,000 | 78.88% |
| Coin-operated Amusement | 42,000 | 7,000 | (35,000) | -83.33% |
| Unauthorized Substance | 0 | (18,000) | (18,000) | NA |
| Total | \$977,473,000 | \$1,013,248,000 | \$35,775,000 | 3.66% |

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

| Class of Tax | August - September | | | |
|-------------------------------|------------------------|------------------------|---------------------|--------------|
| | 2010-2011 | 2011-2012 | Change | Percent |
| Franchise & Excise | \$281,025,000 | \$286,635,000 | \$5,610,000 | 2.00% |
| Income | 2,603,000 | 2,098,000 | (505,000) | -19.40% |
| Inheritance & Estate | 15,055,000 | 29,819,000 | 14,764,000 | 98.07% |
| Gasoline | 113,031,000 | 105,794,000 | (7,237,000) | -6.40% |
| Petroleum Special | 11,061,000 | 10,934,000 | (127,000) | -1.15% |
| Tobacco | 49,682,000 | 46,954,000 | (2,728,000) | -5.49% |
| Beer | 3,096,000 | 3,147,000 | 51,000 | 1.65% |
| Motor Vehicle Registration | 38,989,000 | 40,226,000 | 1,237,000 | 3.17% |
| Motor Vehicle Title | 1,882,000 | 2,093,000 | 211,000 | 11.21% |
| Mixed Drink | 9,076,000 | 10,398,000 | 1,322,000 | 14.57% |
| Business | 25,020,000 | 25,628,000 | 608,000 | 2.43% |
| Privilege | 27,460,000 | 30,342,000 | 2,882,000 | 10.50% |
| Gross Receipts | 9,237,000 | 15,461,000 | 6,224,000 | 67.38% |
| TVA - In Lieu of Tax Payments | 60,174,000 | 58,360,000 | (1,814,000) | -3.01% |
| Alcoholic Beverage | 7,178,000 | 7,745,000 | 567,000 | 7.90% |
| Sales and Use | 1,047,438,000 | 1,117,337,000 | 69,899,000 | 6.67% |
| Motor Vehicle Fuel | 24,288,000 | 26,399,000 | 2,111,000 | 8.69% |
| Severance | 400,000 | 507,000 | 107,000 | 26.75% |
| Coin-operated Amusement | 79,000 | 19,000 | (60,000) | -75.95% |
| Unauthorized Substance | (16,000) | (18,000) | (2,000) | NA |
| Total | \$1,726,758,000 | \$1,819,878,000 | \$93,120,000 | 5.39% |