

TENNESSEE REVENUE ESTIMATES
FISCAL YEARS 2008-09 AND 2009-10
PRESENTED TO THE
TENNESSEE STATE FUNDING BOARD
MAY 1, 2009

James W. White
Executive Director

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Fiscal Review Committee

SCHEDULE SHOWING 2008-09 AND 2009-10 REVENUE ESTIMATES FOR ALL FUNDS
BY FISCAL REVIEW STAFF - ACCRUAL COLLECTIONS

REVENUE SOURCE	FRC STAFF ESTIMATES FY08-09	% INC. (DEC.) OVER FY07-08	FRC STAFF ESTIMATES FY09-10	% INC. (DEC.) OVER FY08-09
SALES & USE TAX	\$6,337,333,000	(7.5)	\$6,400,706,000	1.0
GASOLINE TAX	596,000,000	(3.4)	607,920,000	2.0
MOTOR FUEL TAX	162,400,000	(11.2)	167,272,000	3.0
GASOLINE INSPECTION TAX	62,200,000	(4.5)	63,755,000	2.5
MOTOR VEHICLE REG. TAX	247,400,000	(1.6)	250,616,000	1.3
INCOME TAX	221,000,000	(24.3)	187,850,000	(15.0)
PRIVILEGE TAX ¹⁾	253,000,000	(9.3)	260,590,000	3.0
GROSS RECEIPTS TAX - TVA	283,100,000	4.4	293,009,000	3.5
GROSS RECEIPTS TAX-OTHER	26,000,000	31.5	27,040,000	4.0
BEER TAX	18,300,000	2.1	18,849,000	3.0
ALCOHOLIC BEVERAGE TAX	44,250,000	3.9	45,578,000	3.0
FRANCHISE & EXCISE TAX	1,320,000,000	(18.5)	1,346,400,000	2.0
INHERITANCE TAX	93,000,000	(17.6)	97,650,000	5.0
TOBACCO TAX	304,000,000	6.3	285,760,000	(6.0)
MOTOR VEHICLE TITLE FEES	10,600,000	(7.0)	10,918,000	3.0
MIXED DRINK TAX	54,200,000	(1.3)	56,097,000	3.5
BUSINESS TAX	130,000,000	(5.9)	132,600,000	2.0
SEVERANCE TAX	2,400,000	(8.3)	2,400,000	-
AMUSEMENT TAX	300,000	19.0	300,000	-
UNAUTHORIZED SUBSTANCE TAX	1,400,000	(17.8)	1,400,000	-
TOTALS - FRC STAFF EST.	\$10,166,883,000	(8.55)	\$10,256,710,000	0.88
F&A REVISED EST. MAR 2009	\$10,289,000,000	(7.45)	\$10,391,800,000	1.00
EST. OVERAGE (SHORTAGE) COMPARED WITH F&A EST. OF MAR 2009				
ALL FUNDS	(\$122,117,000)		(\$135,090,000)	
GENERAL FUND	(\$110,222,000)		(\$125,122,000)	

1) Privilege tax collections are reduced by \$10.7 million each year for the earmarked portion of the tax.

EVOLUTION OF REVENUE SHORTFALL
FY2008-09

	FY08-09 Budgeted Estimate (May 2008)	FY08-09 FRC Estimate (Dec. 2008)	FY08-09 Budgeted Estimate (03/23/09)	FY08-09 FRC Estimate (May 2009)
TOTAL TAXES:				
All Funds	\$11,396,500,000	\$10,349,624,000	\$10,289,000,000	\$10,166,883,000 ¹⁾
General Fund	\$9,507,100,000	\$8,534,124,000	\$8,439,100,000	\$8,328,878,000
Budgeted Estimate May 2008 Compared to FRC Estimate Dec. 2008:				
All Funds		(\$1,046,876,000)		
General Fund		(\$972,976,000)		
Budgeted Estimate May 2008 Compared to Budgeted Estimate 3/23/09:				
All Funds			(\$1,107,500,000)	
General Fund			(\$1,068,000,000)	
Budgeted Estimate May 2008 Compared to FRC Estimate May 2009:				
All Funds				(\$1,229,617,000)
General Fund				(\$1,178,222,000)
Budgeted Estimate 3/23/09 Compared to FRC Estimate May 2009:				
All Funds				(\$122,117,000)
General Fund				(\$110,222,000)

¹⁾ Revenue collections have not been below \$10,300,000,000 since FY2005-06, when collections were \$10,290,758,000.

EVOLUTION OF REVENUE SHORTFALL
FY2009-10

	FY09-10 FRC Estimate (Dec. 2008)	FY09-10 Budgeted Estimate (03/23/09)	FY09-10 FRC Estimate (May 2009)
TOTAL TAXES:			
All Funds	\$10,631,133,000	\$10,391,800,000	\$10,256,710,000 ¹⁾
General Fund	\$8,787,033,000	\$8,505,100,000	\$8,379,978,000
Budgeted Estimate 3/23/09 Compared to FRC Estimate Dec. 2008:			
All Funds		(\$239,333,000)	
General Fund		(\$281,933,000)	
Budgeted Estimate 3/23/09 Compared to FRC Estimate May 2009:			
All Funds			(\$135,090,000)
General Fund			(\$125,122,000)

¹⁾ Revenue collections have not been below \$10,300,000,000 since FY2005-06, when collections were \$10,290,758,000.

SCHEDULE 4

SCHEDULE SHOWING FISCAL REVIEW STAFF REVENUE ESTIMATES
FOR ALL FUNDS AND THE GENERAL FUND
FOR FISCAL YEAR 2008-09

REVENUE SOURCE	ALL FUNDS	GENERAL FUND
SALES & USE TAX	\$6,337,333,000	\$5,978,640,000
GASOLINE TAX	596,000,000	9,059,000
MOTOR FUEL TAX	162,400,000	3,086,000
GASOLINE INSPECTION TAX	62,200,000	17,901,000
MOTOR VEHICLE REGISTRATION TAX	247,400,000	44,161,000
INCOME TAX	221,000,000	145,639,000
PRIVILEGE TAX	253,000,000	253,000,000
GROSS RECEIPTS TAX - TVA	283,100,000	161,480,000
GROSS RECEIPTS TAX - OTHER	26,000,000	21,915,000
BEER TAX	18,300,000	12,268,000
ALCOHOLIC BEVERAGE TAX	44,250,000	36,590,000
FRANCHISE & EXCISE TAX	1,320,000,000	1,081,200,000
INHERITANCE TAX	93,000,000	93,000,000
TOBACCO TAX	304,000,000	304,000,000
MOTOR VEHICLE TITLE FEES	10,600,000	7,900,000
MIXED DRINK TAX	54,200,000	27,051,000
BUSINESS TAX	130,000,000	130,000,000
SEVERANCE TAX	2,400,000	1,320,000
AMUSEMENT TAX	300,000	300,000
UNAUTHORIZED SUBSTANCE TAX	1,400,000	368,000
TOTAL	\$10,166,883,000	\$8,328,878,000
GENERAL FUND DECREASE OVER ACTUAL FY07-08		(\$893,088,700)

SCHEDULE 5

SCHEDULE SHOWING FISCAL REVIEW STAFF
COMPARISON OF 2008-09 GENERAL FUND ESTIMATES

TAX	F&A MAR '09 ESTIMATES	FRC STAFF ESTIMATES	FRC OVERAGE (SHORTAGE)
SALES	\$6,108,200,000	\$5,978,640,000	(\$129,560,000)
GASOLINE	9,100,000	9,059,000	(41,000)
MOTOR FUEL	3,200,000	3,086,000	(114,000)
GAS INSPECTION	18,100,000	17,901,000	(199,000)
MOTOR VEHICLE REG	44,300,000	44,161,000	(139,000)
INCOME	134,700,000	145,639,000	10,939,000
PRIVILEGE	226,000,000	253,000,000	27,000,000
GROSS RECEIPTS - TVA	162,000,000	161,480,000	(520,000)
GROSS RECEIPTS - OTHER	17,700,000	21,915,000	4,215,000
BEER	12,000,000	12,268,000	268,000
ALCOHOLIC BEVERAGE	36,300,000	36,590,000	290,000
FRANCHISE & EXCISE	1,089,200,000	1,081,200,000	(8,000,000)
INHERITANCE	95,000,000	93,000,000	(2,000,000)
TOBACCO	314,600,000	304,000,000	(10,600,000)
MOTOR VEHICLE TITLE FEES	8,200,000	7,900,000	(300,000)
MIXED DRINK	27,400,000	27,051,000	(349,000)
BUSINESS	131,200,000	130,000,000	(1,200,000)
SEVERANCE	1,100,000	1,320,000	220,000
AMUSEMENT	300,000	300,000	—
UNAUTHORIZED SUBSTANCE	500,000	368,000	(132,000)
TOTAL	\$8,439,100,000	\$8,328,878,000	(\$110,222,000)
FRC STAFF GEN FUND EST. COMPARED WITH MAR '09 EST:			
SALES	\$6,108,200,000	\$5,978,640,000	(\$129,560,000)
FRANCHISE & EXCISE	1,089,200,000	1,081,200,000	(8,000,000)
ALL OTHER TAXES	1,241,700,000	1,269,038,000	27,338,000
TOTAL	\$8,439,100,000	\$8,328,878,000	(\$110,222,000)

SCHEDULE SHOWING FISCAL REVIEW STAFF
REVENUE ESTIMATES FOR ALL FUNDS AND THE GENERAL FUND
FISCAL YEAR 2009-10

REVENUE SOURCE	ALL FUNDS FY09-10	GENERAL FUND FY09-10
SALES & USE TAX	\$6,400,706,000	\$6,039,706,000
GASOLINE TAX	607,920,000	9,240,000
MOTOR FUEL TAX	167,272,000	3,212,000
GASOLINE INSPECTION TAX	63,755,000	18,374,000
MOTOR VEHICLE REGISTRATION TAX	250,616,000	44,635,000
INCOME TAX	187,850,000	123,737,000
PRIVILEGE TAX	260,590,000	260,590,000
GROSS RECEIPTS TAX - TVA	293,009,000	166,576,000
GROSS RECEIPTS TAX - OTHER	27,040,000	22,792,000
BEER TAX	18,849,000	12,567,000
ALCOHOLIC BEVERAGE TAX	45,578,000	37,684,000
FRANCHISE & EXCISE TAX	1,346,400,000	1,086,600,000
INHERITANCE TAX	97,650,000	97,650,000
TOBACCO TAX	285,760,000	285,760,000
MOTOR VEHICLE TITLE FEES	10,918,000	8,218,000
MIXED DRINK TAX	56,097,000	28,049,000
BUSINESS TAX	132,600,000	132,600,000
SEVERANCE TAX	2,400,000	1,320,000
AMUSEMENT TAX	300,000	300,000
UNAUTHORIZED SUBSTANCE TAX	1,400,000	368,000
TOTAL	\$10,256,710,000	\$8,379,978,000
GENERAL FUND INCREASE OVER FRC ESTIMATE FOR FY08-09		\$51,100,000

SCHEDULE 7

COMPARISON OF 2009-10 GENERAL FUND ESTIMATES

TAX	F&A MAR '09 ESTIMATES	FRC STAFF ESTIMATES	FRC OVERAGE (SHORTAGE)
SALES	\$6,231,700,000	\$6,039,706,000	(\$191,994,000)
GASOLINE	9,300,000	9,240,000	(60,000)
MOTOR FUEL	3,300,000	3,212,000	(88,000)
GAS INSPECTION	18,500,000	18,374,000	(126,000)
MOTOR VEHICLE REG	45,100,000	44,635,000	(465,000)
INCOME	107,700,000	123,737,000	16,037,000
PRIVILEGE	230,500,000	260,590,000	30,090,000
GROSS RECEIPTS - TVA	164,700,000	166,576,000	1,876,000
GROSS RECEIPTS - OTHER	17,700,000	22,792,000	5,092,000
BEER	12,200,000	12,567,000	367,000
ALCOHOLIC BEVERAGE	37,700,000	37,684,000	(16,000)
FRANCHISE & EXCISE	1,041,600,000	1,086,600,000	45,000,000
INHERITANCE	95,000,000	97,650,000	2,650,000
TOBACCO	320,900,000	285,760,000	(35,140,000)
MOTOR VEHICLE TITLE FEES	8,600,000	8,218,000	(382,000)
MIXED DRINK	27,500,000	28,049,000	549,000
BUSINESS	131,200,000	132,600,000	1,400,000
SEVERANCE	1,100,000	1,320,000	220,000
AMUSEMENT	300,000	300,000	-
UNAUTHORIZED SUBSTANCE	500,000	368,000	(132,000)
TOTAL	\$8,505,100,000	\$8,379,978,000	(\$125,122,000)

**MONTHLY SALES TAX DECLINE FOR FY07-08 AND FY08-09
PREPARED BY FISCAL REVIEW STAFF**

	FY07-08 INC. (DEC.)	FY08-09 INC. (DEC.)	TWO-YEAR INC. (DEC.)	
AUGUST	2.41	(1.27)	1.10	
SEPTEMBER	3.55	(3.42)	0.01	
OCTOBER	1.84	(4.71)	(2.96)	
NOVEMBER	4.41	(7.64)	(3.57)	
DECEMBER	4.67	(10.28)	(6.09)	
JANUARY	(1.36)	(6.87)	(8.14)	
FEBRUARY	(0.92)	(7.88)	(8.72)	
MARCH	0.60	(8.94)	(8.39)	
APRIL	(4.08)	(10.80)	(14.41)	¹⁾
MAY	1.20			
JUNE	(1.45)			
JULY	(1.36)			
TOTAL	0.68			

¹⁾ PROJECTED AS OF 4-30-09