



**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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APRIL REVENUES

NASHVILLE – Tennessee revenue collections continued a very modest positive growth trend in April. Finance and Administration Commissioner Mark Emkes today announced a net positive growth of 1.70% over April collections one year ago. Overall April revenues were \$1.264 billion, which is \$600,000 more than the state budgeted.

“Sales tax collections recorded the 13th consecutive month of positive growth dating back to April of 2010,” Emkes said. “Corporate Franchise and Excise tax collections have been disappointing for the past two months but it’s believed they are reflecting prior year losses that have been carried forward to this tax year.

“In light of depressed corporate tax collections, and with one very large collection month left in this year, we’ll closely monitor collections and expenditures and work with the legislature to ensure we end the year in balance.”

On an accrual basis, April is the ninth month in the 2010-2011 fiscal year.

The general fund was under collected by \$6.9 million, and the four other funds were over collected by \$7.5 million.

Sales tax collections were \$22.8 million more than the budgeted estimate for April. The April growth rate was positive 3.52%. For nine months revenues are over collected by \$140.6 million. The year-to-date growth rate for nine months was positive 4.34%.

Franchise and excise taxes combined were \$31.5 million below the budgeted estimate of \$372.6 million. For nine months revenues are \$348,000 over the budgeted estimate.

Hall Income tax collections for April were \$537,000 less than the budgeted estimate. For nine months collections are \$5.3 million more than the budgeted estimate. The growth rate for the nine month period was positive 10.83%.

Inheritance and estate tax collections were \$5.3 million above the April estimate. For nine months collections are \$27.7 million over the budgeted estimate.

Gasoline and motor fuel collections for April increased by 3.04%, and were \$2.4 million more than the budgeted estimate. For nine months revenues are positive 3.59%, and \$7.8 million above the budgeted estimate of \$617.3 million.

Tobacco tax collections were \$391,000 over the budgeted estimate of \$23.6 million. For nine months revenues are under collected in the amount of \$3.9 million.

All other taxes for April were over collected by a net of \$546,000.

Year-to-date collections for nine months were \$154.2 million more than the budgeted estimate. The general fund was over collected by \$126.2 million and the four other funds were over collected by \$28.0 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 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 April compared to the February revision are \$10.0 million above the total estimate, and \$3.6 million above the general fund estimate. The four other funds that share in state tax collections are \$6.4 above the revised estimate.

**REVENUE COLLECTIONS
APRIL, 2011, AND 9 MONTHS YEAR-TO-DATE**

April Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$1,050,768,000	\$1,043,870,000	(\$6,898,000)
Highway Fund	62,909,000	68,285,000	5,376,000
Sinking Fund	30,952,000	31,099,000	147,000
City & County Fund	116,898,000	118,869,000	1,971,000
Earmarked Fund	2,049,000	2,049,000	0
Total	\$1,263,576,000	\$1,264,172,000	\$596,000

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$6,218,031,000	\$6,344,274,000	\$126,243,000
Highway Fund	493,318,000	498,735,000	5,417,000
Sinking Fund	276,590,000	277,672,000	1,082,000
City & County Fund	606,207,000	627,712,000	21,505,000
Earmarked Fund	18,450,000	18,450,000	0
Total	\$7,612,596,000	\$7,766,843,000	\$154,247,000

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	April			
	2010	2011	Change	Percent
Franchise & Excise	\$360,545,000	\$341,137,000	(\$19,408,000)	-5.38%
Income	139,617,000	152,003,000	12,386,000	8.87%
Inheritance & Estate	13,729,000	18,205,000	4,476,000	32.60%
Gasoline	48,887,000	52,691,000	3,804,000	7.78%
Petroleum Special	5,269,000	5,323,000	54,000	1.02%
Tobacco	21,805,000	24,003,000	2,198,000	10.08%
Beer	1,283,000	1,299,000	16,000	1.25%
Motor Vehicle Registration	30,444,000	28,571,000	(1,873,000)	-6.15%
Motor Vehicle Title	980,000	944,000	(36,000)	-3.67%
Mixed Drink	4,735,000	5,125,000	390,000	8.24%
Business	2,113,000	3,252,000	1,139,000	53.90%
Privilege	17,302,000	17,674,000	372,000	2.15%
Gross Receipts	95,000	77,000	(18,000)	-18.95%
TVA - In Lieu of Tax Payments	26,499,000	26,095,000	(404,000)	-1.52%
Alcoholic Beverage	4,082,000	4,406,000	324,000	7.94%
Sales and Use	548,754,000	568,080,000	19,326,000	3.52%
Motor Vehicle Fuel	16,785,000	15,087,000	(1,698,000)	-10.12%
Severance	147,000	194,000	47,000	31.97%
Coin-operated Amusement	0	6,000	6,000	NA
Unauthorized Substance	(36,000)	0	36,000	NA
Total	\$1,243,035,000	\$1,264,172,000	\$21,137,000	1.70%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - April			
	2009-2010	2010-2011	Change	Percent
Franchise & Excise	\$1,099,394,000	\$1,137,748,000	\$38,354,000	3.49%
Income	165,136,000	183,025,000	17,889,000	10.83%
Inheritance & Estate	64,918,000	89,277,000	24,359,000	37.52%
Gasoline	444,501,000	461,748,000	17,247,000	3.88%
Petroleum Special	45,764,000	46,920,000	1,156,000	2.53%
Tobacco	215,344,000	213,843,000	(1,501,000)	-0.70%
Beer	12,305,000	13,533,000	1,228,000	9.98%
Motor Vehicle Registration	179,979,000	184,545,000	4,566,000	2.54%
Motor Vehicle Title	7,702,000	8,115,000	413,000	5.36%
Mixed Drink	41,268,000	42,372,000	1,104,000	2.68%
Business	28,523,000	58,761,000	30,238,000	106.01%
Privilege	134,453,000	134,904,000	451,000	0.34%
Gross Receipts	13,884,000	9,137,000	(4,747,000)	-34.19%
TVA - In Lieu of Tax Payments	238,415,000	242,840,000	4,425,000	1.86%
Alcoholic Beverage	34,175,000	35,580,000	1,405,000	4.11%
Sales and Use	4,587,633,000	4,786,542,000	198,909,000	4.34%
Motor Vehicle Fuel	113,244,000	116,515,000	3,271,000	2.89%
Severance	1,693,000	1,830,000	137,000	8.09%
Coin-operated Amusement	70,000	97,000	27,000	38.57%
Unauthorized Substance	(1,807,000)	(489,000)	1,318,000	NA
Total	\$7,426,594,000	\$7,766,843,000	\$340,249,000	4.58%

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

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Sales Tax	\$ 135,200,000	\$ 5,400,000	\$ 140,600,000
Income Tax	3,500,000	1,800,000	5,300,000
Inheritance Tax	27,700,000	0	27,700,000
Privilege Tax	(13,000,000)	0	(13,000,000)
Business Tax	(32,200,000)	0	(32,200,000)
TVA	12,700,000	9,800,000	22,500,000
Gross Receipts	(4,500,000)	0	(4,500,000)
Gasoline & Motor Fuel Taxes	400,000	7,400,000	7,800,000
Motor Vehicle Registration	(500,000)	2,600,000	2,100,000
Other Taxes	(3,400,000)	1,000,000	(2,400,000)
Tobacco	(3,900,000)	0	(3,900,000)
Beer	300,000	100,000	400,000
Motor Vehicle Title	200,000	0	200,000
Mixed Drink	500,000	700,000	1,200,000
Alcoholic Beverage	300,000	100,000	400,000
Severance	100,000	100,000	200,000
Coin Operated Amusement	0	0	0
Unauthorized Substance	(900,000)	0	(900,000)
Sub-Total	\$ 125,900,000	\$ 28,000,000	\$ 153,900,000
F & E Taxes	300,000	0	300,000
Total	\$ 126,200,000	\$ 28,000,000	\$ 154,200,000