



Department of
Revenue



2017-2018 Annual Report

Tennessee Department of Revenue | Annual Report



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I. Letter from the Commissioner



We had another busy and successful year at the Department of Revenue. During fiscal year 2017-2018, we added a second group of taxes to our new tax system. We are now officially halfway through implementing our system, which will be fully in place by 2020.

The U.S. Supreme Court also issued a landmark decision in *South Dakota v. Wayfair*, overturning the physical presence rule for sales tax collection that previously applied under *Quill Corp. v. North Dakota*. We are still evaluating what this will mean for Tennessee, but it will have an impact on us, as well other states.

The Department of Revenue plays an important role for the State of Tennessee and the people who live here. As the state's chief tax collection agency, the department is also responsible for administering the majority of Tennessee's taxes, motor vehicle title and registration laws, and ensuring the collection of around 87 percent of the state's total revenue. The tax dollars collected each year go to fund the many important services that Tennesseans depend on, including roads, bridges, schools, health programs, public safety, and more.

As the Commissioner of the Department of Revenue, I can say that I am truly proud of this department and the service we provide to taxpayers across the state. We are thankful for the opportunity to serve the citizens of Tennessee, and we look forward to what fiscal year 2018-2019 has in store.

A handwritten signature in cursive script that reads "David Gerregano". The ink is dark and the signature is fluid and legible.

David Gerregano

II. Mission, Vision and Values

To provide a better understanding of what shapes the Department's work, read about our mission, vision and values.

Our Mission:

The mission of the Department of Revenue is to fund public services through tax compliance and motor vehicle registration by providing education, fair enforcement, and excellent customer service.

Our Vision:

Our vision is to achieve the highest level of employee engagement and efficiency in revenue collection using forward-thinking leadership and innovative systems.

Our Core Values:

- **Integrity:** We are honest and ethical.
- **Respect:** We honor different perspectives and treat people with courtesy.
- **Responsiveness:** We react timely and positively to customers and co-workers.
- **Collaboration:** We work together to creatively solve problems and achieve shared goals.
- **Accountability:** We take responsibility for our actions.
- **Professionalism:** We perform to the highest standards of conduct.

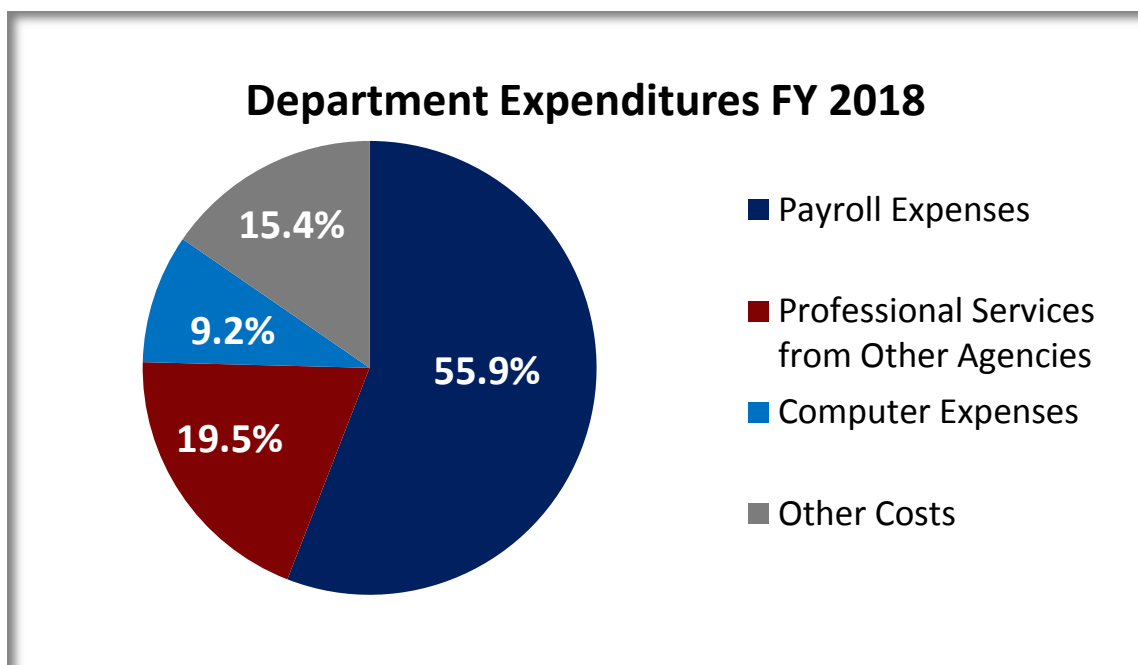
III. About the Department

The Tennessee Department of Revenue serves as the state’s primary tax-collecting agency, administering more than 25 different taxes and fees. In addition to tax collection and enforcement, the Department is responsible for Tennessee’s motor vehicle registration and title laws.

During the 2017-2018 fiscal year, the Department collected \$14.6 billion in state taxes and fees. The Department also collected more than \$2.8 billion in taxes for local, county, and municipal governments. 91 percent of tax returns were filed online.

The Department of Revenue has an annual budget of approximately \$133 million. About 25% of the Department’s budget comes from fees for services to local governments. A very small percentage is received through federal funding. The remaining 75% derives from state appropriations.

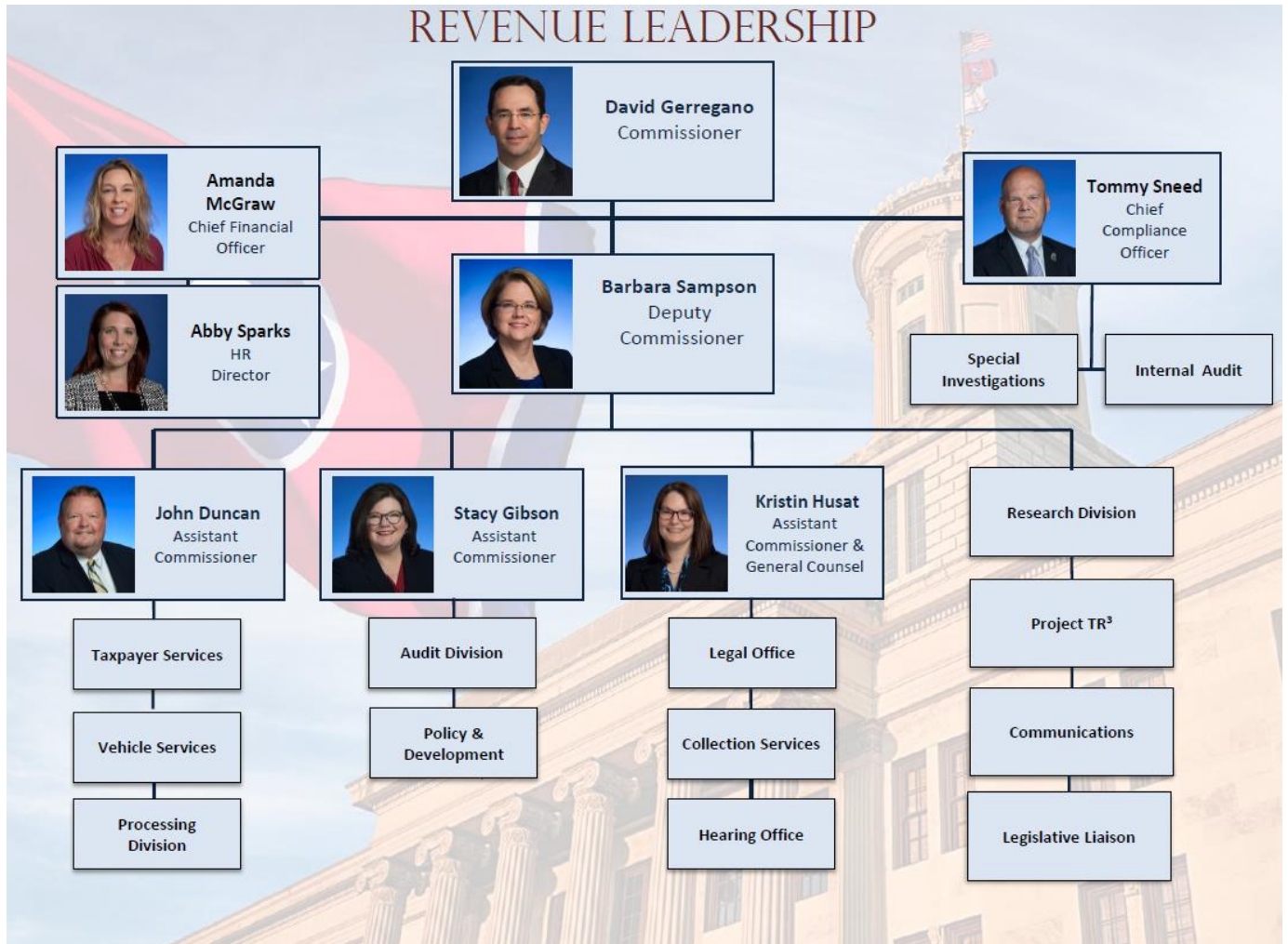
The Department’s expenditures break down as follows (see chart below):



The Department's functions include:

- Collection and apportionment of \$17.4 billion in revenues annually
- Administration of Tennessee's motor vehicle title and registration laws
- Promotion of voluntary compliance with Tennessee tax laws through taxpayer education and customer service
- Fair and practical administration of tax policy
- Compliance-focused audits of taxpayers across all tax types
- Collection of delinquent tax revenues, with a focus on promoting voluntary tax compliance
- Tobacco regulation and diligent enforcement (in conjunction with the Attorney General's Office)
- Investigation of criminal tax fraud cases and assisting district attorneys with criminal tax fraud prosecutions
- Motor vehicle anti-theft inspections and investigations
- Administration of Tennessee's motor vehicle insurance verification law
- Lockbox services for other state agencies

IV. Organization of the Department



To learn more about Revenue’s executive leadership team, [read their bios here](#).

V. Divisions

More than 900 people work for the Department of Revenue to:

- educate and assist taxpayers,
- administer the state's motor vehicle title and registration laws,
- conduct tax research and economic analysis,
- enforce tax laws fairly and consistently, and
- process returns and other documentation.

Read more about each one of Revenue's divisions and what they do:

Administration Division: The Administration Division includes the Communications, Financial Control/Fiscal, Hearing, Human Resources, Internal Audit, Legal, Research, and Special Investigations offices:

Communications Office: The Communications Office creates and executes the Department's communication's strategy. This includes press releases, media inquiries, social media, video content, website information and written information mailed to taxpayers.

Financial Control/Fiscal Office: This office coordinates the department's fiscal functions, including allocating tax revenues to local governments. The office develops and administers an annual budget, risk assessments, ensures appropriate segregation of duties, and monitors cash flow.

Hearing Office: The Hearing Office works with taxpayers through informal conferences to resolve disputes about tax assessments and tax refund claim denials. Hearing Office personnel are required to exercise independent judgment and to render decisions on individual issues based on the facts and the law. General information about topics covered during the Hearing Office's 2018 conferences, as well as other information, is available in its annual report on the Department's

website under the “Request an Informal Conference” page under the “How Do I?” section.

Human Resources Office: The Human Resources Office serves as a resource to employees and management regarding policy and procedural interpretations. This office serves as a liaison with Department of Human Resources related transactions, compensation, payroll, benefits and employee relation issues.

Internal Audit: The Internal Audit Office conducts operational and financial audits to ensure compliance with federal, state and departmental regulations, as well as testing and consulting services regarding the safeguard of state and federal tax information.

Legal Office: The Legal Office is a team of attorneys who handle more than 75 tax litigation cases a year, draft tax rulings and legislation, and provide legal counsel on all matters involving the Department. The office ensures the state’s best interests are protected while providing a high level of customer service.

Research Division: This division conducts tax research and economic analysis to assist decision makers in other areas of state and local government. The Research division estimates potential revenue impacts of proposed legislation, helps develop state tax revenue forecasts, and evaluates comparative tax policies to determine fiscal effects.

Special Investigations: Revenue’s Special Investigations (SI) Division’s primary mission is to investigate internal and external attempts to corrupt tax administration; vehicle salvage and rebuilt titling schemes; civil and criminal violations relating to key tax commodities; and workplace harassment.

Audit: The Audit Division is the largest division in the Department of Revenue with more than 350 employees. There are eight field offices across Tennessee and six offices in cities across the United States. Employees perform field and office audits of all tax types and process refund claims and penalty waiver applications. The division reviews taxpayer



records to determine compliance with state tax laws and educates taxpayers about tax requirements.

Collection Services: This division is charged with recovering taxes that are due but have not been remitted to the state. Employees work directly with delinquent businesses and individuals to collect overdue taxes and protect against efforts to avoid payment. The division may serve levies, seize and sell assets, as well as file a tax lien to protect Tennesseans' best interests. When a taxpayer is unable to pay their tax bill or needs more time to pay in full, this division can offer payment plans and negotiate compromise offers.

Policy and Development: The Tax Policy and Development Office (Tax Policy Office) reviews and analyzes legislation, regulations, rulings, website publications and tax forms to determine any impact changes may have on taxpayers and the Department. The policy team is responsible for research of complex tax issues, provides informal opinions in response to taxpayer requests and is the primary producer of important notices issued by the Department to provide guidance to taxpayers.

Processing: This division processes tax returns and payments, updates taxpayer accounts, and performs lockbox services for five other state agencies. The Department continues to promote electronic tax filing.

Project TR³: The Project TR³ team is responsible for ensuring the Department's new tax system meets its business and information technology needs. This division is a mix of state employees and vendor consultants. The new tax system rolls out in four phases, with each phase covering a group of taxes. The first phase launched on March 5, 2017. The project will be completed by the spring of 2020.

Taxpayer Services: The Taxpayer Services Division is the customer service arm of the Department. This division focuses on answering taxpayer questions, educating taxpayers to improve compliance, as well as taxpayer registration, call center operations, and processing exemption applications. There are several taxpayer education opportunities held each year, such as free workshops for new business owners, seminars and webinars.



Vehicle Services: The Vehicle Services Division provides motor vehicle title and registration services to passenger and commercial motor vehicles, motorcycles, ATVs, trailers, and mobile homes. Working with 95 county clerks throughout the state, Vehicle Services registered about 7 million vehicles and issued 2.5 million new titles in fiscal year 2018.

VI. 2017-2018 Year in Review

South Dakota v. Wayfair Overturns Physical Presence Rule



On June 21, 2018, the United States Supreme Court issued its decision in *South Dakota v. Wayfair, Inc.* and overturned the several decades old physical presence rule that previously applied under *Quill Corp. v. North Dakota*.

This decision will alter the landscape for sales tax collection across the country, particularly for states that are heavily dependent on sales tax, like Tennessee. Prior to *Wayfair*, a state could not require an out-of-state dealer to collect its sales tax unless the dealer had a physical presence in the taxing state. After *Wayfair*, that physical presence rule no longer exists.

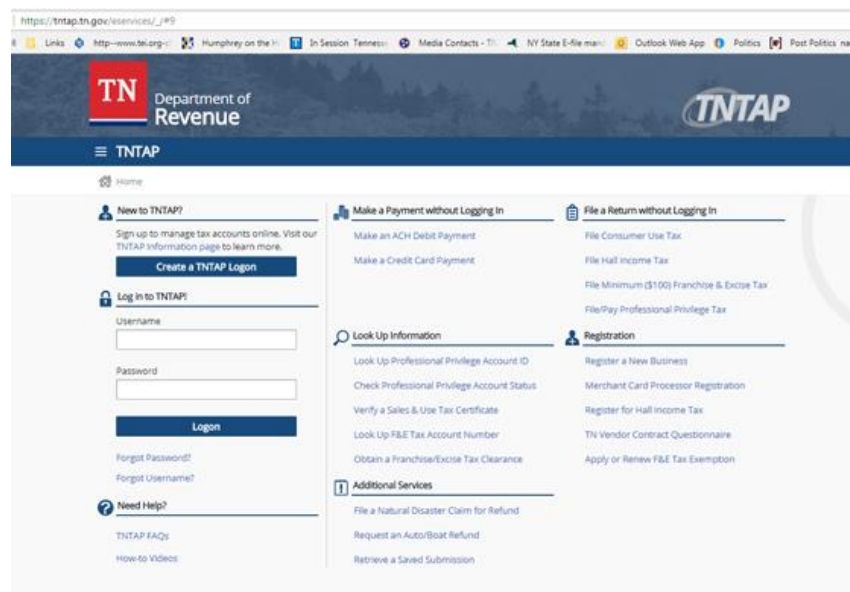
In Tennessee, we are still evaluating *Wayfair's* potential impact, and we must take additional steps before being able to enforce sales tax collection by out-of-state dealers. Tennessee has established an economic nexus rule, Rule 129(2), which requires an out-of-state dealer with sales of more than \$500,000 to Tennessee customers to register and remit sales tax in this state. However, in May 2017, the Tennessee General Assembly passed legislation that prohibits the Department from enforcing Rule 129(2) until the legislature reviews the *Wayfair* decision. The legislature may review Rule 129(2) when it reconvenes in 2019.

Until the Department issues public notice stating the date upon which it will begin enforcing Rule 129(2), it remains optional for an out-of-state dealer to register with the Department and remit sales tax from its Tennessee customers. However, the Department encourages these dealers to voluntarily collect and remit the tax as a convenience to their customers.

TNTAP Gets a Fresh Look As New Taxes Are Added

The Department’s new tax filing website, [TNTAP \(the Tennessee Taxpayer Access Point\)](https://tntap.tn.gov), got a fresh look when another group of taxes (franchise and excise tax, business tax, Hall income tax, and IFTA/IRP) were added to the site in May 2018. This new group of taxes joined sales and use tax, television and telecommunications sales tax; consumer use tax; liquor-by-the-drink tax; professional privilege tax; and tobacco tax as taxes available to file through TNTAP. All taxes the Department administers will be added to TNTAP by 2020.

TNTAP’s new layout is easier to navigate. Several functions are available without the need to log in to your account. Additionally, all of these features are available in a single location (the TNTAP homepage), rather than several different websites. A photo of the new TNTAP homepage is below.



2018 Tax Season Accomplishments

The Department of Revenue had another busy and successful 2018 tax season. Here are some of the many accomplishments of Revenue employees during the 2018 tax season, all with a priority to provide excellent customer service:

- The Taxpayer Services call center handled more than 37,000 calls (an average of 2,000 calls per work day) and solved nearly 5,000 online help tickets.
- More than 15 percent of all Revenue tax mail arrives in April.
- More than 97,000 paper tax returns were received (3% decrease in paper compared to 2017).
- More than \$4.5 billion dollars were collected in state revenue.
- The Revenue Processing Division worked with more than 1,300 walk-in customers throughout the month.



Problem Resolution Office Acts as Additional Customer Service Tool



The Department of Revenue established the Problem Resolution Office (PRO) in October 2017 with the goal of providing support to Tennessee taxpayers who were not able to resolve their tax issues through the department's normal resolution process. This role is similar to the taxpayer advocate roles of some other state tax agencies.

The duties of the PRO include:

- Acting as a liaison between the department's various operational divisions in order to facilitate consistent communication and effective resolutions to individual tax issues.
- Serving as a potential advocate for taxpayers who feel they have been treated in a manner inconsistent with Tennessee's tax laws
- Reviewing taxpayer issues for administrative inconsistencies and/or incorrect application of department policies
- Identifying systemic administrative issues and provides suggestions to improve them

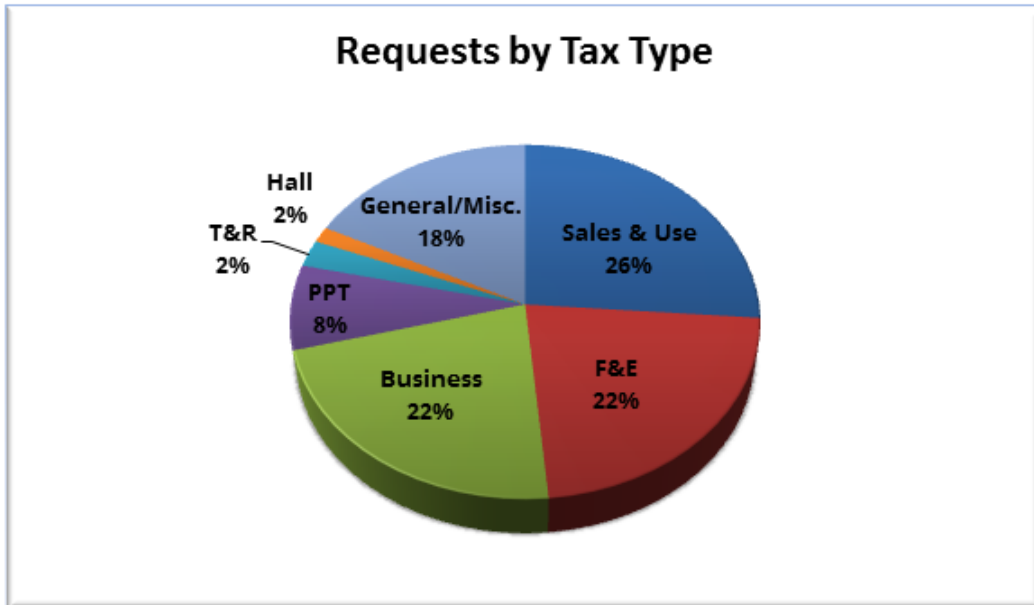
The PRO does not:

- Change or interpret Tennessee's tax laws for individual situations
- Intercede in audits, hearings, collections cases, or requests for penalty waiver or refund
- Provide general account information or assist with filing returns

- Act as legal counsel
- Reduce liabilities or overturn assessments

The PRO had a successful first year. It received 206 unique requests for taxpayer assistance, and the majority of submitted requests were addressed within one business day. Most requests during the office’s first year of operation involved tax account questions and filing issues. A breakdown of requests by tax type is detailed below.

Breakdown of Requests by Tax Type:



Total Requests: 206

- Sales & Use Tax: 54
- F&E: 46
- Business: 46
- Professional Privilege Tax: 16
- T&R: 5

- Hall Income: 3
- General/Misc.*: 36

*Includes questions on general TNTAP registration and navigation, federal taxes, property tax, etc.

New Online Assistance Available for Business Owners



Many Tennessee business owners rely on the Department of Revenue's tax education programs to ensure their businesses are compliant and in good standing. Previously, the Department has offered free tax workshops in various locations across the state every other month.

While attendees provided good reviews of the in-person workshops, the Department believes it can reach more entrepreneurs by offering these same services online through short webinars and how-to videos. Revenue's Taxpayer Services Division has created informational videos that cover a variety of topics, such as:

- Business Tax Classification
- Registering for Tennessee taxes using TNTAP
- Creating a TNTAP logon
- New Business Tax Workshop Webinar

These webinars and how-to videos can be found on the Department's website under our Taxpayer Education section. The Department believes utilizing this new technology will serve taxpayers in a more efficient manner. Taxpayers can watch these videos at any hour of the day and submit individual questions to the Department through the Revenue Help button on our website.


#servingTN Campaign Highlights Employee Customer Service

Customer service is critically important in what the Department of Revenue does in serving fellow Tennesseans every day. Through social media, beginning in March 2018, departments across Tennessee State Government began sharing stories of how Tennesseans are **#servingTN** in unexpected and inspiring ways. **#servingTN** showcases the real relationships that citizens build with state employees who provide necessary services every day. Below are a few stories from the Department of Revenue.

Additional stories across State Government can be found at:

<https://www.tn.gov/transparenttn/servingtn.html>.

Meet Denise. She works in the Taxpayer Services call center for the Department of Revenue. Denise is a mother, a sister, a friend. She cares about the people on the other end of the phone. This is what one Tennessean had to say after calling into the call center and being helped by Denise: [#servingTN](#)



"I had to call [the TN Department of Revenue] to talk with someone about business taxes for my husband's business. My husband passed away in 2017 and all I knew was that taxes were due at the end of the year. I had no idea where to start or what information I needed to have in order to do this...

When the person answered the phone I explained what I was trying to do and that I didn't know where to start. The lady I talked with was Denise. She patiently walked me through every step - and I mean EVERY step. As a citizen of Tennessee, I am proud that people like Denise work for us and do so in such a wonderful manner. I cannot tell you how much it meant to me to have her on the phone with me - I felt like finally I could get something done and done correctly. I almost cried with relief when I hung up.

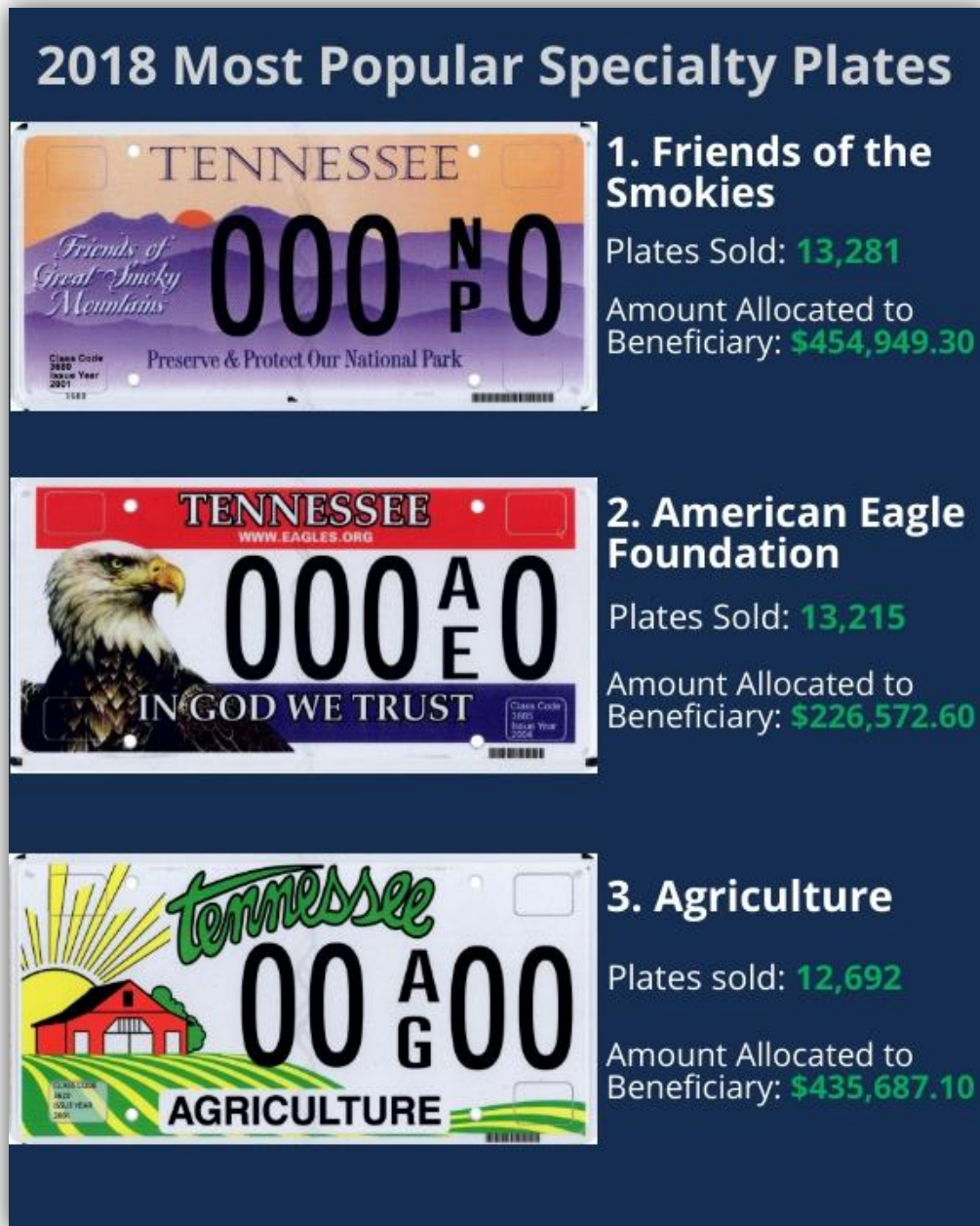
To Denise I say: Thank you! Thank you! Thank you!"
#servingTN

Tennessee is home to one of the largest Amish communities in the south. Amish businesses do not file taxes online, and live more than 50 miles away from the Department of Revenue's main office (imagine that trip in a horse and buggy). A Department of Revenue employee noticed it was creating a burden on Amish communities in Tennessee and wanted to offer a solution. Revenue employees now travel to Lawrence County once a month, every month, to make sure the Amish communities are taken care of. #servingTN



Vehicle Title & Registration: Most Popular Specialty Plates

Below is information about each of the 10 most popular license plates in fiscal year 2018. Specialty plates require a \$61.50 annual fee; \$35 of that fee is allocated to the Tennessee Arts Commission, the plate's respective beneficiary and the Highway Fund.



2018 Most Popular Specialty Plates



4. Fish & Wildlife Species

Plates Sold: **11,837**

Amount Allocated to Beneficiary: **\$203,025**



5. Driving to a Cure (Breast Cancer Awareness)

Plates Sold: **9,596**

Amount Allocated to Beneficiary: **\$163,668.25**



6. St. Jude Children's Research Hospital

Plates Sold: **8,376**

Amount Allocated to Beneficiary: **\$286,431.55**

2018 Most Popular Specialty Plates



7. Animal Friendly

Plates Sold: **8,341**

Amount Allocated to Beneficiary: **\$144,167.70**



8. Choose Life

Plates Sold: **6,561**

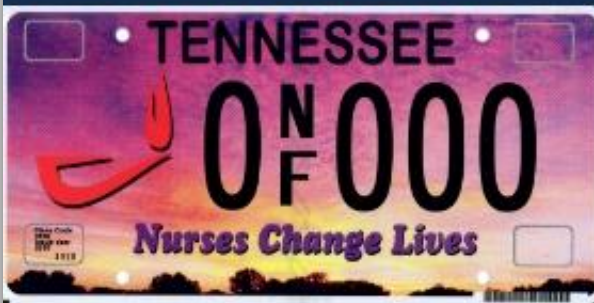
Amount Allocated to Beneficiary: **\$113,216.35**



9. Tennessee Titans

Plates Sold: **6,221**

Amount Allocated to Beneficiary: **\$106,862.60**



10. Tennessee Nurses Foundation

Plates Sold: **5,535**

Amount Allocated to Beneficiary: **\$94,915.55**

VII. 2018 Legislative Changes of Note

Each year, the General Assembly approves a number of bills that impact both the Department of Revenue and taxpayers across the state. Below are a few legislative changes to Tennessee tax law that happened in 2018. You may read a full list of legislative summaries from the 2018 General Assembly on the Department's website under the Tax Resources page.



Decoupling from the Federal Tax Cuts and Jobs Act

Public Chapter 1011 decouples Tennessee from two provisions of the Tax Cuts and Jobs Act: (1) the business interest deduction cap for tax years beginning on or after January 1, 2020; and (2) the inclusion of state grants in federal taxable income.



Sunday Wine Sales

[Public Chapter 783](#) authorizes the sale of wine on Sundays by retail food stores beginning January 1, 2019. It authorized the sale of wine and alcoholic beverages on Sundays by licensed liquor stores effective immediately.

Angel Investor Credit

[Public Chapter 892](#) establishes that the "Angel Investor" Hall income tax credit may be measured by the value of an indirect or direct cash investment. Effective date May 3, 2018 and applies to tax years beginning on or after January 1, 2017.

F&E and Hall Income Tax Perfection Period

Public Chapter 1048 establishes a "perfection period" for electronically filed franchise and excise tax and Hall income tax returns when there is a rejection of the return for failure to meet a validation test, and subsequent acceptance of the return. The legislation defines the "perfection period" to mean a period of ten calendar days, beginning with the day after date of the first transmission of an electronic return that is subsequently rejected by the commissioner. Effective October 1, 2018.



IMPROVE Act Tax Changes Effective in 2018

Public Chapter 181 (2017) reduces the Hall income tax rate to three percent for tax years beginning January 1, 2018. The rate will be reduced to two percent for tax years beginning January 1, 2019.

For motor fuel tax, the per gallon tax on gasoline will increase from \$0.24 to \$0.25 on July 1, 2018. The per gallon tax on diesel fuel will increase from \$0.21 to \$0.24 on July 1, 2018.


VII. Annual Accomplishments

TN Department of
Revenue **FY 17-18**

Processed
2,367,101
tax returns

Collected &
distributed
\$17.4 billion in
revenue

Taxpayer Services
answered **434,297**
calls & solved
36,532 online help
questions.



TN

Department of
Revenue

FY 17-18

Audit reviewed
27,000 tax accounts
and assessed
approximately
\$284 million.

Collection Services
simplified the
process for
installment
payment plans, and
the number of
taxpayers signing
up **quadrupled.**

TN

Department of
Revenue

FY 17-18

Vehicle Services
processed
7,163,030 motor
vehicle
registrations..

..bringing
in more
than **\$328**
million.

IX. Tax Data

The Department of Revenue collects more than 25 state taxes and fees. Here is how that breakdown impacts the State of Tennessee's revenues. Totals may differ due to rounding.

State Revenue Sources:

Tax Class	FY17 Collections	FY18 Collections	% Change
Sales and Use	\$8,543,745,740	\$8,887,634,971	4.03%
Franchise & Excise	\$2,597,428,012	\$2,564,212,143	-1.28%
Fuel Taxes ¹	\$915,858,196	\$1,086,694,220	18.65%
Privilege	\$383,006,911	\$421,266,237	9.99%
TVA	\$342,808,915	\$343,047,814	0.07%
Motor Vehicle Taxes ²	\$300,643,236	\$353,349,076	17.53%
Alcohol & Tobacco Taxes ³	\$445,540,576	\$452,248,559	1.51%
Income	\$249,976,968	\$246,508,338	-1.39%
Business	\$172,507,813	\$185,166,047	7.34%
Other ⁴	\$42,987,117	\$27,023,229	-37.14%
Total	\$13,994,503,484	\$ 14,567,150,634	4.09%

¹Gasoline, Motor Fuel, Petroleum Special

²Motor Vehicle Registration, Motor Vehicle Title

³Tobacco, Mixed Drink, Alcoholic Beverage, Beer

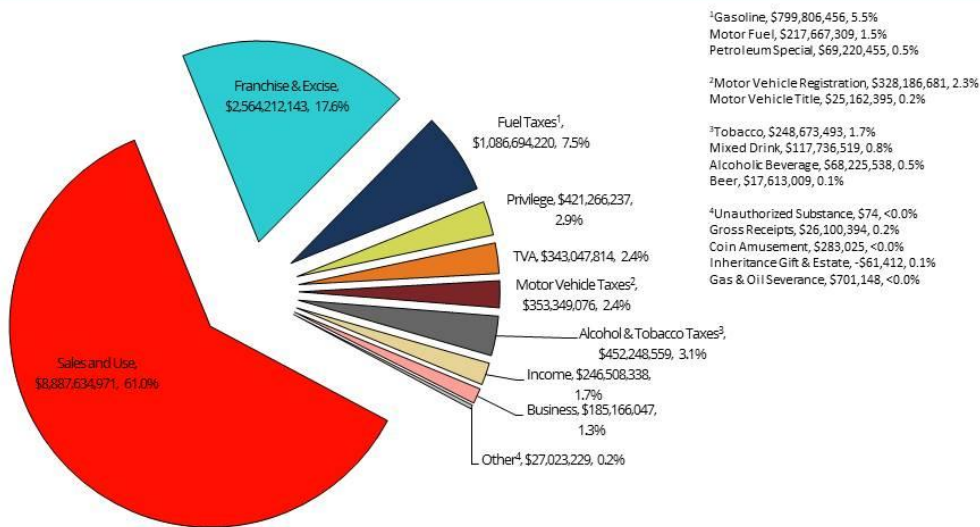
⁴Unauthorized Substance, Gross Receipts, Coin Amusement, Inheritance Gift & Estate, Gas & Oil Severance

Local Revenue Sources:

Tax Class	FY17 Collections	FY18 Collections	% Change
Local Sales Tax	2,523,570,648	2,644,048,246	4.77%
Local Business Tax	203,960,648	212,986,967	4.43%
Local Business Tax Fees	20,979,979	21,802,049	3.92%
Mineral Tax	5,490,448	5,887,811	7.24%
Coal Severance	604,706	324,201	-46.39%
Total	2,754,606,429	2,885,049,274	4.74%

Breakdown of State Revenue Sources:

Revenue by Source - FY 2018*

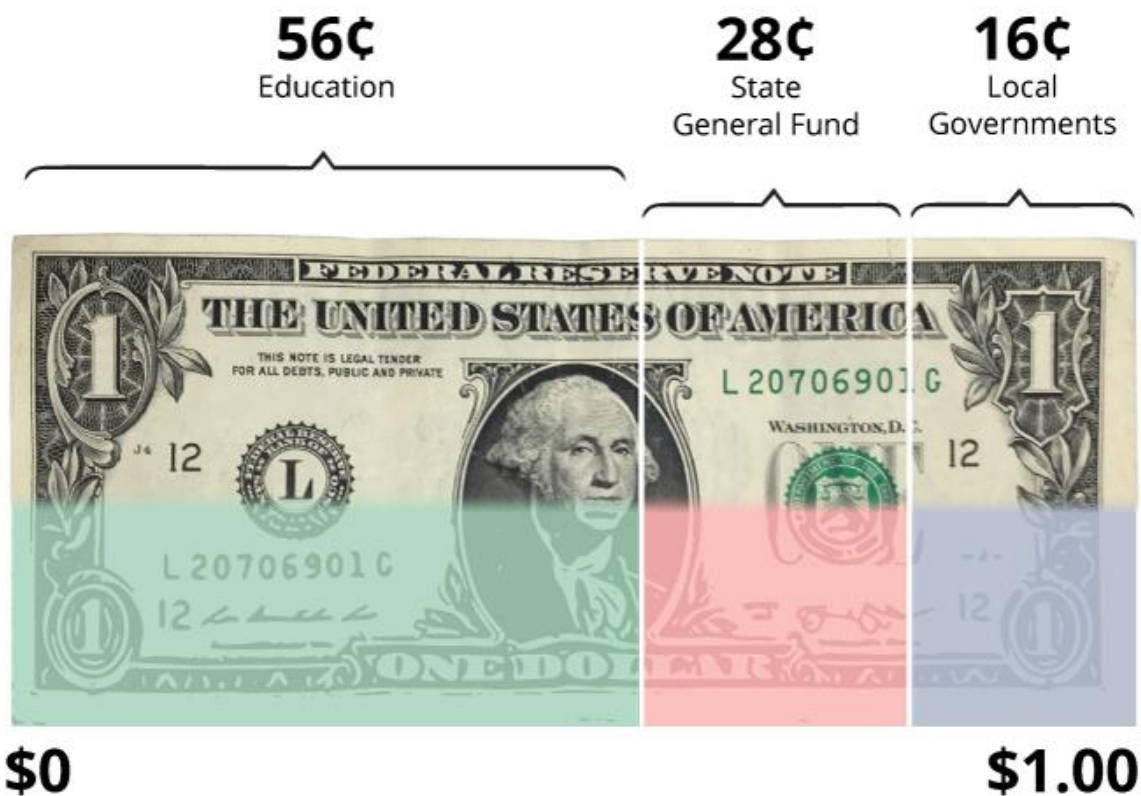


*Based on Department of Revenue actual collections thru June 30, 2018.

- **Two taxes (sales and use tax and franchise and excise tax)** account for more than 78% of total collections
- Tennessee's **top five tax types** account for almost 90% of total collections.

Where the Money Goes

How Each Sales Tax dollar is spent:



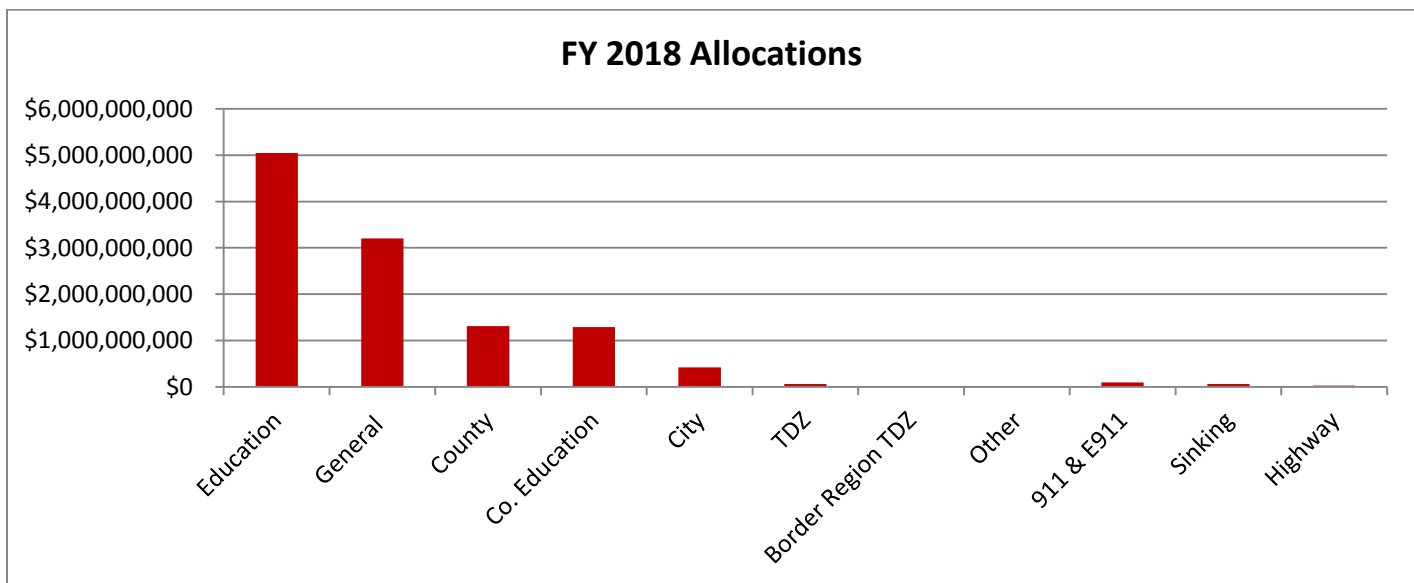
*Education portion includes state sales tax and local sales tax collections combined.

Here's a Breakdown of How Money Is Allocated for Each Tax

Sales and Use Tax:

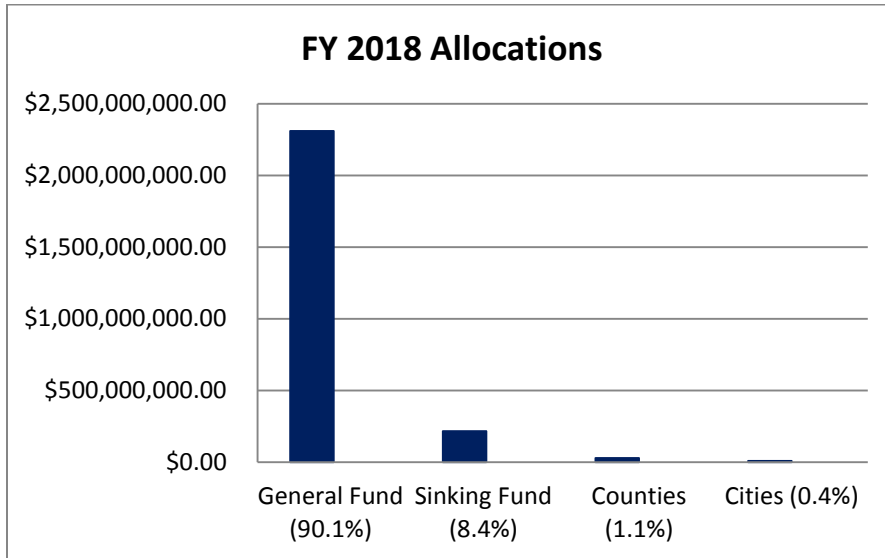
FY 2018 State and Local Allocations

Fund	Allocation
Education	\$5,046,893,480
General	\$3,202,864,912
Local:	
County	\$1,310,515,561
Education	\$1,294,067,811
City	\$419,676,013
Tourist Development Zone	\$61,734,192
Border Region TDZ	\$8,620,661
Other	\$1,086,113
Sinking Fund	\$62,154,009
Highway Fund	\$26,853,754
911 & E911	\$97,216,711
Total:	\$11,531,683,217



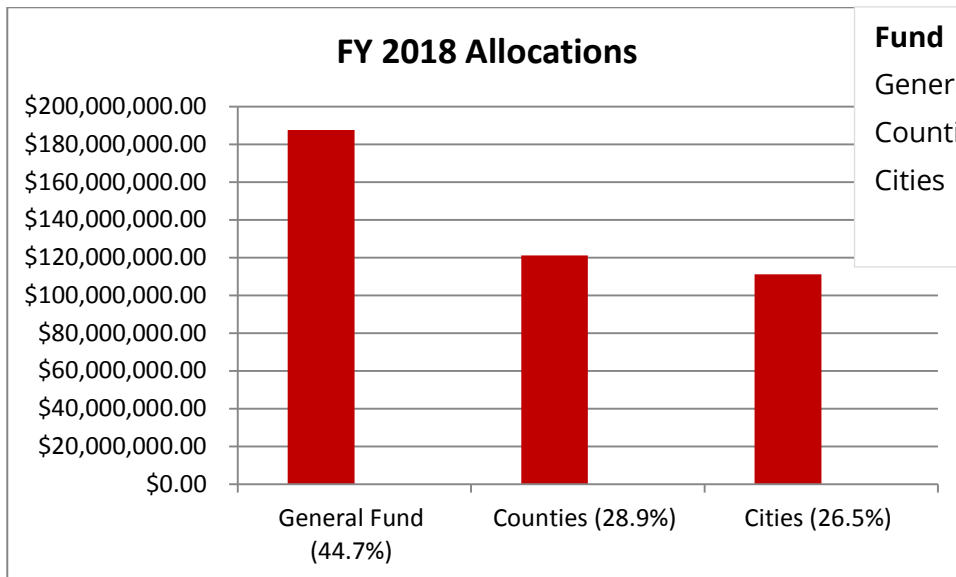
*Total may differ due to rounding

Franchise and Excise Tax:



Fund	Allocation
General Fund	\$2,310,992,939
Sinking Fund	\$215,800,000
Counties	\$28,174,606
Cities	\$9,244,598
Total	\$2,564,212,143

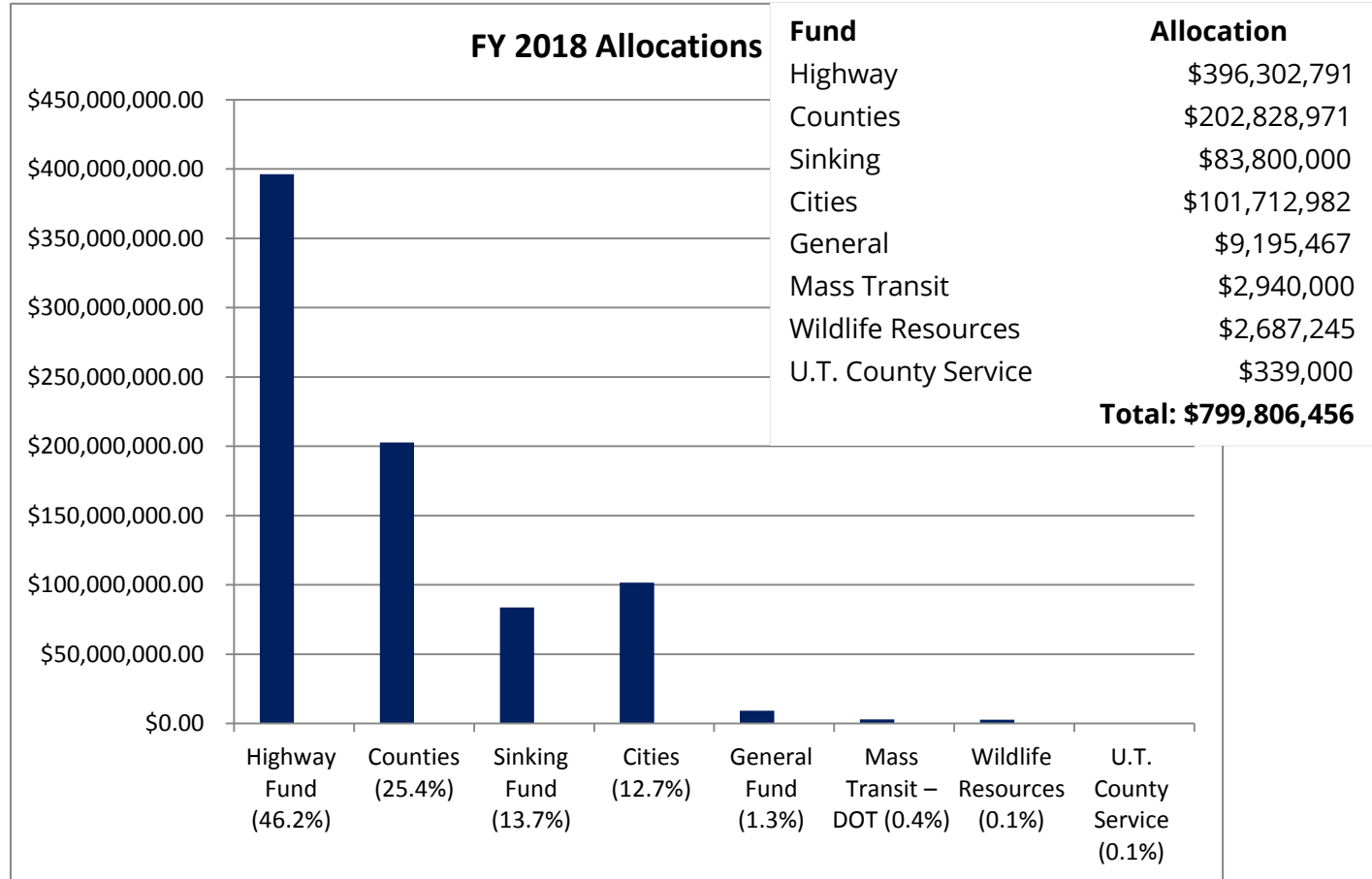
Business Tax:



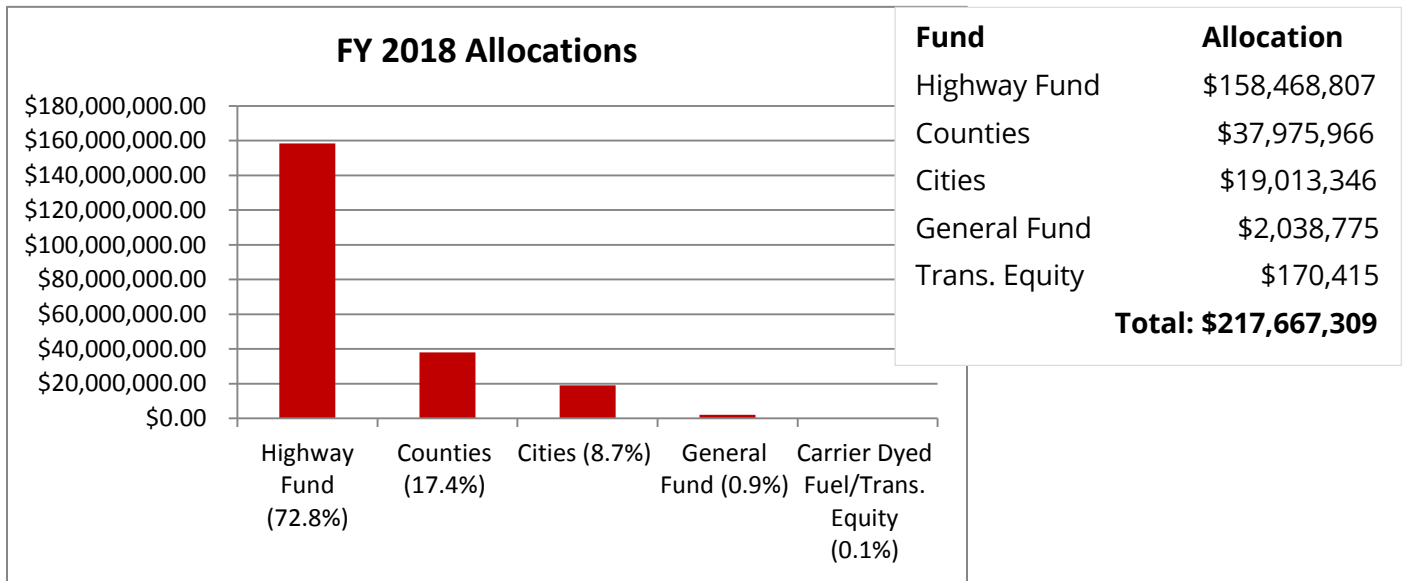
Fund	Allocation
General Fund	\$187,562,150
Counties	\$121,224,649
Cities	\$111,168,264
Total	\$419,955,063

*Total may differ due to rounding

Gasoline Tax:

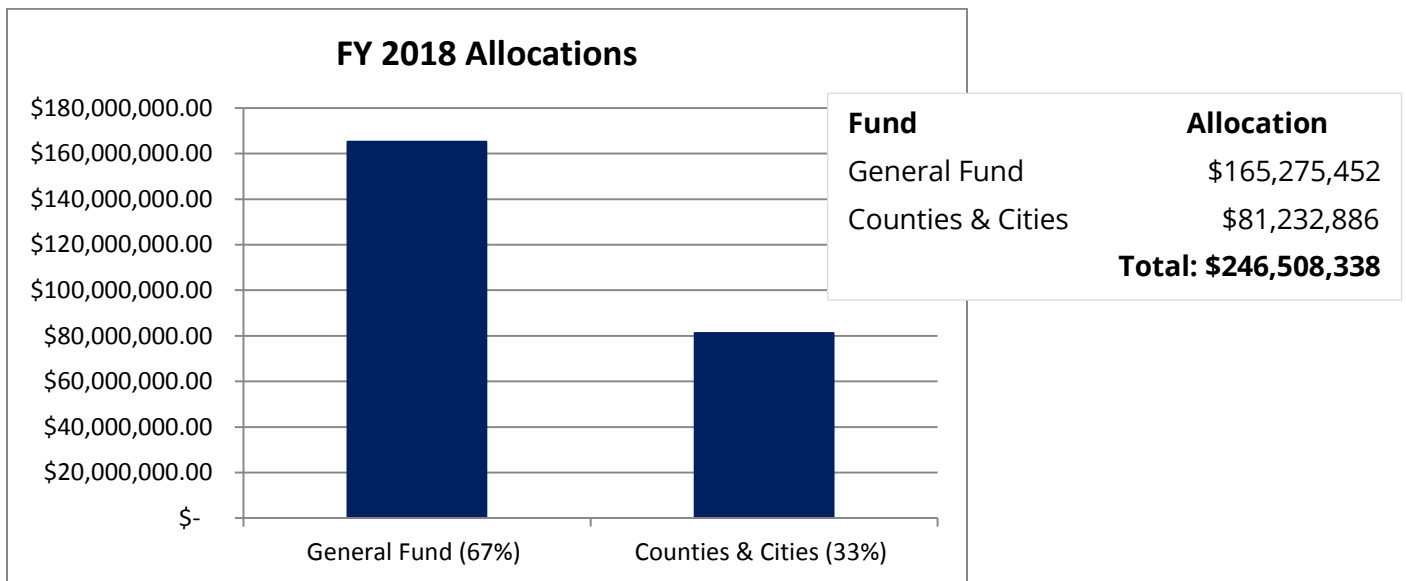


Motor Fuel Taxes:



*Total may differ due to rounding

Hall Income Tax:



Privilege Tax:

Litigation Fees and Tax	\$15,054,248
TBI Drug Chemistry Unit Drug Testing Fund	\$3,837,305
TBI Toxicology Unit Intoxicant Testing Fund	\$2,821,603
General Fund	\$1,849,582
General Fund for TBI	\$1,448,403
Dept. of Health Alcohol and Drug Treatment Fund	\$1,492,820
Dept. of Health Drug Treatment Program	\$1,160,514
Critical Injury Compensation	\$657,902
Victim Notification Fund	\$778,839
Municipal Training Education	\$422,292
Judicial Commissioners Association of TN for Education	\$327,371
Drug Court Resources Fund	\$115,915
Sexual Assault Program	\$76,016
Family Violence Shelters	\$26,476
Traumatic Brain Injury Program	\$14,142
Human Trafficking	\$2,972
Veteran Drug Court	\$19,939
Domestic Violence Fund	\$2,197

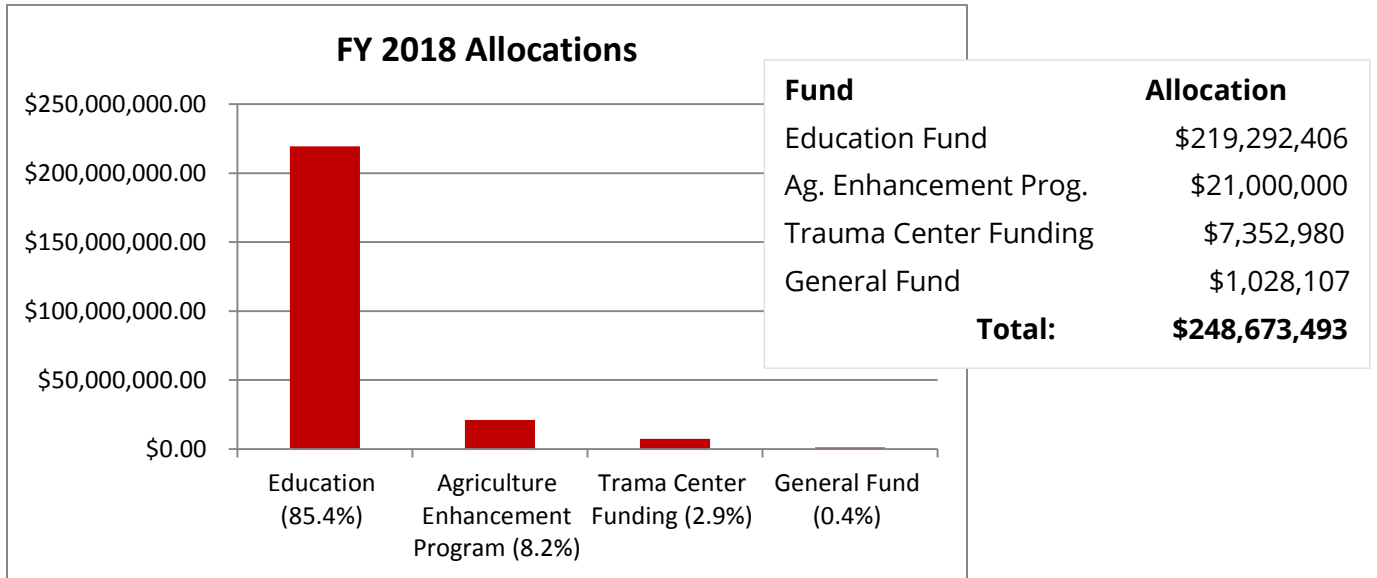
*Total may differ due to rounding

Privilege Tax:

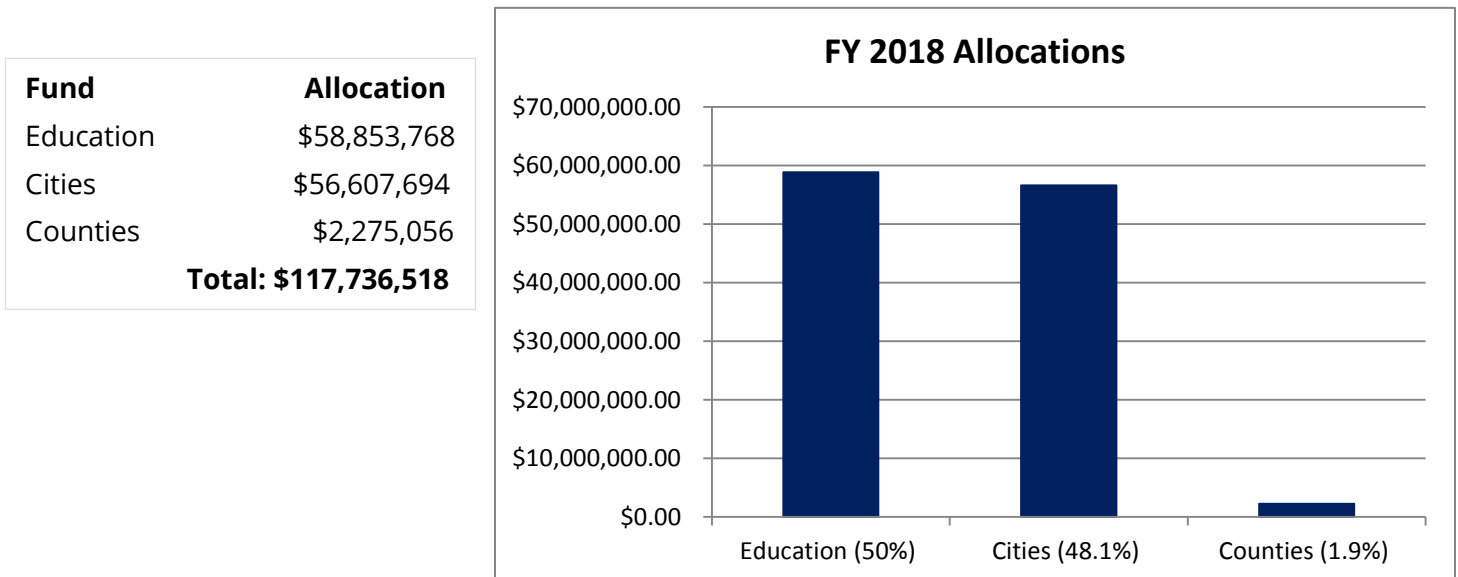
Professional Privilege Tax	\$101,124,486
General Fund	\$101,124,486
Marriage License Fee	\$2,944,760
General Fund	\$780,975
Tennessee Disability Coalition	\$739,365
Child Abuse Prevention	\$540,946
Domestic Violence Services	\$270,473
Parenting Fund	\$252,514
Tennessee Alliance of Boys & Girls Clubs	\$144,324
TN Chapter of the National Association of Social Workers	\$108,189
Weems Academy for Foster Care Children	\$62,966
Tennessee Court Appointed Special Advocates Assoc. (CASA)	\$45,007
Bail Bond Tax	\$1,975,591
Civil Legal Representation Fund	\$1,896,567
Bail Bonds Continuing Education Class	\$79,024
Realty Taxes	\$251,574,221
General Fund	\$176,113,679
Housing	\$37,301,309
Wetlands	\$15,502,199
Local Park Land	\$8,347,328
Stand Land Acquisition	\$7,154,853
Agriculture Resources Conservation	\$7,154,853
Tire and Used Oil Taxes	\$21,029,531
General Fund	\$12,451,228
County Tire Payments	\$5,180,009
Solid Waste Management ECD Tire	\$1,397,880
Tire Environmental Fund	\$1,171,497
Used Oil Collection Fund	\$828,919
Fantasy Sport Tax	\$320,801
General Fund	\$224,561
Counties	\$64,160
Fantasy Sports Fund	\$32,080

*Total may differ due to rounding

Tobacco Tax:

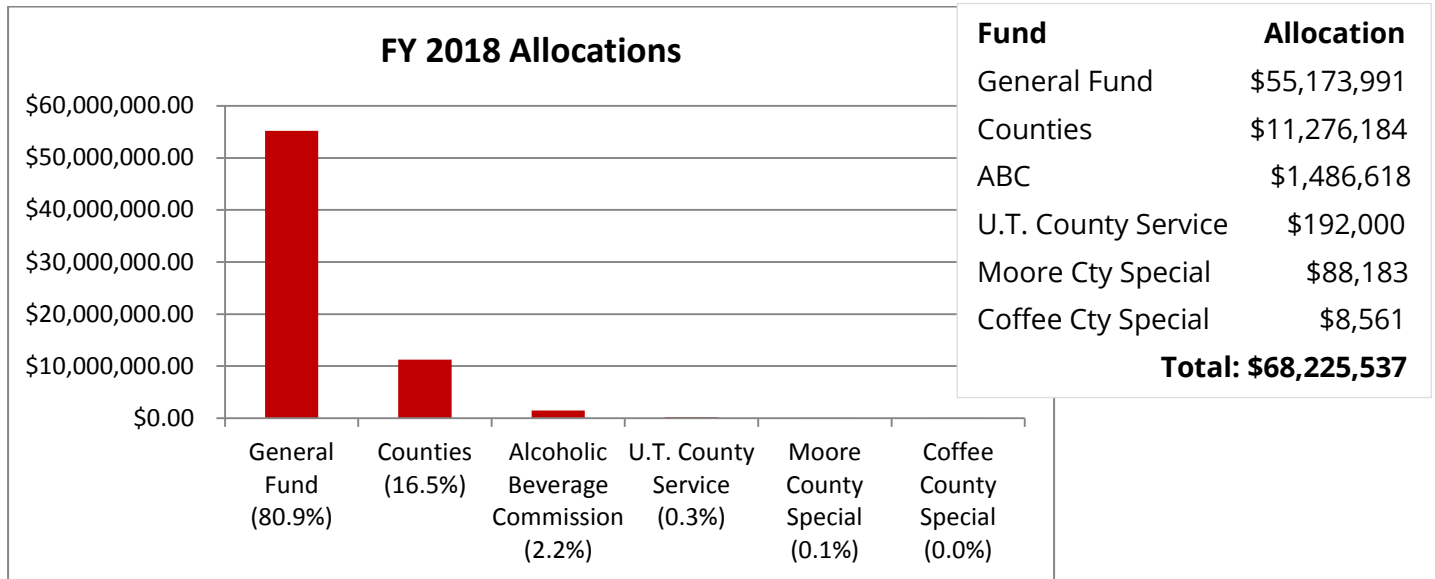


Mix Drink (Liquor-by-the-drink) Tax:

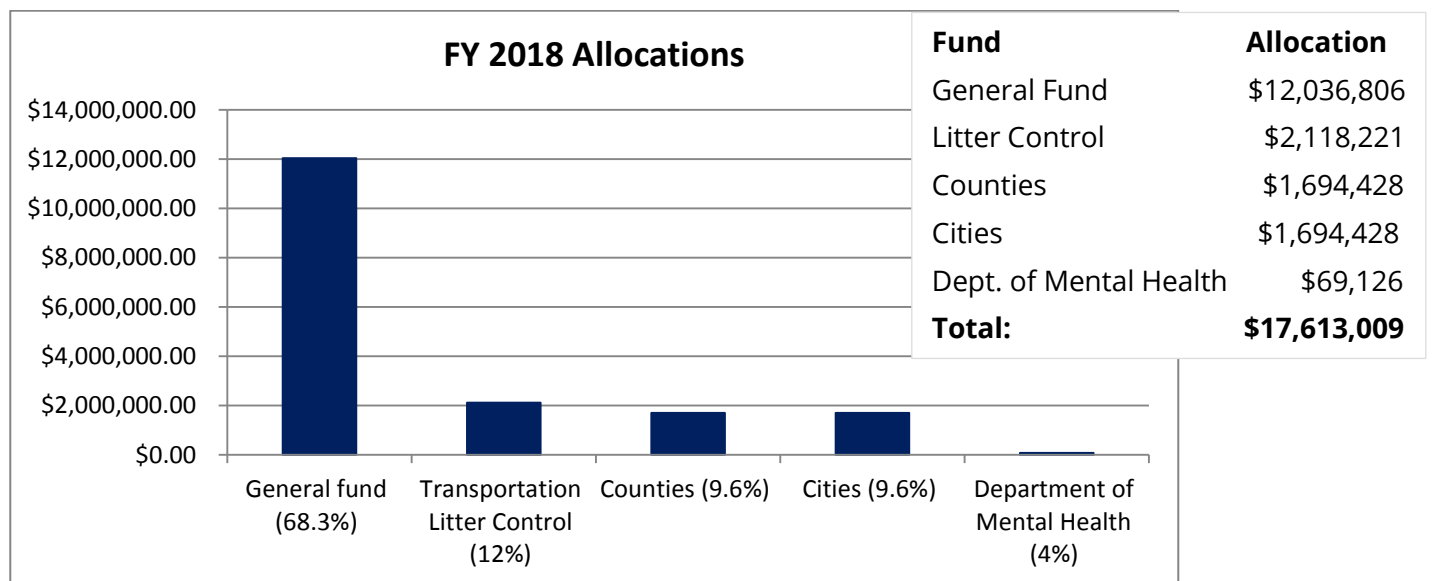


*Total may differ due to rounding

Alcoholic Beverage Tax:

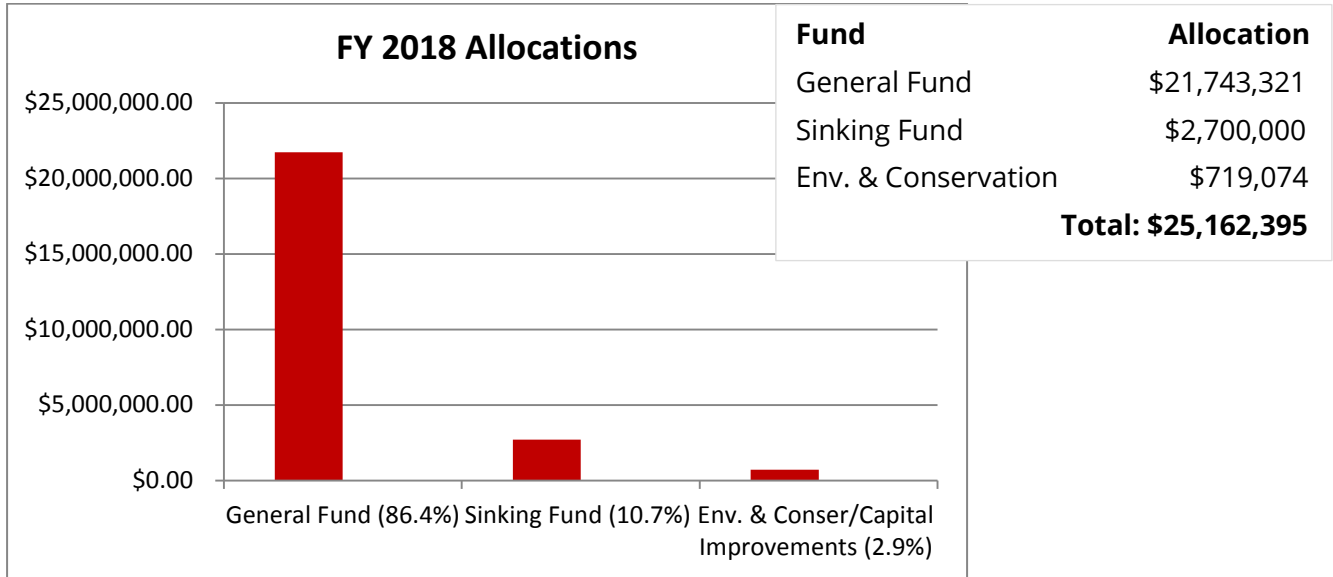


Beer Taxes

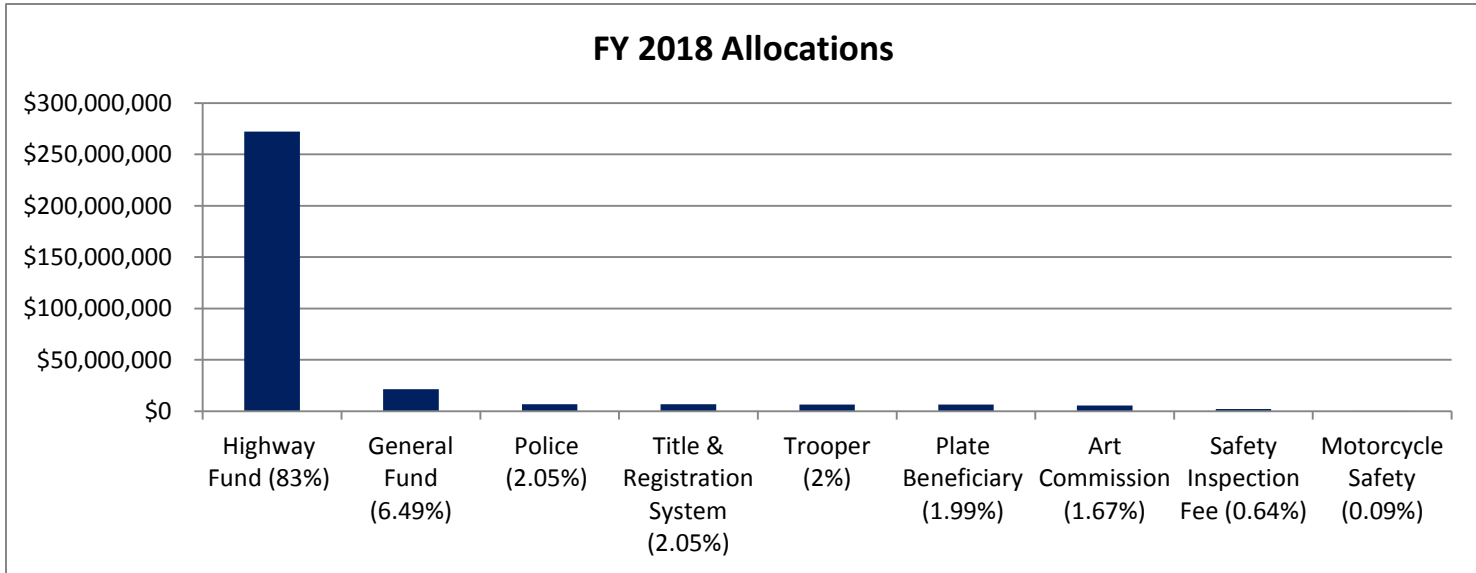


*Total may differ due to rounding

Motor Vehicle Title Fee:



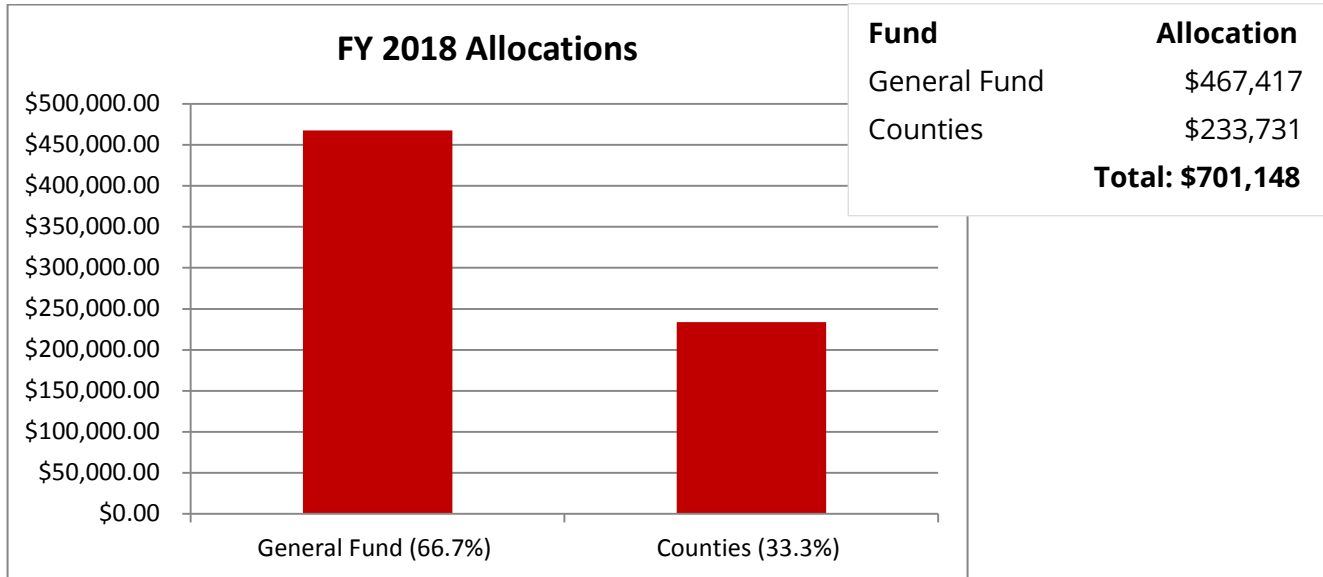
Motor Vehicle Registration:



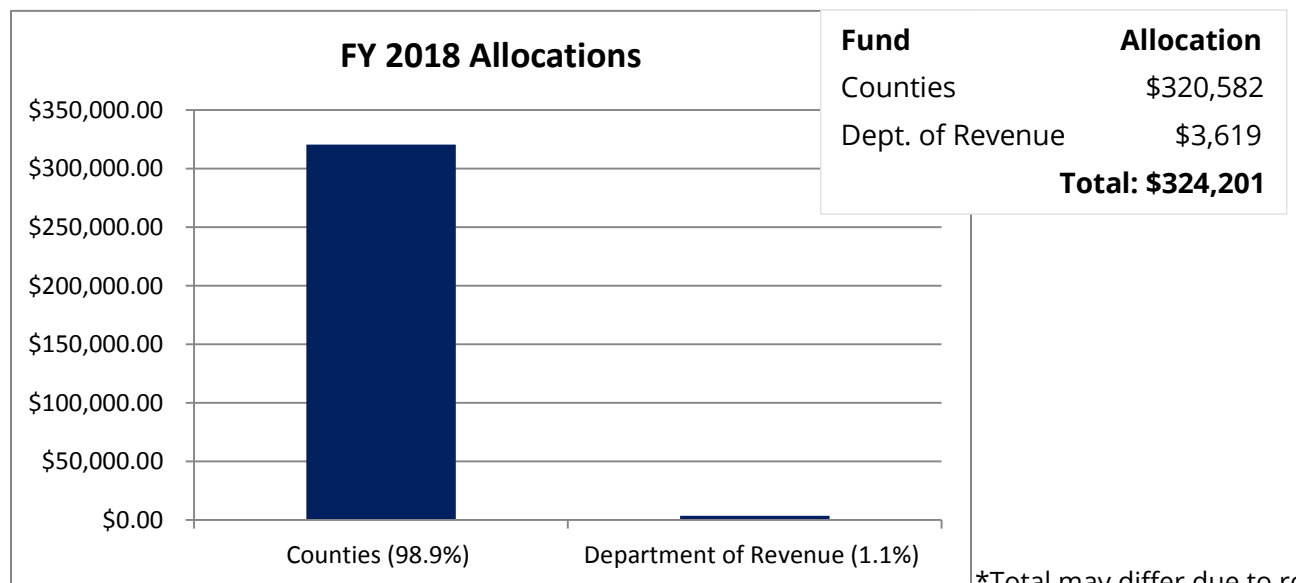
Fund	Allocation
Highway Fund	\$272,386,821
General Fund	\$21,315,500
Police Suppl. Fund	\$6,726,902
Title & Regis. System	\$6,726,902
Trooper Safety	\$6,575,655
Plate Beneficiary	\$6,537,894
Art Commission	\$5,493,965
Safety Inspection Fee	\$2,115,960
Motorcycle Safety	\$307,084
Total:	\$328,186,683

*Total may differ due to rounding

Gas & Oil Severance Tax:

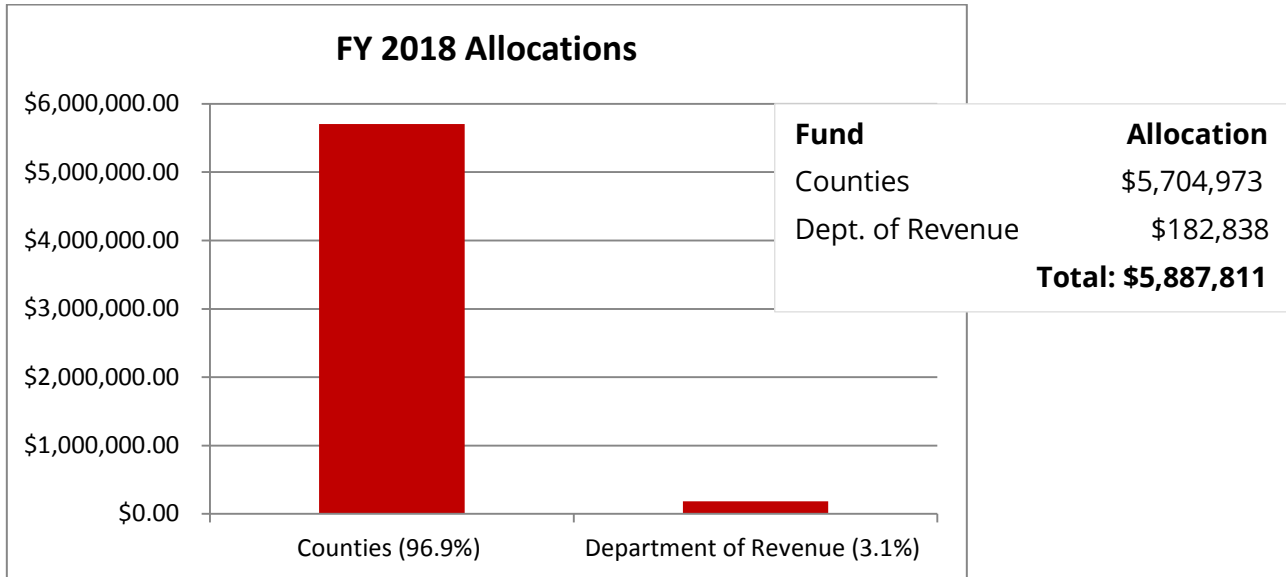


Coal Severance Tax:

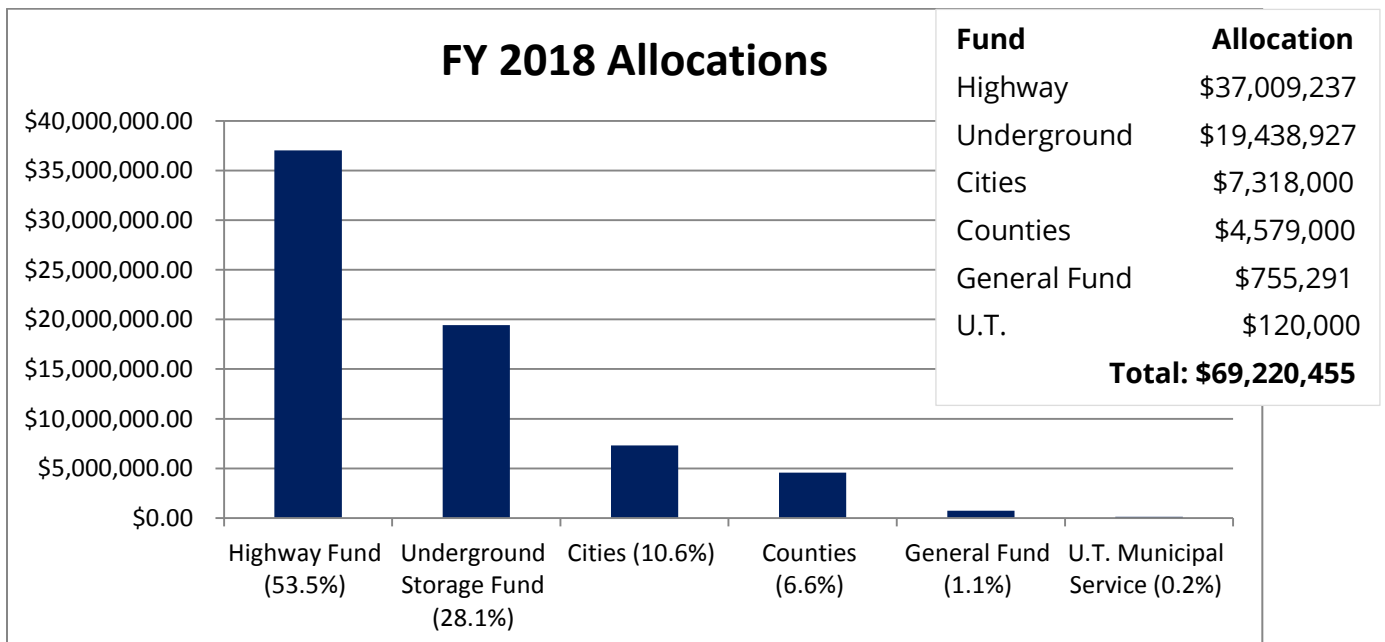


*Total may differ due to rounding

Mineral Severance Tax:

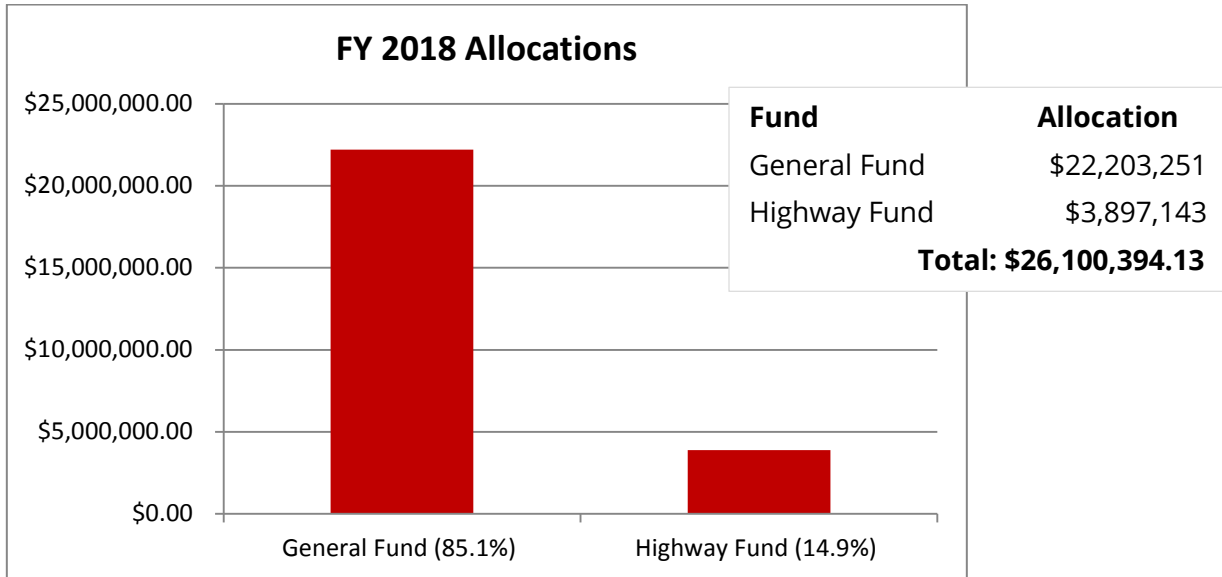


Petroleum Special Tax:



*Total may differ due to rounding

Gross Receipts Tax:



*Total may differ due to rounding

X. Employee Talent Management and Development

Audit Internship Program Continues Its Success



The Audit Internship Program the Department launched in 2016 has continued to be a successful initiative for the agency in recruiting and developing employees. Out of the 21 interns Revenue hosted in summer 2016 and summer 2017, six have come to work for the agency full time. For summer 2018, Revenue elected 13 interns out of 64 total applicants. Four of the thirteen 2018 summer interns have continued to work for Revenue part time in anticipation of their graduation. More information about the Department's Audit

Internship Program is available on our website. Click “Work for Us” under the “Careers” section in the footer of our website.

Revenue Launches Its Own Leadership Academy



Revenue also recently launched a talent management initiative, with a focus on employee engagement and retention, succession planning, and leadership development. The Department held its first Revenue Leadership Academy (RLA) in August 2017 as part of the talent management initiative, with a second RLA held in December 2017. Each class had 25 participants, whose names are listed below.

Revenue Leadership Academy, August 2017 Class

- Alicia Barrett (Taxpayer Services, Nashville)
- April Beard (Audit, Nashville)
- Bradley Bowen (Collection Services, Jackson)
- Tammy Brewer (Taxpayer Services, Knoxville)
- Chris Dobrowolski (Audit, New York)
- Adam Duvall (Collection Services, Nashville)
- Jason Gress (Collection Services, Nashville)
- Elizabeth Henderson (Audit, Nashville)
- Maranda Hickman (Collection Services, Chattanooga)
- Michael House (Administration- Research, Nashville)
- Brian Kearns (Administration- Special Investigations, Knoxville)
- Keith Jeffers (Special Investigations, Johnson City)
- Robyn Meeks (Vehicle Services, Nashville)
- Courtney Moates (Taxpayer Services, Nashville)
- Duanna Murphy-Miller (Processing, Nashville)
- Wyla Posey-Porcello (Audit, Nashville)
- Travis Pulley (Vehicle Services, Nashville)
- Ramona Rainey (Audit, Memphis)
- Lauren Schexnider (Vehicle Services, Nashville)
- Michelle Sims (Taxpayer Services, Nashville)
- Clifton Smith (Collection Services, Jackson)
- Kristina Tsuei (Audit, California)
- Mark Utley (Audit, Jackson)
- Anne Warner (Administration- Legal, Nashville)
- Jackie Wilson (Processing, Nashville)



Revenue Leadership Academy, December 2017 Class

- Tom Bowman (Administration – Internal Audit, Nashville)
- Caroline Brown (Vehicle Services, Nashville)
- John Bryant (Audit, Nashville)
- Margaret Carter (Collection Services, Nashville)
- Ruby Carter (Audit, Nashville)
- Kimberly Castleman (Taxpayer Services, Jackson)
- Kelly Cortesi (Administration- Communications, Nashville)
- Amanda Cummings (Audit, Nashville)
- Yvette Davis (Audit, Chattanooga)
- Lance Estes (Taxpayer Services, Knoxville)
- Jimmy Faverman (Audit, Nashville)

- Lauren Fields (Administration- Legal, Nashville)
- Evelyn McCarty (Processing, Nashville)
- Brian McGhee (Administration- Special Investigations, Knoxville)
- Barbara McKnight (Audit, Memphis)
- George Mervosh (Audit, Chicago)
- Enjoli Morgan (Vehicle Services, Nashville)
- Mack Norman (Collection Services, Chattanooga)
- Deanna Polinski (Processing, Nashville)
- Angel Robbins (Audit, Atlanta)
- Lisa Rousseau (Taxpayer Services, Nashville)
- Amanda Sanford (Audit, Jackson)
- Deirdre Smith (Taxpayer Services, Nashville)
- John Thomas (Collection Services, Jackson)
- Rayna Ware (Audit, Nashville)

Revenue Participants in Statewide Leadership Programs

In conjunction with the Department of Human Resources, the Department of Revenue offers its employees several opportunities to help cultivate and enhance their leadership skills. These programs also offer candidates the opportunity to network with peers across the Department, as well as around state government. Here's a quick overview of some of the available programs, as well as the participants in those programs for fiscal year 2017-2018:

LEAD Tennessee



LEAD Tennessee is a statewide, 12-month development initiative for current managers and supervisors from all branches of government. The program consists of six one-day

“summits” of intense, high-impact learning focused on eight leadership core competencies: self-management, mission driven, customer-focused, courage, talent-focused, integrity, innovation, and high-performing. Revenue’s LEAD Tennessee participants for the 2017-2018 fiscal year were:

- **Amy Barnes (Audit, Knoxville)**
- **Adam Duvall (Project TR3, Nashville)**
- **Kelly McCarthy (Administration -Communications, Nashville)**
- **David Mullins (Audit, Shelbyville)**
- **John Ricketts (Project TR3, Nashville)**
- **Tim Watson (Administration- Special Investigations, Knoxville)**

Tennessee Government Management Institute



Tennessee Government Management Institute

Tennessee Government Management Institute (TGMI) is a two-week residential management program that provides mid-level managers in Tennessee state government with the opportunity for academic study, learning in practical management skills, and cross agency networking to enhance the individual skills of middle managers. Revenue’s TGMI candidates for the 2017-2018 fiscal year were:

- **Rebecca Dubon (Taxpayer Services, Nashville)**
- **Lauren Fields (Administration- Legal, Nashville)**
- **Justin Gillespie (Collection Services, Knoxville)**

Tennessee Government Executive Institute



Tennessee Government Executive Institute (TGEI) is designed for senior-level leaders, such as assistant commissioners, deputy commissioners, and directors. This program is a two-week residential training course that provides senior level leaders in Tennessee state government with the opportunity for academic study, learning executive responsibility, and cross agency networking designed to enhance the skills of Tennessee government's senior leaders. Revenue's TGEI candidate for the 2017-2018 fiscal year was **Greer Allison (Project TR3, Nashville)**.



Pictured above (L to R): **Greer Allison, Lauren Fields, John Ricketts and Adam Duvall**

XI. Contact the Department

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