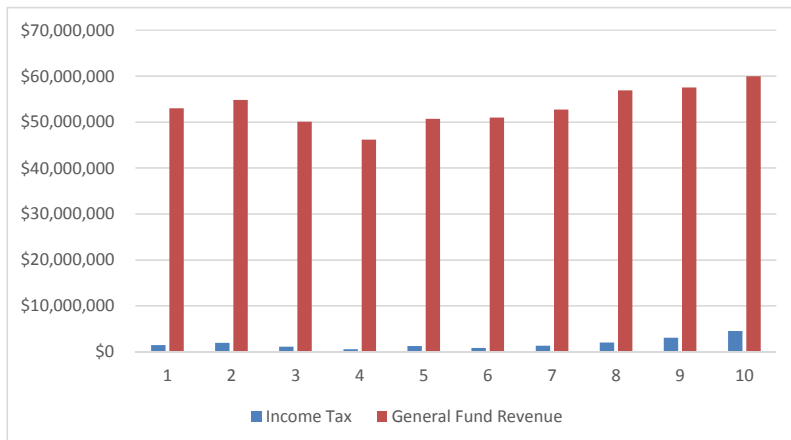


CITY OF FRANKLIN HALL INCOME TAX TEN YEAR SUMMARY

<u>Fiscal Year</u>	<u>Income Tax</u>	<u>General Fund Revenue</u>	<u>Percent of Total</u>
2007	\$1,474,563	\$52,980,428	2.8%
2008	\$1,952,187	\$54,797,564	3.6%
2009	\$1,102,450	\$50,061,922	2.2%
2010	\$559,388	\$46,182,200	1.2%
2011	\$1,228,236	\$50,701,700	2.4%
2012	\$793,173	\$50,965,432	1.6%
2013	\$1,329,465	\$52,677,369	2.5%
2014	\$1,996,034	\$56,918,504	3.5%
2015	\$3,081,197	\$57,489,269	5.4%
2016	<u>\$4,493,574</u>	<u>\$59,942,263</u> *	7.5%
	\$18,010,267	\$532,716,651	3.4%

* Current unaudited for 2016 as of August 9, 2016



Description: State taxes levied on the earnings of stock dividends and interest on bonds earned by individuals, partnerships, associations, trusts and corporations. The municipality's share depends upon the residence of taxpayers; i.e., if he/she resides within the corporate limits of the municipality.

Authorization: T.C.A. § 67-2-101 *et seq.*

Requirements or Restrictions: N/A

Current Rate: Earnings are taxed at 6 percent with 37.5 percent of the earnings going to the municipality in which the taxpayer resides.

Frequency of Payment: Annually on or before July 31.

Late Pay Penalty: N/A

Exemptions: Exemptions are listed in T.C.A. § 67-2-104. The most common exemptions include the first \$1,250 of an individual's return and the first \$2,500 of income for a joint return; people 65 or older whose income is not more than \$37,000 (\$68,000/couple); blind people; pension trusts; profit-sharing trusts; and all income derived from government bonds and securities.

Collection: State forwards municipalities' share annually.

[Tennessee lawmakers voted] to phase out the state's 6 percent Hall Income Tax on interest and some investments over a six-year period.

The Hall Tax — which would be abolished in its entirety in 2022 — was enacted in 1929, raises about \$300 million annually for state and local governments with locals received three fifths of the revenue.

In the upcoming fiscal year, the levy would go from 6 percent to 5 percent, resulting in up to a \$28 million reduction for the state and about \$14 million for local governments.

Source: Chattanooga Times Free Press, 4/22/2016.