



University of Tennessee, Knoxville
**TRACE: Tennessee Research and Creative
Exchange**

MTAS Publications: Hot Topics

Municipal Technical Advisory Service (MTAS)

6-26-2009

Hot Topic: State Shared Taxes and Appropriations (2009-2010)

Dick Phebus

Municipal Technical Advisory Service

Follow this and additional works at: https://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 The content contained in these publications may be outdated, and the laws referenced therein may have changed or may not be applicable to your city or circumstances.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, "Hot Topic: State Shared Taxes and Appropriations (2009-2010)" (2009). *MTAS Publications: Hot Topics*.
https://trace.tennessee.edu/utk_mtastop/45

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.



June 26, 2009

2009-2010 STATE SHARED TAXES AND APPROPRIATIONS
 Dick Phebus, Finance and Accounting Consultant

The first session of the 106th Tennessee General Assembly adjourned on June 19, 2009. Faced with substantial shortfalls in revenues for both fiscal years ending June 30, 2009, and June 30, 2010, the general assembly made significant reductions to both years' original appropriations. Many of the reductions affected state departments and state universities, which were forced to trim original budget requests. The municipal statutory share of state shared taxes was unaffected except for revenue growth projections. Based on economic projections for FY 2010, municipalities are expected to receive approximately \$102.47 per capita for the fiscal year beginning July 1, 2009.

Following is a breakdown of what municipalities can expect to receive in FY 2010. In cities that are in the process of adopting a budget or already have 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	\$ 64.44
State Beer Tax	\$ 0.52
Special Petroleum Products <i>(City streets and transportation revenue)</i>	\$ 2.15
Gross Receipts Tax <i>(TVA in lieu of taxes)</i>	\$ 9.89
Total General Fund Revenue	\$ 77.00
State Street Aid Funds	
Gasoline and Motor Fuel Taxes	\$ 25.47
Total Per Capita (General and State Street Aid Funds)	\$102.47

June 26, 2009

2009-2010 STATE SHARED TAXES AND APPROPRIATIONS

Also, there are:

- **The Hall Income Tax.** Statewide projections indicate very little growth due to economic conditions. Amounts to individual cities will fluctuate. Due to recent market volatility it would be prudent to be somewhat conservative in estimating your city's revenue.
- **The Corporate Excise Tax.** 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.
- **The Mixed-Drink Tax.** The statewide projected increase is 4 percent.
- **The state appropriations bill** (HB 2392/SB 2355) was adopted by the General Assembly near the end of the session. The public safety salary supplements for firefighters and police officers are to be funded at the same rate as for FY 2008. Upon completing certain in-service training requirements, qualified police officers and firefighters are eligible for annual bonus salary supplements of \$600 each.

MUNICIPAL TECHNICAL ADVISORY SERVICE

Knoxville (Headquarters) . . . (865) 974-0411	Jackson (731) 423-3710
Johnson City (423) 854-9882	Nashville (615) 532-6827
(423) 282-0416	Martin (731) 881-7055

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