



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

**DAVE GOETZ
COMMISSIONER**

FOR IMMEDIATE RELEASE
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FEBRUARY REVENUES

NASHVILLE, Tenn. – Tennessee revenue collections continued to decline in February. Finance and Administration Commissioner Dave Goetz announced today that overall February revenues, representing January sales, were \$668.4 million, which is \$69.7 million less than the amount budgeted for the month.

“February becomes the seventh consecutive month this fiscal year in which sales taxes and corporate income taxes experienced negative growth over a year ago,” Goetz said. “February also marks the twelfth negative growth month for sales tax collections out of the last fourteen months, reflecting a continued weakness in consumer confidence and the state’s overall economy.

“In spite of the severe revenue shortfall, the governor and the General Assembly will work together to end this fiscal year with a balanced budget as constitutionally required.”

On an accrual basis, February is the seventh month in the 2008-2009 fiscal year.

The general fund was under collected by \$61.1 million and the four other funds were under collected by \$8.6 million.

Sales tax collections were \$53.8 million less than the estimate for February. The February growth rate was negative 7.88%. The year-to-date growth rate for seven months is negative 5.99%.

Franchise and excise taxes combined were \$4.3 million below the budgeted estimate of \$37.7 million. For seven months revenues are under collected by \$166.6 million. The year-to-date growth rate for seven months is negative 23.35%.

Gasoline and motor fuel collections for February decreased by 5.75%, but were \$293,000 above the budgeted estimate of \$70.9 million. For seven months revenues are under collected by \$33.4 million.

Tobacco tax collections were \$1.2 million over the budgeted estimate of \$23.6 million. For seven months revenues are under collected in the amount of \$4.6 million.

Year-to-date collections for seven months were \$591.8 million less than the budgeted estimate. The general fund was under collected by \$543.2 million and the four other funds were under collected by \$48.6 million.

The budgeted revenue estimates for 2008-2009 are based on the State Funding Board’s consensus recommendation adopted by the second session of the 105th General Assembly in May of 2008.

**REVENUE COLLECTIONS
FEBRUARY, 2009, AND 7 MONTHS YEAR-TO-DATE**

February Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$587,484,000	\$526,382,000	(\$61,102,000)
Highway Fund	62,720,000	56,172,000	(6,548,000)
Sinking Fund	25,779,000	25,394,000	(385,000)
City & County Fund	61,190,000	59,513,000	(1,677,000)
Earmarked Fund	891,000	892,000	1,000
Total	\$738,064,000	\$668,353,000	(\$69,711,000)

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$5,121,284,000	\$4,578,098,000	(\$543,186,000)
Highway Fund	409,754,000	391,290,000	(18,464,000)
Sinking Fund	184,081,000	181,409,000	(2,672,000)
City & County Fund	455,043,000	427,603,000	(27,440,000)
Earmarked Fund	6,241,000	6,241,000	0
Total	\$6,176,403,000	\$5,584,641,000	(\$591,762,000)

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	February			
	2008	2009	Change	Percent
Franchise & Excise	\$38,227,000	\$33,405,000	(\$4,822,000)	-12.61%
Income	2,782,000	2,094,000	(688,000)	-24.73%
Inheritance & Estate	9,874,000	4,134,000	(5,740,000)	-58.13%
Gasoline	51,597,000	53,271,000	1,674,000	3.24%
Petroleum Special	5,384,000	5,408,000	24,000	0.45%
Tobacco	23,091,000	24,753,000	1,662,000	7.20%
Beer	1,446,000	1,485,000	39,000	2.70%
Motor Vehicle Registration	24,929,000	21,672,000	(3,257,000)	-13.07%
Motor Vehicle Title	892,000	802,000	(90,000)	-10.09%
Mixed Drink	4,165,000	4,239,000	74,000	1.78%
Business	954,000	592,000	(362,000)	-37.95%
Privilege	16,489,000	12,035,000	(4,454,000)	-27.01%
Gross Receipts	87,000	29,000	(58,000)	-66.67%
TVA - In Lieu of Tax Payments	22,011,000	24,015,000	2,004,000	9.10%
Alcoholic Beverage	2,544,000	2,614,000	70,000	2.75%
Sales and Use	504,791,000	465,029,000	(39,762,000)	-7.88%
Motor Vehicle Fuel	18,588,000	12,546,000	(6,042,000)	-32.50%
Severance	227,000	167,000	(60,000)	-26.43%
Coin-operated Amusement	2,000	18,000	16,000	800.00%
Unauthorized Substance	185,000	45,000	(140,000)	-75.68%
Total	\$728,265,000	\$668,353,000	(\$59,912,000)	-8.23%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - February			
	2007-2008	2008-2009	Change	Percent
Franchise & Excise	\$732,102,000	\$561,167,000	(\$170,935,000)	-23.35%
Income	19,569,000	17,125,000	(2,444,000)	-12.49%
Inheritance & Estate	54,601,000	44,263,000	(10,338,000)	-18.93%
Gasoline	365,279,000	346,953,000	(18,326,000)	-5.02%
Petroleum Special	38,596,000	35,941,000	(2,655,000)	-6.88%
Tobacco	156,845,000	176,355,000	19,510,000	12.44%
Beer	10,778,000	10,375,000	(403,000)	-3.74%
Motor Vehicle Registration	133,553,000	127,474,000	(6,079,000)	-4.55%
Motor Vehicle Title	6,111,000	5,651,000	(460,000)	-7.53%
Mixed Drink	31,610,000	31,314,000	(296,000)	-0.94%
Business	10,614,000	12,750,000	2,136,000	20.12%
Privilege	153,989,000	115,213,000	(38,776,000)	-25.18%
Gross Receipts	14,007,000	18,915,000	4,908,000	35.04%
TVA - In Lieu of Tax Payments	160,274,000	163,027,000	2,753,000	1.72%
Alcoholic Beverage	25,129,000	25,956,000	827,000	3.29%
Sales and Use	4,039,337,000	3,797,431,000	(241,906,000)	-5.99%
Motor Vehicle Fuel	108,542,000	92,380,000	(16,162,000)	-14.89%
Severance	1,348,000	1,494,000	146,000	10.83%
Coin-operated Amusement	60,000	93,000	33,000	55.00%
Unauthorized Substance	1,261,000	764,000	(497,000)	-39.41%
Total	\$6,063,605,000	\$5,584,641,000	(\$478,964,000)	-7.90%

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

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Sales Tax	\$ (329,100,000)	\$ (5,600,000)	\$ (334,700,000)
Income Tax	(1,700,000)	(900,000)	(2,600,000)
Inheritance Tax	(7,500,000)	0	(7,500,000)
Privilege Tax	(29,500,000)	0	(29,500,000)
Business Tax	1,600,000	0	1,600,000
TVA	(1,400,000)	(1,000,000)	(2,400,000)
Gross Receipts	1,300,000	0	1,300,000
Gasoline & Motor Fuel Taxes	(1,600,000)	(31,800,000)	(33,400,000)
Motor Vehicle Registration	(1,700,000)	(7,300,000)	(9,000,000)
Other Taxes	(7,000,000)	(2,000,000)	(9,000,000)
Tobacco	(4,600,000)	0	(4,600,000)
Beer	(200,000)	(200,000)	(400,000)
Motor Vehicle Title	(700,000)	(200,000)	(900,000)
Mixed Drink	(1,800,000)	(1,800,000)	(3,600,000)
Alcoholic Beverage	300,000	100,000	400,000
Severance	100,000	400,000	500,000
Coin Operated Amusement	0	0	0
Unauthorized Substance	(100,000)	(300,000)	(400,000)
Sub-Total	\$ (376,600,000)	\$ (48,600,000)	\$ (425,200,000)
F & E Taxes	(166,600,000)	0	(166,600,000)
Total	\$ (543,200,000)	\$ (48,600,000)	\$ (591,800,000)