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## Hot Topic: 2001-2002 State Revenue Estimates

Dick Phebus

*Municipal Technical Advisory Service*

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## 2001-2002 State Revenue Estimates

**By Dick Phebus**  
**MTAS Finance Consultant**

### State-Shared Taxes and Appropriations

After one of the longest sessions in the history of the Tennessee Legislature, the state's budget for FYE 2002 is still uncertain. On July 26, 2001, Gov. Don Sundquist vetoed the state's budget, sending lawmakers back to the Capitol on Aug. 7, 2001, for an override session.

In the meantime, the state continues to operate on a temporary budget passed by the Legislature last month to keep the government from shutting down July 1. The Department of Revenue continues to make state-shared revenue distributions to local governments. Based on revenue projections for FYE 2002, cities are expected to receive some \$99 for each resident.

The following is a breakdown of what cities can expect to receive. However, the **budget is not final**. If the Legislature does not override the Governor's veto, budget deliberations will continue.

<b>General Fund</b>	<b>Per Capita Amount</b>
State Sales Tax	\$66.87
State Beer Tax	.42
Special Petroleum Products Tax (gasoline inspection fee)	2.31
Gross Receipts (TVA in lieu of taxes)	6.58
Total General Revenue Per Capita	\$76.18
<b>State Street Aid Funds</b>	<b>Per Capita Amount</b>
Gasoline and Motor Fuel Taxes	\$23.28
<b>Total Per Capita (General and State Street Aid Funds)</b>	<b>\$99.46</b>

Also, there are:

- The Hall Income Tax. The statewide projected increase is 3 percent, but individual city amounts will fluctuate.
- The Corporate Excise Tax. The statewide revenues are projected to decrease 4 percent from FY 2001.
- The Mixed-Drink Tax. The statewide projected increase is 4.8 percent.
- The public safety salary supplements are projected to remain the same as FY 2001. The state will provide salary supplements not to exceed \$600 for police officers and \$450 for fire personnel. These supplements are not automatic; public safety personnel must meet certain requirements to qualify for these payments.

