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Revenue Sharing Data Corrections

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REVENUE SHARING DATA CORRECTIONS

Recently, each Tennessee municipality received a brief revenue sharing data computation form (ORS Form 3233), accompanied by a letter dated Oct. 26, 1973, from Graham Watt, director of the federal Office of Revenue Sharing. This form shows the data used to compute payments to cities for the fourth entitlement period (July 1, 1973 to June 30, 1974).

MTAS has received numerous requests from city officials about how to check the data on this brief form. This bulletin is intended to offer some practical advice, specifically for Tennessee cities, to supplement the more general instructions sent with the form.

NOV. 26, 1973 DEADLINE. Any suggested data corrections must be entered on ORS Form 3233 and the form mailed so as to reach the Office of Revenue Sharing no later than Nov. 26, 1973. Supporting documentation must accompany the form.

1970 POPULATION. Note that the 1970 federal Bureau of the Census figures are the ones used. The population is related to boundaries of municipalities as they existed on Dec. 31, 1972, so that municipal incorporations between April 1, 1970, and Dec. 31, 1972, are counted, and so are annexations of territory during the same period if they meet one of these requirements:

1. Cities of 5,000 population and over (as of 1970):
   (a) Annexations involving population equal to 5% or more of the annexing city’s population.

2. Cities under 5,000 population (as of 1970):
   (a) Annexations resulting in a post-annexation population of 5,000 or more (as of April 1, 1970).

   (b) Annexations in which the population of the area annexed is at least 250 and equal to or greater than the population of the annexing area (as of April 1, 1970).

   (c) Annexations in which the area annexed has a population of at least 1,000 (as of April 1, 1970).

If your city’s population differs from that shown on the form, and you can meet any of the requirements above, enter the population figure you feel is justified and submit supporting documentation. If you have no documents to support your annexed population, contact without delay Niles Schoening, Director of State Planning, Tennessee State Planning Office, Nashville, telephone (615) 741-2577.

(over)
1969 PER CAPITA INCOME. Per capita income was computed from calendar year 1969 money income data collected from 20% of households on a random sampling basis during the 1970 Federal Census. If your town had less than 500 inhabitants in 1970, the figure shown on your form is the average for your county.

It is unlikely that any further amendments to these per capita income figures will be made. However, if you feel that they are grossly incorrect, we suggest you call Richard Henderlight, state Office of Urban and Federal Affairs, Nashville, telephone (615) 741-2714, for verification of the overall average figure for your county and the figures for other cities in your county.

REVENUE DATA. The best source for checking these revenue figures would be the U.S. Bureau of the Census Form RS-9, which you filed in the past, giving revenues for your fiscal year that ended between July 1, 1971, and June 30, 1972. Form RS-9 came in a white and a green copy; you probably have on file the green copy. If you cannot find this form, refer to your audit report for the corresponding fiscal year.

Referring again to ORS Form 3233, compare the figure under FY 1972 Adjusted Taxes with the sum of revenues from these sources:

- City real estate taxes (omit any in lieu of tax payments received from your city's utilities).
- Your city's share of any county local option sales tax.
- Your city's local option sales tax levied in lieu of or in addition to the county's LST.
- Business tax, building permits, franchise fees (CATV, etc.)
- Alcoholic Beverage taxes and fees:
  - 17% wholesale beer tax
  - liquor inspection fee
  - municipal liquor license (authority to levy was repealed as of April 25, 1972)
  - retail liquor employee permits
  - wholesale liquor salesman permits.

(Omit service charges, such as refuse collection fees, fines and forfeitures, and interest). School taxes, if any, should be deducted from above to come up with adjusted taxes.

The last figure on the ORS form, under the heading FY 1972 Intergovernmental Transfers, should be checked against the sum of revenues from these sources (again consult your RS-9 Form or audit report):

- State sales tax
- State beer tax
- State gasoline tax
- State income tax
- Law enforcement grants
- Other county, state, or federal grants

If the sums calculated above do not agree with those on the ORS form, enter the corrections, and send the form and documentary supporting proof, preferably a copy of your audit report, to the Office of Revenue Sharing in Washington. You may even wish to send copies of city ordinances, copies of portions of your charter, and citations to pertinent sections of the Tennessee Code Annotated.

A final suggestion: mail the corrected, signed and dated ORS Form 3233 and supporting documentation by Certified First Class or Air Mail, with a Return Receipt Requested. If you have any questions, contact your MTAS District Consultant or the MTAS Headquarters Office.