



MEMORANDUM

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October 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 October was \$2,547,776 compared to \$2,420,111 for the same month in 2015, an increase of \$127,665 or 5.3%. [The October remittance is for sales tax collected during the month of August, representing the second month of the fiscal year on an accrual basis.] During the same period, the State of Tennessee sales tax collections were up 4.5% from the prior year.

Year-to-date, the City has received \$5.1 million compared to \$4.9 million in the previous year, a difference of \$196,105 or 4.0%. The State of Tennessee sales tax collections, year-to-date, are \$1.38 billion compared to \$1.34 billion in the prior year, a difference of \$44 million or 3.3%.

For budget comparisons, the City originally anticipated collections of \$5.2 million through two months of the fiscal year. Through the month of August, the City is \$164,531, or 3.1%, below budgeted collections. As a further comparison, the August collection of \$2.54 million compares to \$1.77 million in 2010, \$1.84 million in 2011, \$2.10 million in 2012, \$2.11 million in 2013 and \$2.29 million in 2014.

The local sales tax collections have increased year-over-year in 77 of the last 80 months reported.



TENNESSEE DEPARTMENT OF REVENUE

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

October 8, 2016

Month of: SEPTEMBER
Tot. Collections: \$9,116,114.74
Cost of Admin: \$102,556.30
Net Collections: \$9,013,558.44

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	\$352,995.05	\$3,971.19	\$349,023.86
FRANKLIN	\$5,205,584.52	\$58,562.83	\$5,147,021.69
FAIRVIEW	\$220,488.50	\$2,480.50	\$218,008.00
BRENTWOOD	\$2,730,456.64	\$30,717.64	\$2,699,739.00
SPRING HILL	\$378,224.28	\$4,255.02	\$373,969.26
THOMPSON STATION	\$147,685.25	\$1,661.46	\$146,023.79
NOLANSVILLE	\$80,680.50	\$907.66	\$79,772.84

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.

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Department of
**Finance &
Administration**

FOR IMMEDIATE RELEASE
Tuesday, October 18, 2016

CONTACT: Lola Potter
OFFICE: 615-532-8560

SEPTEMBER REVENUES

NASHVILLE, Tenn. – Tennessee revenues exceeded the budgeted estimates for the second month of the state's fiscal year. Finance and Administration Commissioner Larry Martin today reported that overall September's revenues were \$1.3 billion, which is \$78.7 million more than September 2015, and \$116.6 million over the budgeted estimate. The growth rate for September was 6.38%.

"Sales taxes reflecting August consumer activity grew 4.50% over the same time period one year ago," Martin said. "Corporate taxes posted positive double digit growth for the month while all other revenues, taken as a group, slightly exceeded last year's recorded revenues."

"While we are encouraged by the September revenue numbers, we do have some concerns about the sustainability of our franchise and excise tax growth for the balance of this year."

On an accrual basis, September is the second month in the 2016-2017 fiscal year.

For September, general fund revenues exceeded the budgeted estimates by \$107.6 million and the four other funds that share in state tax revenues by \$9.0 million above the estimates.

Sales tax revenues were \$24.1 million more than the estimate for September. The September growth rate was positive 4.50%. Year-to-date revenues are 3.31% more than this time last year.

Franchise and excise taxes combined were \$75.8 million more than the September budgeted estimate of \$329.1 million. The September growth rate was positive 12.22%, and on a year-to-date basis 19.95%.

Gasoline and motor fuel revenues for September increased by 4.33% and were \$6.2 million more than the budgeted estimate of \$74.0 million.

Motor Vehicle Registration revenues were \$3.5 million more than the September estimate, and on a year-to-date basis exceed estimates by \$2.9 million.

Tobacco tax revenues for the month were \$0.5 million more than the budgeted estimate of \$21.4 million. The growth rate for September was negative 3.15%.

Privilege tax revenues were \$3.6 million more than the budgeted estimate of \$24.0 million.

Business Tax receipts were \$1.3 million more than the budgeted estimate for September.

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Inheritance and estate tax revenues were \$4.2 million more than the budgeted estimate.

Hall income tax revenues for September were \$3.8 million less than the budgeted estimate. For two months revenues are \$4.0 million below the budgeted estimate.

All other taxes exceeded estimates by a net of \$1.2 million.

Year-to date revenues for two months were \$154.6 million more than the budgeted estimates. The general fund exceeded estimates by \$139.9 million and the four other funds that share in state tax revenues \$14.7 million.

The budgeted revenue estimates for 2016-2017 are based on the State Funding Board's consensus recommendation of November 23, 2015 and adopted by the second session of the 109th General Assembly in April 2016. Also incorporated in the estimates are any changes in revenue enacted during the 2016 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
September
2016-2017

Fund	2016				2015	2016	
	Actual	Budgeted	B/(W)	Percent	Actual	B/(W)	Percent
General Fund	\$1,136,786,000	\$1,029,161,000	\$107,625,000	10.46%	\$1,060,668,000	\$76,118,000	7.18%
Highway Fund	63,542,000	57,305,000	6,237,000	10.88%	60,872,000	2,670,000	4.39%
Sinking Fund	34,045,000	33,779,000	266,000	0.79%	34,156,000	(111,000)	-0.32%
City & County Fund	74,096,000	71,640,000	2,456,000	3.43%	74,025,000	71,000	0.10%
Earmarked Fund	3,582,000	3,584,000	(2,000)	-0.06%	3,584,000	(2,000)	-0.06%
Total	\$1,312,051,000	\$1,195,469,000	\$116,582,000	9.75%	\$1,233,305,000	\$78,746,000	6.38%

Revenue Collections by Tax
September
2016-2017

Tax Source	2016				2015	2016	
	Actual	Budgeted	B/(W)	Percent	Actual	B/(W)	Percent
Franchise & Excise	\$404,850,000	\$329,100,000	\$75,750,000	23.02%	\$360,754,000	\$44,096,000	12.22%
Income	(1,841,000)	1,952,000	(3,793,000)	-194.31%	2,627,000	(4,468,000)	-170.08%
Inheritance & Estate	5,898,000	1,671,000	4,227,000	252.96%	9,539,000	(3,641,000)	-38.17%
Gasoline	59,250,000	53,817,000	5,433,000	10.10%	56,502,000	2,748,000	4.86%
Petroleum Special	6,022,000	5,676,000	346,000	6.10%	5,747,000	275,000	4.79%
Tobacco	21,927,000	21,424,000	503,000	2.35%	22,641,000	(714,000)	-3.15%
Beer	1,713,000	1,490,000	223,000	14.97%	1,531,000	182,000	11.89%
Motor Vehicle Registration	23,079,000	19,572,000	3,507,000	17.92%	20,104,000	2,975,000	14.80%
Motor Vehicle Title	2,155,000	1,478,000	677,000	45.81%	1,778,000	377,000	21.20%
Mixed Drink	8,489,000	7,678,000	811,000	10.56%	7,830,000	659,000	8.42%
Business	4,840,000	3,498,000	1,342,000	38.36%	3,476,000	1,364,000	39.24%
Privilege	27,646,000	24,027,000	3,619,000	15.06%	23,287,000	4,359,000	18.72%
Gross Receipts	103,000	260,000	(157,000)	-60.38%	187,000	(84,000)	-44.92%
TVA - In Lieu of Tax Payments	35,458,000	36,388,000	(930,000)	-2.56%	35,750,000	(292,000)	-0.82%
Alcoholic Beverage	5,379,000	4,872,000	507,000	10.41%	4,524,000	855,000	18.90%
Sales and Use	692,035,000	667,894,000	24,141,000	3.61%	662,239,000	29,796,000	4.50%
Motor Vehicle Fuel	14,918,000	14,481,000	437,000	3.02%	14,616,000	302,000	2.07%
Severance	127,000	178,000	(51,000)	-28.65%	160,000	(33,000)	-20.63%
Coin-operated Amusement	3,000	13,000	(10,000)	-76.92%	13,000	(10,000)	-76.92%
Unauthorized Substance	0	0	0	NA	0	0	NA
Total	\$1,312,051,000	\$1,195,469,000	\$116,582,000	9.75%	\$1,233,305,000	\$78,746,000	6.38%

Table 2
Revenue Collections by Fund
Year-to-Date
August - September
2016-2017

Fund	2016 - 2017				2015-2016	2016-2017	
	Actual	Budgeted	B/(W)	Percent	Actual	B/(W)	Percent
General Fund	1,852,827,000	\$1,712,936,000	\$139,891,000	8.17%	\$1,751,654,000	\$101,173,000	5.78%
Highway Fund	122,522,000	114,026,000	8,496,000	7.45%	122,157,000	365,000	0.30%
Sinking Fund	68,089,000	67,607,000	482,000	0.71%	68,376,000	(287,000)	-0.42%
City & County Fund	209,650,000	203,908,000	5,742,000	2.82%	182,379,000	27,271,000	14.95%
Earmarked Fund	7,167,000	7,167,000	0	0.00%	7,166,000	1,000	0.01%
Total	\$2,260,255,000	\$2,105,644,000	\$154,611,000	7.34%	\$2,131,732,000	\$128,523,000	6.03%

Revenue Collections by Tax
Year-to-Date
August - September
2016-2017

Tax Source	2016 - 2017				2015-2016	2016-2017	
	Actual	Budgeted	B/(W)	Percent	Actual	B/(W)	Percent
Franchise & Excise	\$446,912,000	\$360,900,000	\$86,012,000	23.83%	\$372,589,000	\$74,323,000	19.95%
Income	(649,000)	3,340,000	(3,989,000)	-119.43%	4,577,000	(5,226,000)	-114.18%
Inheritance & Estate	8,627,000	3,065,000	5,562,000	181.47%	13,551,000	(4,924,000)	-36.34%
Gasoline	115,474,000	107,179,000	8,295,000	7.74%	113,010,000	2,464,000	2.18%
Petroleum Special	11,713,000	11,230,000	483,000	4.30%	11,439,000	274,000	2.40%
Tobacco	44,019,000	44,388,000	(369,000)	-0.83%	44,183,000	(164,000)	-0.37%
Beer	3,205,000	3,025,000	180,000	5.95%	3,191,000	14,000	0.44%
Motor Vehicle Registration	43,953,000	41,047,000	2,906,000	7.08%	42,675,000	1,278,000	2.99%
Motor Vehicle Title	4,092,000	3,114,000	978,000	31.41%	3,051,000	1,041,000	34.12%
Mixed Drink	16,812,000	14,893,000	1,919,000	12.89%	15,446,000	1,366,000	8.84%
Business	12,099,000	6,331,000	5,768,000	91.11%	6,291,000	5,808,000	92.32%
Privilege	48,563,000	50,555,000	(1,992,000)	-3.94%	48,516,000	47,000	0.10%
Gross Receipts	14,357,000	16,159,000	(1,802,000)	-11.15%	8,487,000	5,870,000	69.16%
TVA - In Lieu of Tax Payments	63,912,000	64,841,000	(929,000)	-1.43%	64,373,000	(461,000)	-0.72%
Alcoholic Beverage	9,937,000	9,295,000	642,000	6.91%	8,978,000	959,000	10.68%
Sales and Use	1,388,516,000	1,339,483,000	49,033,000	3.66%	1,343,981,000	44,535,000	3.31%
Motor Vehicle Fuel	28,463,000	26,377,000	2,086,000	7.91%	27,062,000	1,401,000	5.18%
Severance	228,000	379,000	(151,000)	-39.84%	299,000	(71,000)	-23.75%
Coin-operated Amusement	22,000	43,000	(21,000)	-48.84%	33,000	(11,000)	-33.33%
Unauthorized Substance	0	0	0	NA	0	0	NA
Total	\$2,260,255,000	\$2,105,644,000	\$154,611,000	7.34%	\$2,131,732,000	\$128,523,000	6.03%