



MEMORANDUM

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September 14, 2015

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 September was \$2,477,647 compared to \$2,228,457 for the same month in 2014, an increase of \$189,190, or 8.3%. [The September remittance is for sales tax collected during the month of July, representing the first month of the fiscal year on an accrual basis.] During the same period, the State of Tennessee sales tax collections were up 8.3% from the prior year.

For budget comparisons, the City anticipated collections of \$2.44 million through the first month of the fiscal year. Through the month of July, the City is \$46,856, or 1.9%, above budgeted collections. As a further comparison, the July collection of \$2.47 million compares to \$1.84 million in 2008, \$1.64 million in 2009, \$1.76 million in 2010, \$1.92 million in 2011, \$2.00 million in 2012 and \$2.11 million in 2013.

The local sales tax collections have increased year-over-year in 63 of the last 66 months reported.



TENNESSEE DEPARTMENT OF REVENUE

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

September 12, 2015

Month of: AUGUST
Tot. Collections: \$8,418,398.24
Cost of Admin: \$94,706.98
Net Collections: \$8,323,691.26

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 | \$299,118.27 | \$3,365.08 | \$295,753.19 |
| FRANKLIN | \$5,062,298.39 | \$56,950.86 | \$5,005,347.53 |
| FAIRVIEW | \$221,056.17 | \$2,486.88 | \$218,569.29 |
| BRENTWOOD | \$2,296,995.91 | \$25,841.20 | \$2,271,154.71 |
| SPRING HILL | \$344,523.23 | \$3,875.89 | \$340,647.34 |
| THOMPSON STATION | \$121,962.86 | \$1,372.08 | \$120,590.78 |
| NOLENSVILLE | \$72,443.41 | \$814.99 | \$71,628.42 |

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.



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

LARRY B. MARTIN
COMMISSIONER

FOR IMMEDIATE RELEASE
MONDAY, SEPTEMBER 14, 2015

CONTACT: DAVID THURMAN
615-741-4806

AUGUST REVENUES

NASHVILLE – Tennessee revenue collections exceeded budgeted estimates for the first month of the state’s fiscal year. Finance and Administration Commissioner Larry Martin today reported that overall August revenues were \$898.4 million, which is \$28.5 million above August 2014 collections. The growth rate for August was 3.27%.

“Sales tax collections reflecting July’s consumer activity grew 8.26% over the same time period one year ago, while corporate tax collections fell short of budgeted estimates by \$26.6 million,” Martin said. “The shortfall in corporate taxes can be attributed mostly to refunds of pre-paid taxes. All other taxes, taken as a group, had a negative growth of 0.38% but were \$6.0 million above the budgeted estimate for August.

“While we are encouraged by the August revenue numbers, we do have some concerns about global economic uncertainty, and what effect we might see in Tennessee from further decline in the European and Asian markets. It’s important for us to maintain close controls on state spending and to carefully monitor our revenue trends.”

On an accrual basis, August is the first month in the 2015-2016 fiscal year.

August collections were \$19.1 million more than the budgeted estimate. The general fund was over collected by \$10.6 million and the four other funds that share in state tax collections were over collected by \$8.5 million.

Sales tax collections were \$39.7 million more than the estimate for August. The August growth rate was positive 8.26%.

Franchise and excise taxes combined were \$26.6 million below the budgeted estimate of \$38.4 million, and the growth rate was negative 65.78%. Typically, August is a very small collection month for F&E taxes.

Gasoline and motor fuel collections increased by 5.95% from August of 2014, and were \$4.3 million above the budgeted estimate of \$70.3 million.

Inheritance tax collections were \$0.2 million below the budgeted estimate.

Privilege tax collections were \$4.2 million more than the budgeted estimate of \$21.1 million

Business tax collections were \$1.0 million below the August estimate.

Tobacco tax collections for the month were under collected by \$0.1 million.

All other taxes were under collected by a net of \$1.2 million.

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>.

Table 1
Revenue Collections by Fund
August
2015-2016

| Fund | 2015 | | | | 2014 Actual | 2015 | |
|--------------------|----------------------|----------------------|---------------------|--------------|----------------------|---------------------|--------------|
| | Actual | Budgeted | B/(W) | Percent | | B/(W) | Percent |
| General Fund | \$690,986,000 | \$680,398,000 | \$10,588,000 | 1.56% | \$687,853,000 | \$3,133,000 | 0.46% |
| Highway Fund | 61,286,000 | 57,157,000 | 4,129,000 | 7.22% | 57,610,000 | 3,676,000 | 6.38% |
| Sinking Fund | 34,220,000 | 33,993,000 | 227,000 | 0.67% | 31,213,000 | 3,007,000 | 9.63% |
| City & County Fund | 108,353,000 | 104,166,000 | 4,187,000 | 4.02% | 89,699,000 | 18,654,000 | 20.80% |
| Earmarked Fund | 3,583,000 | 3,583,000 | 0 | 0.00% | 3,584,000 | (1,000) | -0.03% |
| Total | \$898,428,000 | \$879,297,000 | \$19,131,000 | 2.18% | \$869,959,000 | \$28,469,000 | 3.27% |

Revenue Collections by Tax
August
2015-2016

| Tax Source | 2015 | | | | 2014 Actual | 2015 | |
|-------------------------------|----------------------|----------------------|---------------------|--------------|----------------------|---------------------|--------------|
| | Actual | Budgeted | B/(W) | Percent | | B/(W) | Percent |
| Franchise & Excise | \$11,835,000 | \$38,400,000 | (\$26,565,000) | -69.18% | \$34,584,000 | (\$22,749,000) | -65.78% |
| Income | 1,950,000 | 1,254,000 | 696,000 | 55.50% | 1,384,000 | 566,000 | 40.90% |
| Inheritance & Estate | 4,011,000 | 4,164,000 | (153,000) | -3.67% | 9,111,000 | (5,100,000) | -55.98% |
| Gasoline | 56,507,000 | 52,904,000 | 3,603,000 | 6.81% | 53,374,000 | 3,133,000 | 5.87% |
| Petroleum Special | 5,691,000 | 5,504,000 | 187,000 | 3.40% | 5,448,000 | 243,000 | 4.46% |
| Tobacco | 21,542,000 | 21,649,000 | (107,000) | -0.49% | 23,118,000 | (1,576,000) | -6.82% |
| Beer | 1,660,000 | 1,502,000 | 158,000 | 10.52% | 1,606,000 | 54,000 | 3.36% |
| Motor Vehicle Registration | 22,572,000 | 20,568,000 | 2,004,000 | 9.74% | 20,987,000 | 1,585,000 | 7.55% |
| Motor Vehicle Title | 1,273,000 | 1,845,000 | (372,000) | -22.61% | 1,069,000 | 204,000 | 19.08% |
| Mixed Drink | 7,616,000 | 6,794,000 | 822,000 | 12.10% | 6,554,000 | 1,062,000 | 16.20% |
| Business | 2,815,000 | 3,802,000 | (987,000) | -25.96% | 3,844,000 | (1,029,000) | -26.77% |
| Privilege | 25,230,000 | 21,062,000 | 4,168,000 | 19.79% | 23,170,000 | 2,060,000 | 8.89% |
| Gross Receipts | 8,300,000 | 12,965,000 | (4,665,000) | -35.98% | 12,854,000 | (4,554,000) | -35.43% |
| TVA - In Lieu of Tax Payments | 28,623,000 | 28,623,000 | 0 | 0.00% | 27,076,000 | 1,547,000 | 5.71% |
| Alcoholic Beverage | 4,455,000 | 4,213,000 | 242,000 | 5.74% | 4,165,000 | 290,000 | 6.96% |
| Sales and Use | 681,742,000 | 642,076,000 | 39,666,000 | 6.18% | 629,734,000 | 52,008,000 | 8.26% |
| Motor Vehicle Fuel | 12,446,000 | 11,891,000 | 555,000 | 4.67% | 11,628,000 | 818,000 | 7.03% |
| Severance | 140,000 | 250,000 | (110,000) | -44.00% | 223,000 | (83,000) | -37.22% |
| Coin-operated Amusement | 20,000 | 31,000 | (11,000) | -35.48% | 30,000 | (10,000) | -33.33% |
| Unauthorized Substance | 0 | 0 | 0 | NA | 0 | 0 | NA |
| Total | \$898,428,000 | \$879,297,000 | \$19,131,000 | 2.18% | \$869,959,000 | \$28,469,000 | 3.27% |