



**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
OFFICE OF STATE AND LOCAL FINANCE  
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING  
505 DEADERICK STREET  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7872  
FAX (615) 741-5986**

**September 14, 2010**

**Investor Update**

**Revenue Report**

The Revenue Report for the month of August 2010 dated September 10, 2010, is attached to this Investor Update. On an accrual basis, August is the first month of the 2010-2011 fiscal year.

**General Obligation Bond Sale**

The Tennessee State Funding Board contemplates selling its General Obligation bonds in October of 2010. Although there is no additional information available at this time regarding the bond sale, please periodically visit our website at [www.buyTNbonds.com](http://www.buyTNbonds.com) for updates.

**Replying to This Address**

To receive a personal copy of future Investor Updates, please reply to this email address or to [State.Local.Finance@tn.gov](mailto:State.Local.Finance@tn.gov). Likewise, if you would like to have your name deleted from future emails, please reply to this address.



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

**DAVE GOETZ  
COMMISSIONER**

FOR IMMEDIATE RELEASE  
FRIDAY, SEPTEMBER 10, 2010

CONTACT: LOLA POTTER  
615-532-8560 (Office)

**AUGUST REVENUES**

NASHVILLE – State tax collections continue to show modest improvement. Finance and Administration Commissioner Dave Goetz today reported that overall August revenues were \$749.3 million, which is 3.08% above August 2009 collections.

“Sales tax collections have shown positive growth for the past five consecutive months, and we believe it points to a slowly recovering economy in Tennessee,” Goetz said. “Still, we need to continue to closely monitor our spending patterns in the months ahead to keep the budget in a balanced posture for the next governor.

On an accrual basis, August is the first month in the 2010-2011 fiscal year.

August collections were \$5.4 million less than the budgeted estimate. The general fund was under collected by \$10.7 million and the four other funds were over collected by \$5.3 million.

Sales tax collections were \$10.1 million more than the estimate for August. The August growth rate was positive 3.26%.

Franchise and excise taxes combined were \$12.0 million below the budgeted estimate of \$23.5 million.

Gasoline and motor fuel collections increased by 0.34% and were \$4.7 million above the budgeted estimate of \$69.0 million.

Tobacco tax collections for the month were over collected by \$1.7 million.

Privilege tax collections were \$3.6 million less than the budgeted estimate of \$17.3 million.

Inheritance tax collections were \$500,000 above the budgeted estimate.

All other taxes were under collected by a net of \$6.8 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 106<sup>th</sup> General Assembly in June. They are available on the state’s website at <http://www.tn.gov/finance/bud/budget>.

**REVENUE COLLECTIONS  
AUGUST, 2010**

**August Collections:**

	<b>Budgeted Accrual Estimate</b>	<b>Actual</b>	<b>Difference</b>
General Fund	\$605,379,000	\$594,674,000	(\$10,705,000)
Highway Fund	54,199,000	56,754,000	2,555,000
Sinking Fund	30,820,000	30,892,000	72,000
City & County Fund	62,287,000	64,915,000	2,628,000
Earmarked Fund	2,049,000	2,050,000	1,000
<b>Total</b>	<b>\$754,734,000</b>	<b>\$749,285,000</b>	<b>(\$5,449,000)</b>

**Table 1**  
**Tennessee Department of Revenue**  
**Comparative Statement of Collected Revenues**

Class of Tax	August		Change	Percent
	2009	2010		
Franchise & Excise	\$20,879,000	\$11,522,000	(\$9,357,000)	-44.82%
Income	732,000	1,534,000	802,000	109.56%
Inheritance & Estate	5,629,000	6,978,000	1,349,000	23.97%
Gasoline	56,796,000	55,992,000	(804,000)	-1.42%
Petroleum Special	5,643,000	5,307,000	(336,000)	-5.95%
Tobacco	24,811,000	26,120,000	1,309,000	5.28%
Beer	1,796,000	1,545,000	(251,000)	-13.98%
Motor Vehicle Registration	18,576,000	20,188,000	1,612,000	8.68%
Motor Vehicle Title	879,000	961,000	82,000	9.33%
Mixed Drink	4,524,000	4,602,000	78,000	1.72%
Business	1,279,000	13,868,000	12,589,000	984.28%
Privilege	16,197,000	13,757,000	(2,440,000)	-15.06%
Gross Receipts	12,701,000	9,189,000	(3,512,000)	-27.65%
TVA - In Lieu of Tax Payments	24,015,000	26,498,000	2,483,000	10.34%
Alcoholic Beverage	3,477,000	3,427,000	(50,000)	-1.44%
Sales and Use	518,249,000	535,127,000	16,878,000	3.26%
Motor Vehicle Fuel	11,019,000	12,410,000	1,391,000	12.62%
Severance	233,000	239,000	6,000	2.58%
Coin-operated Amusement	18,000	37,000	19,000	105.56%
Unauthorized Substance	(531,000)	(16,000)	515,000	NA
<b>Total</b>	<b>\$726,922,000</b>	<b>\$749,285,000</b>	<b>\$22,363,000</b>	<b>3.08%</b>

**Table 2**  
**August Revenue Overcollections/(Undercollections)**  
**Budgeted Estimate**

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Sales Tax	\$ 10,000,000	\$ 100,000	\$ 10,100,000
Income Tax	300,000	100,000	400,000
Inheritance Tax	500,000	0	500,000
Privilege Tax	(3,600,000)	0	(3,600,000)
Business Tax	(3,600,000)	0	(3,600,000)
TVA	0	0	0
Gross Receipts	(4,000,000)	0	(4,000,000)
Gasoline & Motor Fuel Taxes	100,000	4,600,000	4,700,000
Motor Vehicle Registration	100,000	500,000	600,000
Other Taxes	1,500,000	0	1,500,000
Tobacco	1,700,000	0	1,700,000
Beer	(100,000)	(100,000)	(200,000)
Motor Vehicle Title	0	0	0
Mixed Drink	0	100,000	100,000
Alcoholic Beverage	0	0	0
Severance	0	0	0
Coin Operated Amusement	0	0	0
Unauthorized Substance	(100,000)	0	(100,000)
<b>Sub-Total</b>	<b>\$ 1,300,000</b>	<b>\$ 5,300,000</b>	<b>\$ 6,600,000</b>
F & E Taxes	(12,000,000)	0	(12,000,000)
<b>Total</b>	<b>\$ (10,700,000)</b>	<b>\$ 5,300,000</b>	<b>\$ (5,400,000)</b>