



HISTORIC  
FRANKLIN  
TENNESSEE

# MEMORANDUM

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## MEMORANDUM

August 15, 2014

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 \$2,364,520 compared to \$2,260,297 for the same month in 2013, an increase of \$104,223, or 4.6%. [The August remittance is for sales tax collected during the month of June, representing the twelfth month of the fiscal year on an accrual basis.] During the same period, the State of Tennessee sales tax collections were up 3.1% from the prior year.

Year-to-date, the City has received \$27.25 million compared to \$25.99 million in the previous year, a difference of \$1,259,010 or 4.8%. The State of Tennessee sales tax collections, year-to-date, are \$7.27 billion compared to \$7.02 billion in the prior year, a difference of \$248.1 million or 3.5%.

For budget comparisons, the City anticipated collections of \$27.5 million through twelve months of the fiscal year. Through June, the City is \$ 171,427 or 0.5%, below budgeted collections. As a further comparison, the June collection of \$2.36 million compares to \$1.92 million in 2008, \$1.80 million in 2009, \$1.96 million in 2010, \$2.04 million in 2011 and \$2.16 million in 2012.



# TENNESSEE DEPARTMENT OF REVENUE

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

August 10, 2014  
 Month of: JULY  
 Tot. Collections: \$8,173,756.86  
 Cost of Admin: \$91,954.76  
 Net Collections: \$8,081,802.10

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 | \$285,058.10      | \$3,206.90        | \$281,851.20    |
| FRANKLIN          | \$4,831,159.27    | \$54,350.54       | \$4,776,808.73  |
| FAIR VIEW         | \$206,869.93      | \$2,327.29        | \$204,542.64    |
| BRENTWOOD         | \$2,364,228.92    | \$26,597.58       | \$2,337,631.34  |
| SPRING HILL       | \$308,014.36      | \$3,465.16        | \$304,549.20    |
| THOMPSON STATION  | \$111,759.21      | \$1,257.29        | \$110,501.92    |
| NOLENSVILLE       | \$66,667.07       | \$750.00          | \$65,917.07     |

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

4776808.73 ÷ 2 = 2388404.37  
 F & A 1% 23884.05

2,364,520.32



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

**LARRY B. MARTIN**  
**COMMISSIONER**

FOR IMMEDIATE RELEASE  
FRIDAY, AUGUST 14, 2014

CONTACT: DAVID THURMAN  
615-741-4806

### JULY REVENUES

**NASHVILLE** – Tennessee revenue collections recorded positive growth in July, but still came in less than the state budgeted. Finance and Administration Commissioner Larry Martin today announced a net positive growth of 2.39% over July collections of one year ago. Overall July revenues were \$941.8 million, which is \$3.2 million less than budgeted.

“We’ve recorded positive sales tax collection growth every month in this fiscal year, but the economic recovery is slow,” Martin said. “We’ll begin to close out the fiscal year next month, when we report sales tax collections for August, which will reflect spending that occurred in July.

“Although July is a relatively small month for corporate taxes, we saw slight growth over prior year collections. We’ll continue to closely examine corporate collections as we transition into a new fiscal year.”

On an accrual basis, July is the twelfth month in the 2013-2014 fiscal year.

The general fund was over collected by \$1.2 million, and the four other funds were under collected by \$4.4 million.

Sales tax collections were \$1.3 million more than the estimate for July. The July growth rate was 3.17%. For twelve months revenues are under collected by \$14.2 million. The year-to-date growth rate for twelve months was positive 3.53%.

Franchise and excise taxes combined were \$2.2 million below the budgeted estimate of \$70.7 million. The growth rate for July was positive 2.92%. For twelve months revenues are under collected by \$280.5 million and the year-to-date growth rate was negative 8.42%.

Inheritance and estate tax collections were \$2.0 million above the July estimate. For twelve months collections are \$21.9 million above the budgeted estimate.

Privilege tax collections were \$0.7 million below the July budgeted estimate. For twelve months collections are \$23.7 million less than the budgeted estimate, and the year-to date growth rate was positive 1.64%.

Business tax collections were \$0.6 million less than the July estimate. Year-to-date collections for twelve months are \$10.8 million below the budgeted estimate.

Tobacco tax collections were \$0.6 million above the budgeted estimate of \$24.3 million. For twelve months revenues are under collected by \$12.7 million.

Gasoline and motor fuel tax collections for July were over collected by \$0.1 million. For twelve months revenues are over collected by \$4.9 million, and the growth rate is positive 0.78%.

All other taxes for July were under collected by a net of \$3.7 million.

Year-to-date collections for twelve months were \$293.1 million less than the budgeted estimate. The general fund was under collected by \$302.4 million and the four other funds were over collected by \$9.3 million.

The budgeted revenue estimates for 2013-2014 are based on the State Funding Board's consensus recommendation of December 19<sup>th</sup>, 2012 and adopted by the first session of the 108<sup>th</sup> General Assembly in April 2013. They are available on the state's website at <http://www.tn.gov/finance/bud/Revenues.shtml>.

The Funding Board met on December 10, 2013 to hear updated revenue projections from the state's various economists. The board met again on December 17 and adopted revised revenue ranges for 2013-2014. The revised ranges assume an under collection from the July 2013 budgeted estimate in the amount of \$111.2 million to \$134.5 million in total taxes and in the amount of \$126.1 million to \$145.6 million in general fund taxes for the current fiscal year.

Year-to-date collections for 2013-2014 are subject to final accrual adjustments.

**Table 1**  
**Revenue Collections by Fund**  
**July**  
**2013-2014**

| Fund               | 2014                 |                      |                      |               | 2013<br>Actual       | 2014                |              |
|--------------------|----------------------|----------------------|----------------------|---------------|----------------------|---------------------|--------------|
|                    | Actual               | Budgeted             | B/(W)                | Percent       |                      | B/(W)               | Percent      |
| General Fund       | \$776,437,000        | \$775,280,000        | \$1,157,000          | 0.15%         | \$751,170,000        | \$25,267,000        | 3.36%        |
| Highway Fund       | 56,462,000           | 61,135,000           | (4,673,000)          | -7.64%        | 59,718,000           | (3,256,000)         | -5.45%       |
| Sinking Fund       | 34,697,000           | 34,691,000           | 6,000                | 0.02%         | 33,952,000           | 745,000             | 2.19%        |
| City & County Fund | 71,316,000           | 71,045,000           | 271,000              | 0.38%         | 72,087,000           | (771,000)           | -1.07%       |
| Earmarked Fund     | 2,899,000            | 2,900,000            | (1,000)              | -0.03%        | 2,900,000            | (1,000)             | -0.03%       |
| <b>Total</b>       | <b>\$941,811,000</b> | <b>\$945,051,000</b> | <b>(\$3,240,000)</b> | <b>-0.34%</b> | <b>\$919,827,000</b> | <b>\$21,984,000</b> | <b>2.39%</b> |

**Revenue Collections by Tax**  
**July**  
**2013-2014**

| Tax Source                    | 2014                 |                      |                      |               | 2013<br>Actual       | 2014                |              |
|-------------------------------|----------------------|----------------------|----------------------|---------------|----------------------|---------------------|--------------|
|                               | Actual               | Budgeted             | B/(W)                | Percent       |                      | B/(W)               | Percent      |
| Franchise & Excise            | \$68,476,000         | \$70,700,000         | (\$2,224,000)        | -3.15%        | \$66,530,000         | \$1,946,000         | 2.92%        |
| Income                        | 1,314,000            | 991,000              | 323,000              | 32.59%        | 1,396,000            | (82,000)            | -5.87%       |
| Inheritance & Estate          | 9,529,000            | 7,578,000            | 1,951,000            | 25.75%        | 10,017,000           | (488,000)           | -4.87%       |
| Gasoline                      | 54,759,000           | 53,566,000           | 1,193,000            | 2.23%         | 57,417,000           | (2,658,000)         | -4.63%       |
| Petroleum Special             | 5,536,000            | 5,537,000            | (1,000)              | -0.02%        | 5,693,000            | (157,000)           | -2.76%       |
| Tobacco                       | 24,933,000           | 24,347,000           | 586,000              | 2.41%         | 25,985,000           | (1,052,000)         | -4.05%       |
| Beer                          | 1,686,000            | 1,640,000            | 46,000               | 2.80%         | 1,482,000            | 204,000             | 13.77%       |
| Motor Vehicle Registration    | 20,273,000           | 21,405,000           | (1,132,000)          | -5.29%        | 21,135,000           | (862,000)           | -4.08%       |
| Motor Vehicle Title           | 984,000              | 1,132,000            | (148,000)            | -13.07%       | 1,333,000            | (349,000)           | -26.18%      |
| Mixed Drink                   | 7,006,000            | 6,550,000            | 456,000              | 6.96%         | 6,327,000            | 679,000             | 10.73%       |
| Business                      | 4,082,000            | 4,661,000            | (579,000)            | -12.42%       | 4,589,000            | (507,000)           | -11.05%      |
| Privilege                     | 25,824,000           | 26,509,000           | (685,000)            | -2.58%        | 21,377,000           | 4,447,000           | 20.80%       |
| Gross Receipts                | 14,420,000           | 16,446,000           | (2,026,000)          | -12.32%       | 14,103,000           | 317,000             | 2.25%        |
| TVA - In Lieu of Tax Payments | 27,076,000           | 28,410,000           | (1,334,000)          | -4.70%        | 27,297,000           | (221,000)           | -0.81%       |
| Alcoholic Beverage            | 5,257,000            | 5,138,000            | 119,000              | 2.32%         | 4,735,000            | 522,000             | 11.02%       |
| Sales and Use                 | 654,992,000          | 653,700,000          | 1,292,000            | 0.20%         | 634,842,000          | 20,150,000          | 3.17%        |
| Motor Vehicle Fuel            | 15,387,000           | 16,454,000           | (1,067,000)          | -6.48%        | 15,268,000           | 119,000             | 0.78%        |
| Severance                     | 185,000              | 192,000              | (7,000)              | -3.65%        | 192,000              | (7,000)             | -3.65%       |
| Coin-operated Amusement       | 92,000               | 95,000               | (3,000)              | -3.16%        | 109,000              | (17,000)            | -15.60%      |
| Unauthorized Substance        | 0                    | 0                    | 0                    | NA            | 0                    | 0                   | NA           |
| <b>Total</b>                  | <b>\$941,811,000</b> | <b>\$945,051,000</b> | <b>(\$3,240,000)</b> | <b>-0.34%</b> | <b>\$919,827,000</b> | <b>\$21,984,000</b> | <b>2.39%</b> |

**Table 2**  
**Revenue Collections by Fund**  
**Year-to-Date**  
**August - July**  
**2013-2014**

| Fund               | 2013 - 2014             |                         |                        |               | 2012-2013               | 2013-2014           |              |
|--------------------|-------------------------|-------------------------|------------------------|---------------|-------------------------|---------------------|--------------|
|                    | Actual                  | Budgeted                | B/(W)                  | Percent       |                         | Actual              | B/(W)        |
| General Fund       | \$9,763,386,000         | \$10,065,800,000        | (\$302,414,000)        | -3.00%        | \$9,751,484,000         | \$11,902,000        | 0.12%        |
| Highway Fund       | 680,398,000             | 691,300,000             | (10,902,000)           | -1.58%        | 687,937,000             | (7,539,000)         | -1.10%       |
| Sinking Fund       | 411,831,000             | 412,200,000             | (369,000)              | -0.09%        | 402,046,000             | 9,785,000           | 2.43%        |
| City & County Fund | 903,481,000             | 882,900,000             | 20,581,000             | 2.33%         | 885,040,000             | 18,441,000          | 2.08%        |
| Earmarked Fund     | 34,800,000              | 34,800,000              | 0                      | 0.00%         | 34,799,000              | 1,000               | 0.00%        |
| <b>Total</b>       | <b>\$11,793,896,000</b> | <b>\$12,087,000,000</b> | <b>(\$293,104,000)</b> | <b>-2.42%</b> | <b>\$11,761,306,000</b> | <b>\$32,590,000</b> | <b>0.28%</b> |

**Revenue Collections by Tax**  
**Year-to-Date**  
**August - July**  
**2013-2014**

| Tax Source                    | 2013 - 2014             |                         |                        |               | 2012-2013               | 2013-2014           |              |
|-------------------------------|-------------------------|-------------------------|------------------------|---------------|-------------------------|---------------------|--------------|
|                               | Actual                  | Budgeted                | B/(W)                  | Percent       |                         | Actual              | B/(W)        |
| Franchise & Excise            | \$1,855,396,000         | \$2,135,900,000         | (\$280,504,000)        | -13.13%       | \$2,026,015,000         | (\$170,619,000)     | -8.42%       |
| Income                        | 239,136,000             | 201,800,000             | 37,336,000             | 18.50%        | 263,236,000             | (24,100,000)        | -9.16%       |
| Inheritance & Estate          | 106,853,000             | 85,000,000              | 21,853,000             | 25.71%        | 117,555,000             | (10,702,000)        | -9.10%       |
| Gasoline                      | 617,046,000             | 611,800,000             | 5,246,000              | 0.86%         | 616,298,000             | 748,000             | 0.12%        |
| Petroleum Special             | 63,225,000              | 63,700,000              | (475,000)              | -0.75%        | 62,945,000              | 280,000             | 0.44%        |
| Tobacco                       | 260,049,000             | 272,700,000             | (12,651,000)           | -4.64%        | 277,104,000             | (17,055,000)        | -6.15%       |
| Beer                          | 17,777,000              | 17,800,000              | (23,000)               | -0.13%        | 17,890,000              | (113,000)           | -0.63%       |
| Motor Vehicle Registration    | 252,834,000             | 256,500,000             | (3,666,000)            | -1.43%        | 255,594,000             | (2,760,000)         | -1.08%       |
| Motor Vehicle Title           | 11,416,000              | 13,100,000              | (1,684,000)            | -12.85%       | 11,914,000              | (498,000)           | -4.18%       |
| Mixed Drink                   | 76,729,000              | 72,400,000              | 4,329,000              | 5.98%         | 70,254,000              | 6,475,000           | 9.22%        |
| Business                      | 129,836,000             | 140,600,000             | (10,764,000)           | -7.66%        | 136,190,000             | (6,354,000)         | -4.67%       |
| Privilege                     | 309,320,000             | 333,000,000             | (23,680,000)           | -7.11%        | 304,336,000             | 4,984,000           | 1.64%        |
| Gross Receipts                | 26,674,000              | 31,500,000              | (4,826,000)            | -15.32%       | 25,598,000              | 1,076,000           | 4.20%        |
| TVA - In Lieu of Tax Payments | 332,104,000             | 342,700,000             | (10,596,000)           | -3.09%        | 337,384,000             | (5,280,000)         | -1.56%       |
| Alcoholic Beverage            | 56,030,000              | 55,100,000              | 930,000                | 1.69%         | 53,269,000              | 2,761,000           | 5.18%        |
| Sales and Use                 | 7,274,183,000           | 7,288,400,000           | (14,217,000)           | -0.20%        | 7,025,996,000           | 248,187,000         | 3.53%        |
| Motor Vehicle Fuel            | 162,428,000             | 162,300,000             | 128,000                | 0.08%         | 156,936,000             | 5,492,000           | 3.50%        |
| Severance                     | 2,480,000               | 2,400,000               | 80,000                 | 3.33%         | 2,497,000               | (17,000)            | -0.68%       |
| Coin-operated Amusement       | 359,000                 | 300,000                 | 59,000                 | 19.67%        | 291,000                 | 68,000              | 23.37%       |
| Unauthorized Substance        | 21,000                  | 0                       | 21,000                 | NA            | 4,000                   | 17,000              | NA           |
| <b>Total</b>                  | <b>\$11,793,896,000</b> | <b>\$12,087,000,000</b> | <b>(\$293,104,000)</b> | <b>-2.42%</b> | <b>\$11,761,306,000</b> | <b>\$32,590,000</b> | <b>0.28%</b> |