



MEMORANDUM

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August 15, 2016

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 August was \$2,829,620 compared to \$2,552,236 for the same month in 2015, an increase of \$277,383 or 10.9%. [The August remittance is for sales tax collected during the month of June, representing the final month of the fiscal year on an accrual basis.] During the same period, the State of Tennessee sales tax collections were up 5.9% from the prior year.

Year-to-date, the City has received \$31.3 million compared to \$28.9 million in the previous year, a difference of \$2,365,370 or 8.2%. The State of Tennessee sales tax collections, year-to-date, are \$8.27 billion compared to \$7.72 billion in the prior year, a difference of \$545 million or 7.1%.

For budget comparisons, the City originally anticipated collections of \$30.7 million through twelve months of the fiscal year and \$30.9 million after a mid-year budget amendment. Through the month of June, the City is \$344,312, or 1.2%, above budgeted collections. As a further comparison, the June collection of \$2.82 million compares to \$2.04 million in 2010, \$2.16 million in 2011, \$2.26 million in 2012, \$2.36 million in 2013 and \$2.55 million in 2014.

The local sales tax collections have increased year-over-year in 74 of the last 77 months reported.



TENNESSEE DEPARTMENT OF REVENUE

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

August 7, 2016
Month of: JULY
Tot. Collections: \$9,854,414.85
Cost of Admin: \$110,862.16
Net Collections: \$9,743,552.69

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	\$377,203.78	\$4,243.54	\$372,960.24
FRANKLIN	\$5,781,444.70	\$65,041.25	\$5,716,403.45
FAIRVIEW	\$230,797.06	\$2,596.47	\$228,200.59
BRENTWOOD	\$2,803,993.60	\$31,544.93	\$2,772,448.67
SPRING HILL	\$426,467.90	\$4,797.76	\$421,670.14
THOMPSON STATION	\$143,194.57	\$1,610.94	\$141,583.63
NOLENSVILLE	\$91,313.24	\$1,027.27	\$90,285.97

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) 532-8944 between 8:00 a.m. and 4:30 p.m., Monday through Friday, holidays excepted.

5,716,403.45
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 2,858,201.73
 x .99

 2,829,619.71



FOR IMMEDIATE RELEASE
Wednesday, August 10, 2016

CONTACT: Lola Potter
OFFICE: 615-532-8560

JULY REVENUES

NASHVILLE, Tenn. – Total Tennessee tax revenues for July were slightly more than the budgeted expectation. Finance and Administration Commissioner Larry Martin reported today that July, which ended the accrual fiscal year, recorded a net positive growth of 0.74%, compared to July of 2015. Overall, July revenues were \$1.0 billion, which is \$13.8 million more than the state budgeted.

“July revenue results were somewhat mixed,” Martin said. “With Sales taxes, we had stronger than anticipated growth but corporate and business taxes experienced negative growth. Also, all other taxes, taken as a group, were marginally below July 2015.”

“Despite the mixed results in July, the year-to-date growth rate for all taxes ended the year well above last year’s revenue performance. It is important to note that despite the underperformance with corporate business taxes in July, year to date these taxes have a strong positive growth.”

On an accrual basis, July is the twelfth month in the 2015-2016 fiscal year.

General fund revenues exceeded the budgeted estimate in the amount of \$11.3 million. The four other funds that share in state tax revenues were also in excess of budgeted expectations by \$2.5 million.

Sales tax revenues were \$29.6 million more than the estimate for July. The July growth rate was positive 5.96%. For 12 months, August through July, revenues are over budget by \$375.7 million. The year-to-date growth rate for the 12-month period was positive 7.07%.

Franchise and excise taxes combined were \$22.1 million less than the budgeted estimate of \$78.4 million. The growth rate for July was negative 30.06%. For 12 months revenues are \$349.9 million more than the budget estimate. The year-to-date growth rate was positive 3.82%; however, after factoring out the one-time tax payments received last year, the effective growth rate for twelve months is approximately 11.41%.

Privilege tax revenues were \$4.8 million more than the July estimate. For 12 months revenues are \$39.6 million more than the budgeted estimate.

Business tax revenues were \$0.1 million less than the July estimate. Year-to-date revenues for 12 months are \$11.5 million more than the budgeted estimate.

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Inheritance and estate tax revenues were \$2.4 million less than the July estimate. For 12 months revenues are \$16.6 million more than the budgeted estimate.

Hall income tax revenues for July were \$0.4 million less than the budgeted estimate. For 12 months revenues are \$55.5 million more than the budgeted estimate.

Tobacco tax revenues were \$0.4 million less than the budgeted estimate of \$23.2 million. For 12 months revenues are \$16.1 million in excess of the year-to-date estimate.

Gasoline and motor fuel revenues for July exceed estimates by \$4.9 million. For 12 months revenues exceeded estimates by \$40.1 million.

All other taxes for July were less than the budgeted estimates by a net of \$0.1 million.

Year-to-date revenues for 12 months were \$925.0 million more than the budgeted estimate. The general fund recorded revenues in the amount of \$852.4 million more than the budgeted estimate, and the four other funds \$72.6 million more than the budgeted estimate.

The budgeted revenue estimates for 2015-2016 are based on the State Funding Board's consensus recommendation of December 16, 2014 and adopted by the first session of the 109th General Assembly in April 2015. Also incorporated in the estimates are any changes in revenue enacted during the 2015 session of the General Assembly. These estimates are available on the state's website at <http://www.tn.gov/finance/article/fa-budget-rev>.

On November 13, 2015, the Funding Board met to hear updated revenue projections from the state's various economists. Meeting again on November 23, 2015, the board adopted revised recurring revenue growth ranges for the 2015-2016 fiscal year. The current fiscal year's revised ranges recognize growth in total taxes from a low of 2.80% to a high of 3.30%, and a general fund growth from a low of 2.90% to a high of 3.40%.

On April 14, 2016, in the second session of the 109th General Assembly, the legislature passed the 2016-2017 budget, which included the Funding Board's current year revised ranges. The governor signed the budget bill on April 21, 2016.

With passage of the appropriations act, Public Chapter 758, the General Assembly recognized an additional \$376.1 million in total tax revenue and a corresponding increase in general fund revenues in the amount of \$355.0 million for the current fiscal year.

Year-to-date revenues for fiscal year 2015-2016 are subject to final accrual adjustments.

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Table 1
Revenue Collections by Fund
July
2015-2016

Fund	2016				2015 Actual	2016	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
General Fund	\$851,366,000	\$840,047,000	\$11,319,000	1.35%	\$849,579,000	\$1,787,000	0.21%
Highway Fund	62,159,000	63,645,000	(1,486,000)	-2.33%	62,613,000	(454,000)	-0.73%
Sinking Fund	34,818,000	34,492,000	326,000	0.95%	31,769,000	3,049,000	9.60%
City & County Fund	77,675,000	74,004,000	3,671,000	4.96%	74,446,000	3,229,000	4.34%
Earmarked Fund	3,584,000	3,584,000	0	0.00%	3,582,000	2,000	0.06%
Total	\$1,029,602,000	\$1,015,772,000	\$13,830,000	1.36%	\$1,021,989,000	\$7,613,000	0.74%

Revenue Collections by Tax
July
2015-2016

Tax Source	2016				2015 Actual	2016	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
Franchise & Excise	\$56,301,000	\$78,400,000	(\$22,099,000)	-28.19%	\$80,502,000	(\$24,201,000)	-30.06%
Income	1,035,000	1,465,000	(430,000)	-29.35%	1,944,000	(909,000)	-46.76%
Inheritance & Estate	1,102,000	3,548,000	(2,446,000)	-68.94%	5,686,000	(4,584,000)	-80.62%
Gasoline	61,933,000	57,094,000	4,839,000	8.48%	59,507,000	2,426,000	4.08%
Petroleum Special	6,176,000	5,818,000	358,000	6.15%	5,944,000	232,000	3.90%
Tobacco	22,817,000	23,208,000	(391,000)	-1.68%	25,504,000	(2,687,000)	-10.54%
Beer	1,621,000	1,560,000	61,000	3.91%	1,637,000	(16,000)	-0.98%
Motor Vehicle Registration	23,760,000	21,184,000	2,576,000	12.16%	24,579,000	(819,000)	-3.33%
Motor Vehicle Title	2,072,000	1,605,000	467,000	29.10%	1,119,000	953,000	85.17%
Mixed Drink	8,384,000	8,041,000	343,000	4.27%	7,538,000	846,000	11.22%
Business	5,532,000	5,600,000	(68,000)	-1.21%	5,663,000	(131,000)	-2.31%
Privilege	32,545,000	27,741,000	4,804,000	17.32%	33,612,000	(1,067,000)	-3.17%
Gross Receipts	11,631,000	15,922,000	(4,291,000)	-26.95%	17,257,000	(5,626,000)	-32.60%
TVA - In Lieu of Tax Payments	28,454,000	29,062,000	(608,000)	-2.09%	28,623,000	(169,000)	-0.59%
Alcoholic Beverage	7,086,000	5,585,000	1,501,000	26.88%	5,560,000	1,526,000	27.45%
Sales and Use	742,662,000	713,100,000	29,562,000	4.15%	700,901,000	41,761,000	5.96%
Motor Vehicle Fuel	16,274,000	16,532,000	(258,000)	-1.56%	16,100,000	174,000	1.08%
Severance	119,000	201,000	(82,000)	-40.80%	151,000	(32,000)	-21.19%
Coin-operated Amusement	98,000	106,000	(8,000)	-7.55%	82,000	16,000	19.51%
Unauthorized Substance	0	0	0	NA	80,000	(80,000)	NA
Total	\$1,029,602,000	\$1,015,772,000	\$13,830,000	1.36%	\$1,021,989,000	\$7,613,000	0.74%

Table 2
Revenue Collections by Fund
Year-to-Date
August - July
2015-2016

Fund	2015 - 2016				2014-2015 Actual	2015-2016	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
General Fund	\$11,274,675,000	\$10,422,300,000	\$852,375,000	8.18%	\$10,678,862,000	\$595,813,000	5.58%
Highway Fund	721,494,000	710,000,000	11,494,000	1.62%	709,211,000	12,283,000	1.73%
Sinking Fund	412,584,000	409,000,000	3,584,000	0.88%	375,661,000	36,923,000	9.83%
City & County Fund	1,026,887,000	969,300,000	57,587,000	5.94%	959,553,000	67,334,000	7.02%
Earmarked Fund	42,999,000	43,000,000	(1,000)	0.00%	43,000,000	(1,000)	0.00%
Total	\$13,478,639,000	\$12,553,600,000	\$925,039,000	7.37%	\$12,766,287,000	\$712,352,000	5.58%

Revenue Collections by Tax
Year-to-Date
August - July
2015-2016

Tax Source	2015 - 2016				2014-2015 Actual	2015-2016	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
Franchise & Excise	\$2,287,822,000	\$1,937,900,000	\$349,922,000	18.06%	\$2,203,555,000	\$84,267,000	3.82%
Income	323,043,000	267,500,000	55,543,000	20.76%	302,826,000	20,217,000	6.68%
Inheritance & Estate	57,887,000	41,300,000	16,587,000	40.16%	80,367,000	(22,480,000)	-27.97%
Gasoline	660,214,000	626,400,000	33,814,000	5.40%	631,888,000	28,326,000	4.48%
Petroleum Special	67,437,000	65,400,000	2,037,000	3.11%	64,820,000	2,617,000	4.04%
Tobacco	261,052,000	245,000,000	16,052,000	6.55%	264,137,000	(3,085,000)	-1.17%
Beer	18,161,000	17,500,000	661,000	3.78%	17,860,000	301,000	1.69%
Motor Vehicle Registration	273,993,000	255,300,000	18,693,000	7.32%	264,634,000	9,359,000	3.54%
Motor Vehicle Title	22,781,000	18,000,000	4,781,000	26.56%	12,098,000	10,683,000	88.30%
Mixed Drink	96,389,000	88,700,000	7,689,000	8.67%	85,912,000	10,477,000	12.20%
Business	154,210,000	142,700,000	11,510,000	8.07%	150,499,000	3,711,000	2.47%
Privilege	378,262,000	338,700,000	39,562,000	11.68%	360,179,000	18,083,000	5.02%
Gross Receipts	20,446,000	29,600,000	(9,154,000)	-30.93%	28,849,000	(8,403,000)	-29.13%
TVA - In Lieu of Tax Payments	348,912,000	354,000,000	(5,088,000)	-1.44%	347,054,000	1,858,000	0.54%
Alcoholic Beverage	63,613,000	60,000,000	3,613,000	6.02%	58,228,000	5,385,000	9.25%
Sales and Use	8,269,944,000	7,894,200,000	375,744,000	4.76%	7,724,058,000	545,886,000	7.07%
Motor Vehicle Fuel	172,790,000	168,500,000	4,290,000	2.55%	166,766,000	6,024,000	3.61%
Severance	1,412,000	2,600,000	(1,188,000)	-45.69%	2,162,000	(750,000)	-34.69%
Coin-operated Amusement	270,000	300,000	(30,000)	-10.00%	314,000	(44,000)	-14.01%
Unauthorized Substance	1,000	0	1,000	NA	81,000	(80,000)	NA
Total	\$13,478,639,000	\$12,553,600,000	\$925,039,000	7.37%	\$12,766,287,000	\$712,352,000	5.58%