TENNESSEE REVENUE ESTIMATES

FISCAL YEARS 2005-06 AND 2006-07

PRESENTED TO

TENNESSEE STATE FUNDING BOARD

NOVEMBER 30, 2005

James W. White
Executive Director
Fiscal Review Committee

SCHEDULE 1'

SCHEDULE SHOWING 2005-06 AND 2006-07 REVENUE ESTIMATES
FOR ALL FUNDS BY FISCAL REVIEW STAFF
ACCRUAL COLLECTIONS

REVENUE SOURCE	ACTUAL ACCRUAL COLLECTIONS FY 04-05	FRC STAFF ESTIMATES FY 05-06	PERCENT INCREASE OVER FY 04-05	FRC STAFF ESTIMATES FY 06-07	PERCENT INCREASE OVER FY 05-06
SALES & USE TAX	$6,091,545,800	$6,420,489,000	5.4 [2]	$6,709,411,000	4.5 [3]
GASOLINE TAX	608,050,800	612,314,000	0.7	618,437,000	1.0
MOTOR FUEL TAX	173,682,100	178,273,000	2.6	183,621,000	3.0
GASOLINE INSPECTION TAX	63,634,400	64,331,000	1.1	65,618,000	2.0
MOTOR VEHICLE REG. TAX	244,153,800	253,920,000	4.0	261,538,000	3.0
INCOME TAX	155,919,100	166,833,000	7.0 [4]	175,175,000	5.0 [4]
PRIVILEGE TAX - LESS EARMARKED[1]	264,933,100	286,128,000	8.0 [5]	294,712,000	3.0
GROSS RECEIPTS TAX:					
TVA	216,214,800	219,714,000	1.6	224,767,000	2.3
OTHER	19,669,400	20,850,000	6.0	21,684,000	4.0
BEER TAX	17,254,900	17,514,000	1.5	17,829,000	1.8
ALCOHOLIC BEVERAGE TAX	37,115,700	38,600,000	4.0	39,565,000	2.5
FRANCHISE & EXCISE TAX	1,371,998,000	1,440,598,000	5.0 [6]	1,498,222,000	4.0 [7]
INHERITANCE TAX	82,890,400	87,864,000	6.0	89,621,000	2.0
TOBACCO TAX	120,512,200	121,115,000	0.5	121,115,000	---------
MOTOR VEHICLE TITLE FEES	11,396,200	11,567,000	1.5	11,798,000	2.0
MIXED DRINK TAX	43,142,900	45,731,000	6.0	47,560,000	4.0
BUSINESS TAX	114,662,900	116,383,000 [8]	1.5	118,711,000	2.0
SEVERANCE TAX	1,405,300	1,500,000	6.7	1,500,000	---------
AMUSEMENT TAX	349,700	400,000	14.4	400,000	---------
UNAUTHORIZED SUBSTANCE	65,800	450,000	583.9	500,000	11.1
TOTAL REVENUES	**$9,638,597,300**	**$10,104,574,000**	4.83	**$10,501,784,000**	3.93
CURRENT REVISED EST. FY O5-06					
SALES TAX		$6,346,000,000			
FRANCHISE & EXCISE TAX		$1,358,400,000			
ALL FUNDS		$9,889,200,000			
EST. OVERAGE COMPARED					
TO FY 05-06 REVISED ESTIMATE:					
ALL FUNDS		$215,374,000			
GENERAL FUND		$196,614,000			

FOOTNOTES SHOWN ON THE ATTACHED SHEET

FRC 11-30-05

FOOTNOTES FOR SCHEDULE 1

1) PRIVILEGE TAX COLLECTIONS ARE REDUCED BY $32,000,000 EACH YEAR FOR THE EARMARKED PORTION OF THE TAX.

2) THE 5.4% INCREASE REFLECTS AN ESTIMATED GROWTH RATE OF 4.7% FOR NOVEMBER-JULY 06 OVER THE COMPARABLE PERIOD OF NOVEMBER-JULY 05. THIS TAKES INTO ACCOUNT A ONE-TIME SALES TAX PAYMENT OF $9,400,000 COLLECTED IN SEPTEMBER 2005. THE ESTIMATED RATE OF GROWTH EXCLUDING THE ONE-TIME PAYMENT IS APPROXIMATELY 5.25%.

3) THE 4.5% INCREASE ASSUMES THE INCREASE IN SALES TAX COLLECTIONS FOR FY07 WILL NOT VARY SIGNIFICANTLY OVER FY06 AND WOULD BE APPROXIMATELY 4.65% EXCLUDING THE ONE-TIME SALES TAX PAYMENT RECEIVED IN SEPTEMBER 2005.

4) THE FY06 AND FY07 ESTIMATED COLLECTIONS REFLECT CONTINUED GROWTH AFTER A 20.0% GROWTH RATE FOR FY04 AND AN 11.0% GROWTH RATE IN FY05.

5) THE 8.0% INCREASE REFLECTS SIGNIFICANT GROWTH FOR THE FIRST QUARTER OF FY06 WHICH IS $11,400,000 OVER THE BUDGETED ESTIMATE.

6) THE 5.0% INCREASE REFLECTS AN ESTIMATED GROWTH RATE OF APPROXIMATELY 3.10% FOR NOVEMBER-JULY 06 OVER THE COMPARABLE PERIOD OF NOVEMBER-JULY 05 AND TAKES INTO ACCOUNT THE 15.3% INCREASE IN COLLECTIONS FOR THE FIRST QUARTER OF FY06. THE BUDGETED ESTIMATE FOR F&E COLLECTIONS FOR FY06 IS 1% LESS THAN ACTUAL ACCRUAL COLLECTIONS FOR FY05.

7) THE ESTIMATED 4.0% INCREASE ASSUMES CONTINUED GROWTH IN COLLECTIONS FOR FY07.

8) THE ESTIMATED COLLECTIONS FOR BUSINESS TAXES ARE SIMILAR TO THE AMOUNTS COLLECTED IN FY05 BUT WILL RESULT IN AN OVERAGE OF APPROXIMATELY $13,700,000 ABOVE THE BUDGETED BUSINESS TAX ESTIMATES FOR FY06.

SCHEDULE 2

SCHEDULE SHOWING FISCAL REVIEW STAFF
REVENUE ESTIMATES FOR ALL FUNDS AND THE
GENERAL FUND FOR FISCAL YEAR 05-06

	ALL FUNDS	GENERAL FUND
REVENUE SOURCE	FY 05-06	FY 05-06
SALES & USE TAX	$6,420,489,000	$6,136,061,000
GASOLINE TAX	612,314,000	11,328,000
MOTOR FUEL TAX	178,273,000	3,387,000
GASOLINE INSPECTION TAX	64,331,000	18,965,000
MOTOR VEHICLE REGISTRATION TAX	253,920,000	49,489,000
INCOME TAX	166,833,000	120,337,000
PRIVILEGE TAX	286,128,000	286,128,000
GROSS RECEIPTS TAX:		
TVA	219,714,000	130,730,000
OTHER	20,850,000	17,739,000
BEER TAX	17,514,000	11,874,000
ALCOHOLIC BEVERAGE TAX	38,600,000	32,200,000
FRANCHISE & EXCISE TAX	1,440,598,000	1,275,998,000
INHERITANCE TAX	87,864,000	87,864,000
TOBACCO TAX	121,115,000	121,115,000
MOTOR VEHICLE TITLE FEES	11,567,000	8,867,000
MIXED DRINK TAX	45,731,000	24,649,000
BUSINESS TAX	116,383,000	116,383,000
SEVERANCE TAX	1,500,000	450,000
AMUSEMENT TAX	400,000	400,000
UNAUTHORIZED SUBSTANCE	450,000	450,000
TOTAL	$10,104,574,000	$8,454,414,000

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SCHEDULE 3

SCHEDULE SHOWING FISCAL REVIEW STAFF
REVENUE ESTIMATES FOR ALL FUNDS AND THE GENERAL FUND
FISCAL YEAR 06-07

	ALL FUNDS	GENERAL FUND
REVENUE SOURCE	FY 06-07	FY 06-07
SALES & USE TAX	$6,709,411,000	$6,412,184,000
GASOLINE TAX	618,437,000	11,441,000
MOTOR FUEL TAX	183,621,000	3,489,000
GASOLINE INSPECTION TAX	65,618,000	19,344,000
MOTOR VEHICLE REGISTRATION TAX	261,538,000	50,974,000
INCOME TAX	175,175,000	126,354,000
PRIVILEGE TAX	294,712,000	294,712,000
GROSS RECEIPTS TAX:		
TVA	224,767,000	133,736,000
OTHER	21,684,000	18,449,000
BEER TAX	17,829,000	12,088,000
ALCOHOLIC BEVERAGE TAX	39,565,000	33,005,000
FRANCHISE & EXCISE TAX	1,498,222,000	1,333,622,000
INHERITANCE TAX	89,621,000	89,621,000
TOBACCO TAX	121,115,000	121,115,000
MOTOR VEHICLE TITLE FEES	11,798,000	9,098,000
MIXED DRINK TAX	47,560,000	25,635,000
BUSINESS TAX	118,711,000	118,711,000
SEVERANCE TAX	1,500,000	450,000
AMUSEMENT TAX	400,000	400,000
UNAUTHORIZED SUBSTANCE	500,000	500,000
TOTAL	$10,501,784,000	$8,814,928,000
ESTIMATED DOLLAR GROWTH OVER FRC ESTIMATE FOR FY 05-06	$397,210,000	$360,514,000

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