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December 13, 2011

Investor Update

Revenue Report

The Revenue Report for the month of November 2011 dated December 9, 2011, is attached to this Investor Update. On an accrual basis, November is the fourth month of the 2011-2012 fiscal year.

The format for the accompanying tax collection tables has been modified. There are now two tables, one for the monthly activity (Table 1) and another for year-to-date activity (Table 2). All of the information from the previous format is retained in the new format, and budgeted estimates for the month and for the fiscal year to date are now included by fund and by tax source. The columns labeled "B/(W)" indicate how the actual collections performed – better or worse – compared to the budgeted estimates or prior year actual collections.

Replying to This Address

To receive a personal copy of future Investor Updates, please reply to this email address or to State.Local.Finance@cot.tn.gov. (Please note that there has been an email address change as of November 7, 2011.) 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**

COMMISSIONER MARK EMKES

FOR IMMEDIATE RELEASE
WEDNESDAY, DECEMBER 9, 2011

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NOVEMBER REVENUES

NASHVILLE – Tennessee revenue collections for November were \$765.6 million, which is 4.58% above November 2010. November collections represent consumer spending that occurred during October.

“The overall growth rate in our November tax collections - particularly the sales and corporate taxes - leads us to believe that growth during fiscal year 2012 will be moderate,” Finance and Administration Commissioner Mark Emkes said. “Typically, about one-fourth of all franchise and excise collections come in during April, and coupled with national economic indicators, it means we must remain vigilant in monitoring our spending patterns.

“It’s important to remember we won’t see how ‘Black Friday’ and after-Thanksgiving retail sales performed until this time next month, when we’ve collected revenues for November spending.”

On an accrual basis, November is the fourth month in the 2011-2012 fiscal year.

November collections were \$11.0 million more than the budgeted estimate. The general fund was over collected by \$12.6 million and the four other funds were under collected by \$1.6 million.

Sales tax collections were \$9.4 million more than the estimate for November. The November growth rate was positive 5.19%. Year-to-date the growth rate for four months is positive 6.18%.

Franchise and excise combined collections for November were \$40.7 million, which is \$2.7 million above the budgeted estimate of \$38.0 million. Year-to date the growth rate for four months is positive 10.47%.

Gasoline and motor fuel collections were \$3.4 million less than the budgeted estimate of \$73.8 million. For four months year-to-date collections are \$6.2 million below the budgeted estimate.

Tobacco tax collections for the month were under collected by \$900,000. Privilege tax collections were \$400,000 less than the budgeted estimate of \$16.6 million. Inheritance and Estate taxes were over collected by \$100,000 for the month. All other taxes were over collected by a net of \$3.5 million.

Year-to date collections for four months were \$71.0 million more than the budgeted estimate. The general fund was over collected by \$69.5 million and the four other funds were over collected by \$1.5 million.

The budgeted revenue estimates for 2011-2012 are based on the State Funding Board’s consensus recommendation of April 15, 2011 and adopted by the first session of the 107th General Assembly in May. They are available on the state’s website at <http://www.tn.gov/finance/bud/budget.html>.

Table 1
Revenue Collections by Fund
November
2011-2012

Fund	2011				2010 Actual	2011	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
General Fund	\$611,656,000	\$599,011,000	\$12,645,000	2.11%	\$578,667,000	\$32,989,000	5.70%
Highway Fund	54,135,000	55,701,000	(1,566,000)	-2.81%	56,110,000	(1,975,000)	-3.52%
Sinking Fund	32,457,000	32,376,000	81,000	0.25%	30,717,000	1,740,000	5.66%
City & County Fund	65,167,000	65,278,000	(111,000)	-0.17%	64,504,000	663,000	1.03%
Earmarked Fund	2,174,000	2,175,000	(1,000)	-0.05%	2,050,000	124,000	6.05%
Total	\$765,589,000	\$754,541,000	\$11,048,000	1.46%	\$732,048,000	\$33,541,000	4.58%

Revenue Collections by Tax
November
2011-2012

Tax Source	2011				2010 Actual	2011	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
Franchise & Excise	\$40,715,000	\$38,000,000	\$2,715,000	7.14%	\$37,688,000	\$3,027,000	8.03%
Income	1,061,000	649,000	412,000	63.48%	760,000	301,000	39.61%
Inheritance & Estate	6,378,000	6,234,000	144,000	2.31%	5,963,000	415,000	6.96%
Gasoline	50,936,000	53,239,000	(2,303,000)	-4.33%	55,856,000	(4,920,000)	-8.81%
Petroleum Special	5,363,000	5,614,000	(251,000)	-4.47%	5,644,000	(281,000)	-4.98%
Tobacco	24,882,000	25,782,000	(900,000)	-3.49%	23,856,000	1,026,000	4.30%
Beer	1,327,000	1,313,000	14,000	1.07%	1,340,000	(13,000)	-0.97%
Motor Vehicle Registration	18,011,000	17,143,000	868,000	5.06%	16,655,000	1,356,000	8.14%
Motor Vehicle Title	844,000	801,000	43,000	5.37%	828,000	16,000	1.93%
Mixed Drink	5,418,000	5,022,000	396,000	7.89%	4,836,000	582,000	12.03%
Business	5,281,000	4,324,000	957,000	22.13%	3,786,000	1,495,000	39.49%
Privilege	16,166,000	16,600,000	(434,000)	-2.61%	13,812,000	2,354,000	17.04%
Gross Receipts	102,000	50,000	52,000	104.00%	44,000	58,000	131.82%
TVA - In Lieu of Tax Payments	28,662,000	27,684,000	978,000	3.53%	26,095,000	2,567,000	9.84%
Alcoholic Beverage	3,966,000	4,230,000	(264,000)	-6.24%	4,088,000	(122,000)	-2.98%
Sales and Use	542,131,000	532,700,000	9,431,000	1.77%	515,405,000	26,726,000	5.19%
Motor Vehicle Fuel	14,095,000	14,988,000	(893,000)	-5.96%	15,235,000	(1,140,000)	-7.48%
Severance	241,000	166,000	75,000	45.18%	198,000	43,000	21.72%
Coin-operated Amusement	10,000	2,000	8,000	400.00%	0	10,000	NA
Unauthorized Substance	0	0	0	NA	(41,000)	41,000	NA
Total	\$765,589,000	\$754,541,000	\$11,048,000	1.46%	\$732,048,000	\$33,541,000	4.58%

Table 2
Revenue Collections by Fund
Year-to-Date
August - November
2011-2012

Fund	2011-2012				2010-2011 Actual	2011-2012	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
General Fund	\$2,748,034,000	\$2,678,539,000	\$69,495,000	2.59%	\$2,579,857,000	\$168,177,000	6.52%
Highway Fund	224,549,000	225,631,000	(1,082,000)	-0.48%	220,609,000	3,940,000	1.79%
Sinking Fund	130,349,000	130,022,000	327,000	0.25%	123,226,000	7,123,000	5.78%
City & County Fund	265,320,000	263,073,000	2,247,000	0.85%	259,728,000	5,592,000	2.15%
Earmarked Fund	8,700,000	8,700,000	0	0.00%	8,201,000	499,000	6.08%
Total	\$3,376,952,000	\$3,305,965,000	\$70,987,000	2.15%	\$3,191,621,000	\$185,331,000	5.81%

Revenue Collections by Tax
Year-to-Date
August - November
2011-2012

Tax Source	2011-2012				2010-2011 Actual	2011-2012	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
Franchise & Excise	\$362,440,000	\$333,600,000	\$28,840,000	8.65%	\$328,081,000	\$34,359,000	10.47%
Income	5,084,000	6,441,000	(1,357,000)	-21.07%	5,935,000	(851,000)	-14.34%
Inheritance & Estate	42,771,000	31,108,000	11,663,000	37.49%	33,116,000	9,655,000	29.16%
Gasoline	207,164,000	213,495,000	(6,331,000)	-2.97%	218,847,000	(11,683,000)	-5.34%
Petroleum Special	21,502,000	22,146,000	(644,000)	-2.91%	21,922,000	(420,000)	-1.92%
Tobacco	95,412,000	100,633,000	(5,221,000)	-5.19%	98,821,000	(3,409,000)	-3.45%
Beer	6,061,000	5,907,000	154,000	2.61%	5,909,000	152,000	2.57%
Motor Vehicle Registration	76,514,000	75,993,000	521,000	0.69%	73,590,000	2,924,000	3.97%
Motor Vehicle Title	3,822,000	3,707,000	115,000	3.10%	3,589,000	233,000	6.49%
Mixed Drink	21,012,000	19,445,000	1,567,000	8.06%	18,372,000	2,640,000	14.37%
Business	34,144,000	36,991,000	(2,847,000)	-7.70%	31,123,000	3,021,000	9.71%
Privilege	67,057,000	72,639,000	(5,582,000)	-7.68%	61,012,000	6,045,000	9.91%
Gross Receipts	15,777,000	16,360,000	(583,000)	-3.56%	9,329,000	6,448,000	69.12%
TVA - In Lieu of Tax Payments	115,684,000	109,628,000	6,056,000	5.52%	112,364,000	3,320,000	2.95%
Alcoholic Beverage	15,589,000	15,329,000	260,000	1.70%	14,608,000	981,000	6.72%
Sales and Use	2,229,495,000	2,186,100,000	43,395,000	1.99%	2,099,766,000	129,729,000	6.18%
Motor Vehicle Fuel	56,409,000	55,635,000	774,000	1.39%	54,548,000	1,861,000	3.41%
Severance	972,000	769,000	203,000	26.40%	858,000	114,000	13.29%
Coin-operated Amusement	61,000	39,000	22,000	56.41%	82,000	(21,000)	-25.61%
Unauthorized Substance	(18,000)	0	(18,000)	NA	(251,000)	233,000	NA
Total	\$3,376,952,000	\$3,305,965,000	\$70,987,000	2.15%	\$3,191,621,000	\$185,331,000	5.81%