University of Tennessee, Knoxville
Trace: Tennessee Research and Creative Exchange

MTAS Publications: Hot Topics | Municipal Technical Advisory Service (MTAS)

5-30-2008

State Shared Taxes and Appropriations (2008-2009)

Dick Phebus
Municipal Technical Advisory Service

Follow this and additional works at: http://trace.tennessee.edu/utk_mtastop

Part of the Public Administration Commons

The MTAS publications provided on this website are archival documents intended for informational purposes only and should not be considered as authoritative. The content contained in these publications may be outdated, and the laws referenced therein may have changed or may not be applicable to your city or circumstances.
For current information, please visit the MTAS website at: mtas.tennessee.edu.

Recommended Citation
Phebus, Dick, "State Shared Taxes and Appropriations (2008-2009)" (2008). *MTAS Publications: Hot Topics.*
http://trace.tennessee.edu/utk_mtastop/56

This Bulletin is brought to you for free and open access by the Municipal Technical Advisory Service (MTAS) at Trace: Tennessee Research and Creative Exchange. It has been accepted for inclusion in MTAS Publications: Hot Topics by an authorized administrator of Trace: Tennessee Research and Creative Exchange. For more information, please contact trace@utk.edu.

THE UNIVERSITY of TENNESSEE
MUNICIPAL TECHNICAL ADVISORY SERVICE
...in cooperation with the Tennessee Municipal League

#163
HOT topic

May 30, 2008

2008-2009 STATE SHARED TAXES AND APPROPRIATIONS

C. Richard Phebus, Finance and Accounting Consultant

The second session of the 105thTennessee General Assembly adjourned on May 22, 2008. Faced with substantial shortfalls in revenues for both fiscal years ending June 30, 2008 and June 30, 2009, the general assembly made significant reductions to both years' original appropriations. While these reductions impacted many state departments and state universities, the municipal share of the state-shared taxes were largely unaffected except for revenue growth projections. Based on these projections for FYE 2009, municipalities are expected to receive approximately $112.46 per capita for the fiscal year beginning July 1, 2008.

Following is a breakdown of what cities can expect to receive this year. For cities that are in the process of adopting a budget or have already approved one, financial personnel should review this information to determine if adjustments to the budget document are necessary.

STATE SHARED TAX	PER CAPITA AMOUNT
General Fund	
State Sales Tax	$ 72.22
State Beer Tax	$ 0.56
Special Petroleum Products *(City Streets and Transportation)*	$ 2.16
Gross Receipts Tax *(TVA in lieu)*	$ 9.65
Total General Fund Revenue	$ 84.59
State Street Aid Funds	
Gasoline and Motor Fuel Tax	$ 27.87
Total Per Capita (General and State Street Aid Funds)	**$112.46**

May 30, 2008

2008-2009 STATE SHARED TAXES AND APPROPRIATIONS

Following are other changes to taxes and miscellaneous items:

- **Hall Income Tax:** The statewide projections indicate very little growth due to economic conditions. Individual city amounts will fluctuate. Due to recent market volatility it would be prudent to be somewhat conservative in estimating your city's revenue.

- **Corporate Excise Tax:** The statewide projections indicate little growth. This tax is based on bank profits and is distributed based on situs in lieu of intangible personal property taxes. Cities must levy a property tax in order to receive revenue from this tax.

- **Mixed-Drink Tax:** The statewide projected increase is 4.5 percent.

- **Public Safety Salary Supplements:** HB 4219/SB 4213 was adopted by the General Assembly on the last day of the session. The public safety salary supplements for firefighters and police officers are to be funded at the same rate for FY 2009. Upon completion of certain training requirements police officers and firefighters are eligible for annual bonus salary supplements of $600 each.

MUNICIPAL TECHNICAL ADVISORY SERVICE

Knoxville (Headquarters) . . . (865) 974-0411
Johnson City . . . . . (423) 854-9882
(423) 282-0416
Jackson . . . . . (731) 423-3710
Nashville . . . . . (615) 532-6827
Martin. . . . . (731) 881-7057

The Municipal Technical Advisory Service (MTAS) is a statewide agency of the University of Tennessee Institute for Public Service. MTAS operates in cooperation with the Tennessee Municipal League to provide technical assistance services to officials of Tennessee's incorporated municipalities. Assistance is offered in areas such as accounting, administration, finance, public works, ordinance codification, and water and wastewater management.

MTAS *Hot Topics* are information briefs that provide a timely review of current issues of interest to Tennessee municipal officials. *Hot Topics* are free to Tennessee local, state, and federal government officials and are available to others for $2 each. Photocopying of this publication in small quantities for educational purposes is encouraged. For permission to copy and distribute large quantities, please contact the MTAS Knoxville office at (865) 974-0411.

www.mtas.tennessee.edu

The University of Tennessee is an EEO/AA/Title VI/Title IX/Section 504/ADA/ADEA institution.

MTAS1280 • E14-1050-000-057-08