



HISTORIC
FRANKLIN
TENNESSEE

MEMORANDUM

MEMORANDUM

February 18, 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 February was \$3,782,983 compared to \$3,345,841 for the same month in 2014, an increase of \$407,143, or 12.2%. [The February remittance is for sales tax collected during the month of December, representing the sixth month of the fiscal year on an accrual basis.] During the same period, the State of Tennessee sales tax collections were up 8.5% from the prior year.

Year-to-date, the City has received \$16.28 million compared to \$15.03 million in the previous year, a difference of \$1,255,622 or 8.4%. The State of Tennessee sales tax collections, year-to-date, are \$4.21 billion compared to \$3.92 billion in the prior year, a difference of \$291.7 million or 7.4%.

For budget comparisons, the City anticipated collections of \$15.96 million through six months of the fiscal year. Through the month of December, the City is \$320,689, or 2.0%, above budgeted collections. As a further comparison, the December collection of \$3.78 million compares to \$2.49 million in 2008, \$2.47 million in 2009, \$2.67 million in 2010, \$2.90 million in 2011, \$3.01 million in 2012 and \$3.09 million in 2013.

The local sales tax collections have increased year-over-year in 67 of the last 70 months reported.



TENNESSEE DEPARTMENT OF REVENUE

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

February 7, 2016

Month of: JANUARY
 Tot. Collections: \$13,092,877.56
 Cost of Admin: \$147,294.87
 Net Collections: \$12,945,582.69

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	\$370,912.19	\$4,172.76	\$366,739.43
FRANKLIN	\$7,668,049.70	\$86,265.56	\$7,581,784.14
FAIRVIEW	\$266,897.46	\$3,002.60	\$263,894.86
BRENTWOOD	\$3,933,123.67	\$44,247.64	\$3,888,876.03
SPRING HILL	\$474,171.36	\$5,334.43	\$468,836.93
THOMPSON STATION	\$254,405.63	\$2,862.06	\$251,543.57
NOLENSVILLE	\$125,317.55	\$1,409.82	\$123,907.73

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.



FOR IMMEDIATE RELEASE
Wednesday, February 17, 2016

CONTACT: Lola Potter
OFFICE: 615-532-8560

JANUARY REVENUES

NASHVILLE, Tenn. – Strong consumer spending in December pushed Tennessee tax revenues above budgeted estimates for January. Finance and Administration Commissioner Larry Martin today announced that overall January revenues were \$1.3 billion, which is \$45.6 million more than the state budgeted.

“January sales taxes, which included the holiday buying season, posted the largest monthly growth rate so far this fiscal year, and in fact, it’s been our strongest second quarter growth since 2006,” Martin said. “Strong consumer spending, a continued decline in gasoline prices and an overall improving economy contributed to the sales tax growth in January.

“Corporate tax revenues recorded negative growth for the month, but we had a significant and unexpected one-time payment in January of last year that accounts for the difference.”

On an accrual basis, January is the sixth month in the 2015-2016 fiscal year.

General fund revenues were more than the budgeted estimates in the amount of \$51.9 million while the four other funds that share in state tax revenues were \$6.3 million less than the estimates.

Sales taxes were \$58.3 million more than the estimate for January and were 8.59% more than January 2015. For six months revenues are \$217.6 million higher than estimated. The year-to-date growth rate for six months was 7.44%.

Franchise and excise taxes combined were \$17.0 million less than the budgeted estimate in January and the growth rate over January 2015 was negative 40.81%. However, adjusting for last January’s one-time payment, the underlying growth rate in F&E taxes was 10.43%. For six months revenues are \$140.9 million more than the estimate.

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Gasoline and motor fuel revenues for January decreased by 4.21% compared to January 2015 and were \$3.5 million less than the budgeted estimate of \$74.0 million. For six months revenues have exceeded estimates by \$14.7 million.

Tobacco taxes were \$4.9 million more than the budgeted estimate of \$16.8 million, and for six months they are \$9.1 million more than the budgeted estimate.

Inheritance and estate taxes fell short of estimates by \$0.4 million for the month. Year-to-date revenues for six months are \$8.1 million more than the budgeted estimate.

Privilege taxes were \$2.4 million more than the January estimate, and on a year-to-date basis, August through January, revenues are \$12.6 million more than the estimate.

Business taxes were \$1.0 million more than the January estimate. For six months revenues are \$0.6 million more than the budgeted estimate.

All other taxes were below estimates by a net of \$0.1 million.

Year-to-date revenues for six months were \$419.0 million more than the budgeted estimate. The general fund recorded \$395.3 million above budgeted estimates and the four other funds \$23.7 million.

The budgeted revenue estimates for 2015-2016 are based on the State Funding Board's consensus recommendation of December 16th, 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>.

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

Fund	2015 - 2016				2014-2015	2015-2016	
	Actual	Budgeted	B/(W)	Percent		Actual	B/(W)
General Fund	\$5,325,414,000	\$4,930,142,000	\$395,272,000	8.02%	\$5,072,225,000	\$253,189,000	4.99%
Highway Fund	347,686,000	344,935,000	2,751,000	0.80%	347,265,000	421,000	0.12%
Sinking Fund	206,713,000	204,771,000	1,942,000	0.95%	188,180,000	18,533,000	9.85%
City & County Fund	473,354,000	454,279,000	19,075,000	4.20%	437,787,000	35,567,000	8.12%
Earmarked Fund	21,500,000	21,499,000	1,000	0.00%	21,500,000	0	0.00%
Total	\$6,374,667,000	\$5,955,626,000	\$419,041,000	7.04%	\$6,066,957,000	\$307,710,000	5.07%

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

Tax Source	2015 - 2016				2014-2015	2015-2016	
	Actual	Budgeted	B/(W)	Percent		Actual	B/(W)
Franchise & Excise	\$952,962,000	\$812,100,000	\$140,862,000	17.35%	\$938,588,000	\$14,374,000	1.53%
Income	20,351,000	14,256,000	6,095,000	42.75%	17,176,000	3,175,000	18.49%
Inheritance & Estate	28,805,000	20,720,000	8,085,000	39.02%	49,044,000	(20,239,000)	-41.27%
Gasoline	327,453,000	316,936,000	10,517,000	3.32%	318,138,000	9,315,000	2.93%
Petroleum Special	33,529,000	33,155,000	374,000	1.13%	32,704,000	825,000	2.52%
Tobacco	130,332,000	121,206,000	9,126,000	7.53%	131,055,000	(723,000)	-0.55%
Beer	8,886,000	8,572,000	314,000	3.66%	8,865,000	21,000	0.24%
Motor Vehicle Registration	122,756,000	114,174,000	8,582,000	7.52%	119,275,000	3,481,000	2.92%
Motor Vehicle Title	10,519,000	8,520,000	1,999,000	23.46%	5,816,000	4,703,000	80.86%
Mixed Drink	46,676,000	42,784,000	3,892,000	9.10%	41,818,000	4,858,000	11.62%
Business	27,204,000	26,621,000	583,000	2.19%	33,119,000	(5,915,000)	-17.86%
Privilege	145,190,000	132,616,000	12,574,000	9.48%	147,286,000	(2,096,000)	-1.42%
Gross Receipts	8,743,000	13,296,000	(4,553,000)	-34.24%	13,522,000	(4,779,000)	-35.34%
TVA - In Lieu of Tax Payments	178,188,000	179,630,000	(1,442,000)	-0.80%	175,316,000	2,872,000	1.64%
Alcoholic Beverage	31,899,000	30,705,000	1,194,000	3.89%	29,640,000	2,259,000	7.62%
Sales and Use	4,212,881,000	3,995,236,000	217,645,000	5.45%	3,921,176,000	291,705,000	7.44%
Motor Vehicle Fuel	87,452,000	83,623,000	3,829,000	4.58%	83,058,000	4,394,000	5.29%
Severance	801,000	1,388,000	(587,000)	-42.29%	1,284,000	(483,000)	-37.62%
Coin-operated Amusement	40,000	88,000	(48,000)	-54.55%	77,000	(37,000)	-48.05%
Unauthorized Substance	0	0	0	NA	0	0	NA
Total	\$6,374,667,000	\$5,955,626,000	\$419,041,000	7.04%	\$6,066,957,000	\$307,710,000	5.07%

Table 1
Revenue Collections by Fund
January
2015-2016

Fund	2016				2015 Actual	2016	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
General Fund	\$1,091,680,000	\$1,039,825,000	\$51,855,000	4.99%	\$1,159,897,000	(\$68,217,000)	-5.88%
Highway Fund	52,340,000	60,084,000	(7,744,000)	-12.89%	58,596,000	(6,256,000)	-10.68%
Sinking Fund	35,676,000	35,170,000	506,000	1.44%	32,406,000	3,270,000	10.09%
City & County Fund	77,871,000	76,911,000	960,000	1.25%	76,321,000	1,550,000	2.03%
Earmarked Fund	3,583,000	3,582,000	1,000	0.03%	3,582,000	1,000	0.03%
Total	\$1,261,150,000	\$1,215,572,000	\$45,578,000	3.75%	\$1,330,802,000	(\$69,652,000)	-5.23%

Revenue Collections by Tax
January
2015-2016

Tax Source	2016				2015 Actual	2016	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
Franchise & Excise	\$191,354,000	\$208,400,000	(\$17,046,000)	-8.18%	\$323,279,000	(\$131,925,000)	-40.81%
Income	3,086,000	3,568,000	(482,000)	-13.51%	4,392,000	(1,306,000)	-29.74%
Inheritance & Estate	3,044,000	3,455,000	(411,000)	-11.90%	9,648,000	(6,604,000)	-68.45%
Gasoline	49,237,000	53,222,000	(3,985,000)	-7.49%	53,280,000	(4,043,000)	-7.59%
Petroleum Special	5,147,000	5,455,000	(308,000)	-5.65%	5,419,000	(272,000)	-5.02%
Tobacco	21,705,000	16,786,000	4,919,000	29.30%	20,737,000	968,000	4.67%
Beer	1,194,000	1,280,000	(86,000)	-6.72%	1,336,000	(142,000)	-10.63%
Motor Vehicle Registration	20,337,000	20,414,000	(77,000)	-0.38%	21,250,000	(913,000)	-4.30%
Motor Vehicle Title	1,766,000	1,443,000	323,000	22.38%	856,000	910,000	106.31%
Mixed Drink	8,106,000	7,722,000	384,000	4.97%	7,306,000	800,000	10.95%
Business	6,390,000	5,429,000	961,000	17.70%	5,490,000	900,000	16.39%
Privilege	27,671,000	25,281,000	2,390,000	9.45%	26,249,000	1,422,000	5.42%
Gross Receipts	(1,000)	18,000	(19,000)	-105.56%	20,000	(21,000)	-105.00%
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	7,518,000	6,909,000	609,000	8.81%	6,719,000	799,000	11.89%
Sales and Use	869,838,000	811,551,000	58,287,000	7.18%	801,043,000	68,795,000	8.59%
Motor Vehicle Fuel	16,162,000	15,339,000	823,000	5.37%	14,950,000	1,212,000	8.11%
Severance	141,000	225,000	(84,000)	-37.33%	199,000	(58,000)	-29.15%
Coin-operated Amusement	1,000	13,000	(12,000)	-92.31%	6,000	(5,000)	NA
Unauthorized Substance	0	0	0	NA	0	0	NA
Total	\$1,261,150,000	\$1,215,572,000	\$45,578,000	3.75%	\$1,330,802,000	(\$69,652,000)	-5.23%