



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

**MARK A. EMKES
COMMISSIONER**

FOR IMMEDIATE RELEASE
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MARCH REVENUES

NASHVILLE – Tennessee revenue collections for March continued to exceed the budgeted expectations. Finance and Administration Commissioner Mark Emkes today announced that overall March revenues were \$815.5 million, which is \$9.5 million more than the state budgeted. It marks the eighth consecutive positive growth month for this fiscal year.

“The sales tax growth rate for March – almost eight percent - gives us the best indication of consumer optimism,” Emkes said. “That’s the largest monthly growth we’ve seen in the last 61 months, dating back to February 2006.

“It clearly represents a Tennessee economy on the up-swing, but we’ll need to continue to watch spending and work with lawmakers to end this fiscal year with a balanced budget.”

On an accrual basis, March is the eighth month in the 2010-2011 fiscal year.

The general fund was over collected by \$9.6 million and the four other funds were under collected by \$100,000.

Sales tax collections were \$32.8 million more than the estimate for March. The March growth rate was positive 7.97%. For eight months revenues are over collected by \$117.9 million. The year-to-date growth rate for eight months was positive 4.45%.

Franchise and excise taxes combined were \$22.4 million below the budgeted estimate of \$146.4 million. For eight months revenues are over collected by \$31.8 million. The year-to-date growth rate for eight months was positive 7.82%.

Gasoline and motor fuel collections for March decreased by 2.15% and were \$5.2 million below the budgeted estimate. For eight months revenues are over collected by \$5.5 million.

Tobacco taxes collections were \$1.2 million under the budgeted estimate of \$26.0 million. For eight months revenues are under collected in the amount of \$4.3 million.

Inheritance and estate taxes were over collected by \$8.7 million for the month. Year to date collections for eight months are \$22.4 million more than the budgeted estimate.

All other taxes were under collected by a net of \$3.2 million.

Year-to-date collections for eight months were \$153.7 million more than the budgeted estimate. The general fund was over collected by \$133.1 million and the four other funds

were over collected by \$20.6 million.

The budgeted revenue estimates for 2010-2011 are based on the State Funding Board's consensus recommendation of April 7, 2010, and adopted by the second session of the 106th General Assembly in June. They are available on the state's website at <http://www.tn.gov/finance/bud/budget.html>.

The State Funding Board met on the 8th and 14th of December 2010, and again on February 7, 2011. As a result of these meetings the board adopted mid-year revised revenue ranges for 2010-2011. The board issued a formal letter addressed to the governor and the chairman of House and Senate Finance Ways and Means Committees dated February 25, 2011, detailing the board's actions.

The 2010-2011 revised ranges adopted by the board reflect growth rates ranging from 3.60% to 4.00% in total taxes, and 3.95% to 4.45% in general fund taxes.

Based on the board's consensus recommendation, the official budgeted estimates for 2010-2011 were revised in March 2011.

The revised estimates are reflected on pages A-72 and A-74 in the 2011-2012 Budget Document and assume an over collection in total taxes in the amount of \$198.5 million, and an over collection of \$161.3 million in general fund taxes.

Year-to-date collections through March compared to the February revision are \$2.3 million above the total estimate, and \$6.0 million above the general fund estimate. The four other funds that share in state tax collections are \$3.7 below the revised estimate.

**REVENUE COLLECTIONS
MARCH, 2011, AND 8 MONTHS YEAR-TO-DATE**

March Collections:

	<u>Budgeted Accrual Estimate</u>	<u>Actual</u>	<u>Difference</u>
General Fund	\$659,910,000	\$669,535,000	\$9,625,000
Highway Fund	53,650,000	53,427,000	(223,000)
Sinking Fund	30,420,000	30,701,000	281,000
City & County Fund	59,966,000	59,738,000	(228,000)
Earmarked Fund	<u>2,050,000</u>	<u>2,051,000</u>	<u>1,000</u>
Total	\$805,996,000	\$815,452,000	\$9,456,000

Year-To-Date Collections:

	<u>Budgeted Acrua Estimate</u>	<u>Actual</u>	<u>Difference</u>
General Fund	\$5,167,262,000	\$5,300,404,000	\$133,142,000
Highway Fund	430,410,000	430,450,000	40,000
Sinking Fund	245,639,000	246,573,000	934,000
City & County Fund	489,309,000	508,844,000	19,535,000
Earmarked Fund	<u>16,400,000</u>	<u>16,400,000</u>	<u>0</u>
Total	\$6,349,020,000	\$6,502,671,000	\$153,651,000

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	March			
	2010	2011	Change	Percent
Franchise & Excise	\$130,985,000	\$123,994,000	(\$6,991,000)	-5.34%
Income	13,168,000	13,604,000	436,000	3.31%
Inheritance & Estate	8,394,000	16,877,000	8,483,000	101.06%
Gasoline	41,138,000	40,796,000	(342,000)	-0.83%
Petroleum Special	4,422,000	4,331,000	(91,000)	-2.06%
Tobacco	25,736,000	24,825,000	(911,000)	-3.54%
Beer	1,235,000	1,345,000	110,000	8.91%
Motor Vehicle Registration	24,732,000	28,728,000	3,996,000	16.16%
Motor Vehicle Title	1,042,000	1,199,000	157,000	15.07%
Mixed Drink	4,574,000	4,899,000	325,000	7.11%
Business	7,615,000	4,978,000	(2,637,000)	-34.63%
Privilege	10,601,000	11,333,000	732,000	6.91%
Gross Receipts	(113,000)	(315,000)	(202,000)	-178.76%
TVA - In Lieu of Tax Payments	26,498,000	26,096,000	(402,000)	-1.52%
Alcoholic Beverage	3,508,000	3,660,000	152,000	4.33%
Sales and Use	463,154,000	500,067,000	36,913,000	7.97%
Motor Vehicle Fuel	9,671,000	8,916,000	(755,000)	-7.81%
Severance	203,000	172,000	(31,000)	-15.27%
Coin-operated Amusement	4,000	2,000	(2,000)	-50.00%
Unauthorized Substance	(53,000)	(55,000)	(2,000)	-3.77%
Total	\$776,514,000	\$815,452,000	\$38,938,000	5.01%

Table 2

**REVENUE COLLECTIONS
MARCH, 2011, AND 8 MONTHS YEAR-TO-DATE**

March Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$659,910,000	\$669,535,000	\$9,625,000
Highway Fund	53,650,000	53,427,000	(223,000)
Sinking Fund	30,420,000	30,701,000	281,000
City & County Fund	59,966,000	59,738,000	(228,000)
Earmarked Fund	2,050,000	2,051,000	1,000
Total	\$805,996,000	\$815,452,000	\$9,456,000

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$5,167,262,000	\$5,300,404,000	\$133,142,000
Highway Fund	430,410,000	430,450,000	40,000
Sinking Fund	245,639,000	246,573,000	934,000
City & County Fund	489,309,000	508,844,000	19,535,000
Earmarked Fund	16,400,000	16,400,000	0
Total	\$6,349,020,000	\$6,502,671,000	\$153,651,000

Table 3
August - March Revenue Overcollections/(Undercollections)
Budgeted Estimate

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Sales Tax	\$ 116,700,000	\$ 1,200,000	\$ 117,900,000
Income Tax	3,800,000	2,100,000	5,900,000
Inheritance Tax	22,400,000	0	22,400,000
Privilege Tax	(12,700,000)	0	(12,700,000)
Business Tax	(33,100,000)	0	(33,100,000)
TVA	12,800,000	9,900,000	22,700,000
Gross Receipts	(4,500,000)	0	(4,500,000)
Gasoline & Motor Fuel Taxes	300,000	5,200,000	5,500,000
Motor Vehicle Registration	(200,000)	1,600,000	1,400,000
Other Taxes	<u>(4,200,000)</u>	<u>600,000</u>	<u>(3,600,000)</u>
Tobacco	(4,300,000)	0	(4,300,000)
Beer	400,000	100,000	500,000
Motor Vehicle Title	200,000	0	200,000
Mixed Drink	200,000	400,000	600,000
Alcoholic Beverage	100,000	0	100,000
Severence	100,000	100,000	200,000
Coin Operated Amusement	0	0	0
Unauthorized Substance	(900,000)	0	(900,000)
Sub-Total	<u>\$ 101,300,000</u>	<u>\$ 20,600,000</u>	<u>\$ 121,900,000</u>
F & E Taxes	<u>31,800,000</u>	<u>0</u>	<u>31,800,000</u>
Total	<u><u>\$ 133,100,000</u></u>	<u><u>\$ 20,600,000</u></u>	<u><u>\$ 153,700,000</u></u>