Municipal Technical Advisory Service
...in cooperation with the Tennessee Municipal League

State-Shared Taxes and Appropriations (2016-2017)

Reference Number: MTAS-545
Tennessee Code Annotated
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REVISED

The Tennessee Department of Revenue makes payments of state-shared revenues to all Tennessee municipalities based on population. MTAS tracks the monthly revenues reported by the Department of Revenue and uses those along with estimates to forecast what cities may expect to receive in the coming fiscal year.

The first column (original estimate) in the chart below shows what was originally estimated for the 2015-16 fiscal year ($116.65). The second column (updated estimate) looks at actual receipts for the first seven months of fiscal year 2015-16, compares them to the prior fiscal year and computes a percentage increase or decrease, then uses that to estimate what cities may realize as revenue through June of 2016.

The third column takes what is estimated through June, and using available market data including the state's estimated growth for 2016-17, makes a conservative estimate of state-shared revenues for the 2016-17 fiscal year. This estimate is preliminary, especially since only sevenmonths of actual data are available at this time.

Through January 2017 state sales tax shows a state-wide increase of 6.9 percent over the prior year. State beer tax and the special petroleum tax have remained virtually unchanged. The TVA in-lieu-of tax is slightly head of our estimate for 2015-16. Gasoline and motor fuel taxes have increased about 4.0 percent over the prior year. MTAS will review monthly actual revenue and will update the estimate if it changes significantly.

	Original Estimate 2015-2016	**Updated Estimate 2015-2016**	**Estimate 2016-2017**
General Fund	**Per Capita Amount**	**Per Capita Amount**	**Per Capita Amount**
State Sales Tax	$76.00	$78.70	$81.00
State Beer Tax	.50	.50	.50
Special Petroleum Products Tax (City Streets and Transportation Revenue)	2.05	2.05	2.05
Gross Receipts Tax (TVA in lieu of taxes)	11.60	11.75	11.75
Total General Fund Revenue	**$90.15**	**$93.00**	**$95.30**
State Street Aid Funds			
Gasoline and Motor Fuel Taxes	$26.50	$27.45	$28.00
Total Per Capita (General and State Street Aid Funds)	**$116.65**	**$120.45**	**$123.30**

Responsible: Brad Harris

‹ State-Shared Taxes up Petroleum Taxes ›