



MEMORANDUM

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February 9, 2017

TO: Eric Stuckey, City Administrator

FROM: Kristine Tallent, ACA/CFO

RE: Local Sales Tax Report

The local sales tax remittance from the State of Tennessee for January was \$2,666,949 compared to \$2,579,786 for the same month in fiscal year 2016, an increase of \$87,163, or 3.4%. [The January remittance is for sales tax collected during the month of November, representing the fifth month of the fiscal year on an accrual basis.] During the same period, the State of Tennessee sales tax collections were up 3.4% from the prior year.

Year-to-date, the City has received \$13.2 million compared to \$12.5 million in the previous year, a difference of \$660,469 or 5.3%. The State of Tennessee sales tax collections, year-to-date, are \$3.46 billion compared to \$3.33 billion in the prior year, a difference of \$131 million or 3.9%.

For budget comparisons, the City originally anticipated collections of \$13.4 million through five months of the fiscal year. Through the month of November, the City is \$205,157, or 1.5%, below budgeted collections. As a further comparison, the November collection of \$2.66 million compares to \$1.89 million in fiscal year 2011, \$2.00 million in fiscal year 2012, \$2.18 million in 2013, \$2.42 million in fiscal year 2014 and \$2.40 million in fiscal year 2015.

The local sales tax collections have increased year-over-year in 79 of the last 82 months reported.

December Revenues

Friday, January 13, 2017 | 1:45pm

NASHVILLE, Tenn. - Tennessee revenues for December exceeded the same month one year ago. Finance and Administration Commissioner Larry Martin reported today that state revenues for December were \$1.2 billion, which is a growth of 11.33% and \$125.5 million more than December 2015.

"Total revenues in December were higher than expected due to collections in the sales and corporate tax categories. Recorded revenues in the corporate category for December include a substantial one-time payment," Martin said. "December sales tax revenues reflect retail activity that occurred in November including 'Black Friday' and after-Thanksgiving sales. January's report will capture consumer spending for the Christmas holiday season."

On an accrual basis, December is the fifth month in the 2016-2017 fiscal year.

Total revenues in December were \$150.1 million more than the budgeted estimate. The general fund recorded revenues more than budgeted estimates in the amount of \$147.9 million, and the four other funds that share in state tax revenues were \$2.2 million over estimates.

Sales tax revenues were \$16.8 million more than the estimate for December. The December growth rate was 3.40%. For five months revenues are \$131.0 million higher than estimated, and the year-to-date growth rate is 3.62%.

Franchise and excise taxes combined, including the one-time substantial payment, were \$130.7 million more than the December budgeted estimate. For five months revenues are more than estimates in the amount of \$182.9 million.

Gasoline and motor fuel revenues for December decreased by 3.12% and they were \$1.0 million less than the budgeted estimate of \$73.3 million. For five months revenues are \$19.1 million more than estimates.

Motor vehicle registration revenues were \$2.3 million more than the December estimate, and on a year-to-date basis they are \$9.4 million more than estimates.

Tobacco tax revenues were \$3.5 million less than the budgeted estimate of \$21.0 million. For five months revenues are \$2.1 million less than estimated.

Privilege tax revenues were \$1.0 million more than the budgeted estimate of \$21.4 million. Year-to-date revenues for five months are \$2.2 million more than the budgeted estimate.

Inheritance and estate taxes were more than estimate by \$0.2 million for the month. For five months revenues are \$4.7 million more than the budgeted estimate.

Business tax revenues were \$2.0 million more than the December estimate, and \$7.1 million more than estimates on a year-to-date basis.

Hall income tax revenues were \$1.0 million more than the budgeted estimate.

All other taxes for December recorded a net increase of \$0.6 million compared to estimates.

Year-to-date revenues for five months were \$355.5 million more than the budgeted estimate. The general fund recorded \$324.0 in revenues more than estimates, and the four other funds \$31.5 million over estimates.

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>.

[VIEW COLLECTION TABLES](#)

Contacts

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**Table 1
Revenue Collections by Fund
December
2016-2017**

Fund	2016				2015 Actual	2016	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
General Fund	\$1,072,023,000	\$924,165,000	\$147,858,000	16.00%	\$942,764,000	\$129,259,000	13.71%
Highway Fund	56,142,000	54,447,000	1,695,000	3.11%	58,140,000	(1,998,000)	-3.44%
Sinking Fund	33,844,000	33,663,000	181,000	0.54%	34,078,000	(234,000)	-0.69%
City & County Fund	68,367,000	68,051,000	316,000	0.46%	69,859,000	(1,492,000)	-2.14%
Earmarked Fund	3,584,000	3,584,000	0	0.00%	3,585,000	(1,000)	-0.03%
Total	\$1,233,960,000	\$1,083,910,000	\$150,050,000	13.84%	\$1,108,426,000	\$125,534,000	11.33%

**Revenue Collections by Tax
December
2016-2017**

Tax Source	2016				2015 Actual	2016	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
Franchise & Excise	\$373,398,000	\$242,700,000	\$130,698,000	53.85%	\$270,523,000	\$102,875,000	38.03%
Income	4,722,000	3,741,000	981,000	26.22%	4,798,000	(76,000)	-1.58%
Inheritance & Estate	1,102,000	926,000	176,000	19.01%	3,678,000	(2,576,000)	-70.04%
Gasoline	51,625,000	53,835,000	(2,210,000)	-4.11%	54,946,000	(3,321,000)	-6.04%
Petroleum Special	5,399,000	5,555,000	(156,000)	-2.81%	5,569,000	(170,000)	-3.05%
Tobacco	17,480,000	20,982,000	(3,502,000)	-16.69%	18,735,000	(1,255,000)	-6.70%
Beer	1,355,000	1,285,000	70,000	5.45%	1,415,000	(60,000)	-4.24%
Motor Vehicle Registration	18,750,000	16,402,000	2,348,000	14.32%	17,959,000	791,000	4.40%
Motor Vehicle Title	1,749,000	1,307,000	442,000	33.82%	1,864,000	(115,000)	-6.17%
Mixed Drink	7,944,000	7,266,000	678,000	9.33%	7,129,000	815,000	11.43%
Business	7,225,000	5,177,000	2,048,000	39.56%	5,144,000	2,081,000	40.45%
Privilege	22,398,000	21,360,000	1,038,000	4.86%	19,139,000	3,259,000	17.03%
Gross Receipts	16,000	64,000	(48,000)	75.00%	168,000	(152,000)	-90.48%
TVA - In Lieu of Tax Payments	27,827,000	29,016,000	(1,189,000)	-4.10%	28,454,000	(627,000)	-2.20%
Alcoholic Beverage	5,980,000	5,411,000	569,000	10.52%	5,160,000	820,000	15.89%
Sales and Use	671,592,000	654,808,000	16,784,000	2.56%	649,485,000	22,107,000	3.40%
Motor Vehicle Fuel	15,299,000	13,906,000	1,393,000	10.02%	14,137,000	1,162,000	8.22%
Severance	99,000	166,000	(67,000)	-40.36%	120,000	(21,000)	-17.50%
Coin-operated Amusement	4,000	3,000	1,000	33.33%	3,000	1,000	33.33%
Unauthorized Substance	(4,000)	0	(4,000)	NA	0	(4,000)	NA
Total	\$1,233,960,000	\$1,083,910,000	\$150,050,000	13.84%	\$1,108,426,000	\$125,534,000	11.33%

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

Fund	2016 - 2017				2015-2016	2016-2017	
	Actual	Budgeted	B/(W)	Percent		Actual	B/(W)
General Fund	4,475,114,000	\$4,151,084,000	\$324,030,000	7.81%	\$4,233,735,000	\$241,379,000	5.70%
Highway Fund	298,936,000	282,519,000	16,417,000	5.81%	295,347,000	3,589,000	1.22%
Sinking Fund	170,113,000	168,860,000	1,253,000	0.74%	171,038,000	(925,000)	-0.54%
City & County Fund	422,408,000	408,654,000	13,754,000	3.37%	395,481,000	26,927,000	6.81%
Earmarked Fund	17,917,000	17,917,000	0	0.00%	17,917,000	0	0.00%
Total	\$5,384,488,000	\$5,029,034,000	\$355,454,000	7.07%	\$5,113,518,000	\$270,970,000	5.30%

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

Tax Source	2016 - 2017				2015-2016	2016-2017	
	Actual	Budgeted	B/(W)	Percent		Actual	B/(W)
Franchise & Excise	\$897,248,000	\$714,300,000	\$182,948,000	25.61%	\$761,607,000	\$135,641,000	17.81%
Income	11,864,000	13,271,000	(1,407,000)	-10.60%	17,266,000	(5,402,000)	-31.29%
Inheritance & Estate	10,934,000	6,269,000	4,665,000	74.41%	25,761,000	(14,827,000)	-57.56%
Gasoline	281,053,000	266,524,000	14,529,000	5.45%	278,216,000	2,837,000	1.02%
Petroleum Special	28,761,000	27,936,000	825,000	2.95%	28,383,000	378,000	1.33%
Tobacco	107,859,000	110,004,000	(2,145,000)	-1.95%	108,627,000	(768,000)	-0.71%
Beer	7,600,000	7,198,000	402,000	5.58%	7,692,000	(92,000)	-1.20%
Motor Vehicle Registration	106,244,000	96,806,000	9,438,000	9.75%	102,415,000	3,829,000	3.74%
Motor Vehicle Title	9,713,000	7,450,000	2,263,000	30.38%	8,754,000	959,000	10.95%
Mixed Drink	42,493,000	37,418,000	5,075,000	13.56%	38,570,000	3,923,000	10.17%
Business	28,016,000	20,948,000	7,068,000	33.74%	20,814,000	7,202,000	34.60%
Privilege	126,741,000	124,557,000	2,184,000	1.75%	117,520,000	9,221,000	7.85%
Gross Receipts	14,075,000	16,186,000	(2,111,000)	-13.04%	8,744,000	5,331,000	60.97%
TVA - In Lieu of Tax Payments	147,393,000	151,889,000	(4,496,000)	-2.96%	149,734,000	(2,341,000)	-1.56%
Alcoholic Beverage	26,332,000	24,446,000	1,886,000	7.71%	24,381,000	1,951,000	8.00%
Sales and Use	3,464,113,000	3,333,089,000	131,024,000	3.93%	3,343,044,000	121,069,000	3.62%
Motor Vehicle Fuel	73,489,000	69,783,000	3,706,000	5.31%	71,291,000	2,198,000	3.08%
Severance	526,000	898,000	(372,000)	-41.43%	660,000	(134,000)	-20.30%
Coin-operated Amusement	34,000	62,000	(28,000)	-45.16%	39,000	(5,000)	-12.82%
Unauthorized Substance	0	0	0	NA	0	0	NA
Total	\$5,384,488,000	\$5,029,034,000	\$355,454,000	7.07%	\$5,113,518,000	\$270,970,000	5.30%