



JASON E. MUMPOWER  
*Comptroller*

**TENNESSEE STATE FUNDING BOARD**  
**APRIL 10, 2025**  
**AGENDA**

1. Call meeting to order, establish that there is a physical quorum, and receive public comment on actionable items in accordance with 2023 Public Chapter 300 and Board guidelines
2. Consideration for approval of minutes from February 13, 2025, meeting
3. Presentation of the staff analysis of “An Economic Report to the Governor of the State of Tennessee” along with:
  - List Identifying State Tax and Non-Tax Revenue Sources from the Attorney General pursuant to Tenn. Code Ann. § 9-4-5202
  - Tennessee Personal Income Letter from University of Tennessee, Haslam College of Business, Boyd Center for Business & Economic Research
4. Adjourn

**TENNESSEE STATE FUNDING BOARD**  
**February 13, 2025**

The Tennessee State Funding Board (the “Board”) met on Thursday, February 13, 2025, at 9:12 a.m., in the Volunteer Conference Center, 2<sup>nd</sup> Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable Jason E. Mumpower was present and presided over the meeting.

The following members were also physically present:

The Honorable Tre Hargett, Secretary of State  
The Honorable David H. Lillard Jr., State Treasurer

The following members were absent:

The Honorable Bill Lee, Governor  
Commissioner Jim Bryson, Department of Finance and Administration

Having established a physical quorum, Comptroller Mumpower called the meeting to order. Comptroller Mumpower, in accordance with Public Chapter 300 and Board guidelines, then asked Ms. Sandra Thompson, Director of the Division of State Government Finance (“SGF”) and Assistant Secretary to the Board, if any requests for public comment had been received. Ms. Thompson responded that no requests had been received.

Comptroller Mumpower then presented the minutes from the meeting held on December 16, 2024, for consideration and approval. Secretary Hargett made a motion to approve the minutes. Treasurer Lillard seconded the motion, and it was unanimously approved.

Comptroller Mumpower then recognized Commissioner Stuart McWhorter, Tennessee Department of Economic and Community Development (“ECD”), to present FastTrack projects for consideration, and Ms. Jessica Johnson, Assistant Commissioner of Administration and Operations, ECD, to present the “FastTrack Report to State Funding Board” (the “Report”). Ms. Johnson reported that, as of the date of the December 16, 2024, Board meeting, the FastTrack balance was \$614,147,059.19. Since that time, \$1,843,287.67 in new funds had been appropriated; \$20,865,396.51 in funds had been deobligated; \$350,000.00 in funds had been transferred out of FastTrack; \$987,740.00 in new grants or loans less than \$750,000.00 had been approved; and \$611,269.59 in funds had been spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of \$634,906,733.78 as of the date of the Report. Ms. Johnson reported that total commitments had been made in the amount of \$373,907,042.72, representing 58.9% of the FastTrack balance, and resulted in an uncommitted FastTrack balance of \$260,999,691.06. Ms. Johnson reported that the amount of proposed grants for projects to be considered at this meeting totaled \$20,892,000.00, and if these projects were approved, the uncommitted balance would be \$240,107,691.06, with a total committed balance of \$394,799,042.72, which represented 62.2% of the FastTrack balance. Comptroller Mumpower then asked Commissioner McWhorter to present the following FastTrack projects:

- **AAON, Inc. – Memphis (Shelby County)**  
FastTrack Economic Development Grant \$12,000,000.00

- **State Industries, LLC – Franklin (Williamson County)**  
FastTrack Job Training Assistance Grant \$ 140,000.00
- **Oshkosh Manufacturing, LLC and JLG Industries, Inc. – Jefferson City (Jefferson County)**  
FastTrack Economic Development Grant \$ 1,500,000.00
- **JLG Industries, Inc. – Knoxville (Knox County)**  
FastTrack Job Training Assistance Grant \$ 52,000.00
- **Topre America Corporation – Smyrna (Rutherford County)**  
FastTrack Economic Development Grant \$ 1,700,000.00
- **West Star Aviation, LLC – Chattanooga (Hamilton County)**  
FastTrack Economic Development Grant \$ 1,500,000.00
- **Quanta Manufacturing Nashville, LLC. – LaVergne (Rutherford County)**  
FastTrack Economic Development Grant \$ 4,000,000.00
- **Florim USA, Inc. – Clarksville (Montgomery County)**  
FastTrack Economic Development Grant \$ 375,000.00

The Board member packets included letters and FastTrack checklists signed by Commissioner McWhorter, and incentive acceptance forms signed by company representatives. Comptroller Mumpower then inquired if the companies that had signed the incentive acceptance forms fully understood the agreements, and Commissioner McWhorter responded affirmatively. Comptroller Mumpower then inquired if the checklists had been completed for the projects, and Commissioner McWhorter responded affirmatively. Comptroller Mumpower then inquired if the projects included accountability agreements which would provide protection for the state in the event the entities could not fulfill the agreements, and Commissioner McWhorter responded affirmatively<sup>1</sup>. Treasurer Lillard made a motion to approve the projects. Secretary Hargett seconded the motion, and it was unanimously approved.

Comptroller Mumpower then recognized Ms. Thompson to present the “State of Tennessee Cash Management Improvement Act Annual Report State Fiscal Year 2024” (the “CMIA Report”). Ms. Thompson stated that the CMIA Report was included in the Board members meeting packet and had been submitted to the members earlier in the month for their review. Ms. Thompson then stated that in order to comply with the Cash Management Improvement Act, the Department of Finance and Administration submits the CMIA Report on an annual basis. Ms. Thompson further stated that the CMIA Report was for the fiscal year 2024. Ms. Thompson requested that the Board acknowledge receipt of the CMIA Report. The Board acknowledged receipt of the CMIA Report.

Comptroller Mumpower observed no further business to come before the Board and made a motion to adjourn. Secretary Hargett seconded the motion, and it was unanimously approved. The meeting was adjourned.

<sup>1</sup>The JLG Industries, Inc. project in Knoxville, Knox County does not have an accountability agreement. JLG Industries, Inc. was presented a FastTrack Job Training Assistance Grant valued at \$52,000. ECD’s policy requires a company to sign an accountability agreement for any FastTrack Job Training Assistance Grant greater than \$250,000. The FastTrack award to the company was less than the accountability agreement threshold.

Approved on this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

Respectfully submitted,

Sandra Thompson,  
Assistant Secretary



JASON E. MUMPOWER  
*Comptroller*

## Memorandum

**To:** Honorable Bill Lee, Governor

Honorable Jason E. Mumpower, Comptroller of the Treasury

Honorable Tre Hargett, Secretary of State

Honorable David H. Lillard, Jr., Treasurer

Honorable Jim Bryson, Commissioner of Finance and Administration

**From:** William Wood, Financial Analyst, Comptroller of the Treasury

**Date:** April 10, 2025

**Re:** Economic Report to the Governor

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This memo considers the reasonableness of the economic projections published in the annual *Economic Report to the Governor* (<https://haslam.utk.edu/publication/economic-report-to-the-governor-2025/>) from the Boyd Center for Business and Economic Research (CBER) at the University of Tennessee. In addition, the memo examines consumer spending; the labor market and unemployment rates; and considers the possible economic outcomes of emerging federal policies.

In short, Comptroller's staff analysis finds:

- **CBER's projections for Tennessee nominal personal income do not appear to be unreasonable.** The CBER report predicts that Tennessee nominal personal income will grow by 4.59 percent and 4.90 percent in calendar years 2025 and 2026, respectively. Although few agencies track Tennessee personal income statistics, the state's personal income growth has historically tracked alongside growth in the U.S. Gross Domestic Product (GDP). CBER's projections for U.S. GDP fall within the range of other figures quoted by various other forecasting sources leading staff to conclude that CBER's estimate for Tennessee personal income is similarly reasonable.
- **Job growth in Tennessee has been healthy and the state unemployment rate remains incredibly low.** Nonfarm employment is projected to grow by 1.29 percent

## Statutory Authority

Tennessee Code Annotated (TCA) § 9-4-5202 requires the State Funding Board (the Board) to secure estimates of Tennessee’s economic growth from the Tennessee econometric model at least once a year. These estimates are published annually in the *Economic Report to the Governor* by the University of Tennessee’s Boyd Center for Business and Economic Research (CBER). The report includes data on such indicators as nominal personal income, employment, inflation, consumer spending, and the housing market for Tennessee and the United States as a whole.

The statute also requires the Board to comment on the “reasonableness” of CBER’s projections, and provide different estimates, if necessary. As specified in TCA § 9-4-5201, the rate of Tennessee’s economic growth is based on the projected changes in Tennessee nominal personal income.

The Comptroller’s staff assists the Board by evaluating information on current economic conditions and trends provided by commonly referenced sources in economic forecasting.

or 43,300 new jobs in 2026. This projection is higher than the 0.31 percent growth rate forecast for the U.S. CBER forecasts the 2025 unemployment rate to be 3.3 percent and 4.4 percent, for Tennessee and the U.S., respectively. The 2026 unemployment rate is forecast to increase to 3.4 percent and 4.5 percent for Tennessee and the U.S., respectively.

## CBER’s updated projections fall within the range of other forecasts

The CBER economic report predicts that Tennessee nominal personal income will grow by 4.59 percent and 4.90 percent in calendar years 2025 and 2026, respectively (Exhibit 1).<sup>1</sup>

### Exhibit 1: CBER’s Estimated Tennessee Personal Income Growth

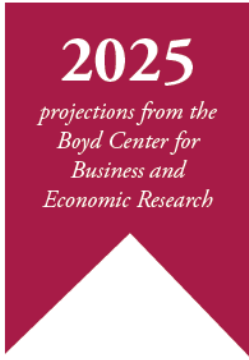
Forecast Year	Calendar Year	Fiscal Year
2024	6.11%	—
2025	4.59%	5.30%
2026	4.90%	4.70%

<sup>1</sup>Lawrence M. Kessler et al., *An Economic Report to the Governor of the State of Tennessee: The State’s Economic Outlook January 2025*, Boyd Center for Business and Economic Research, University of Tennessee, January 2024, pp. 12, <http://cber.haslam.utk.edu>.



# AT A GLANCE

## Tennessee's Economic Outlook



### 2026 Projections



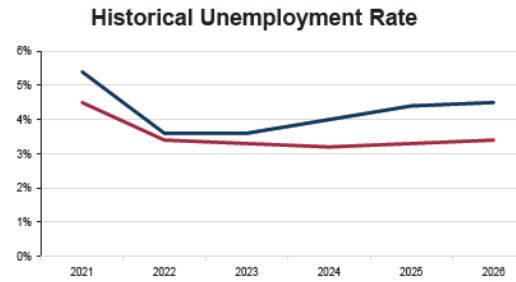
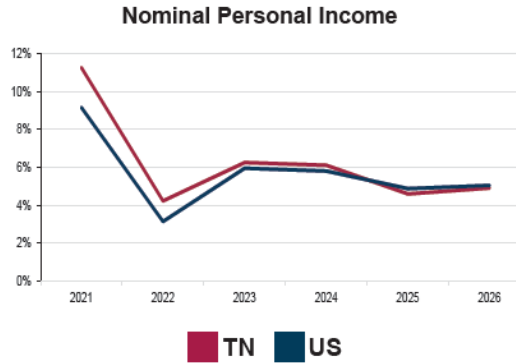
**▲ 4.90%**  
nominal  
personal income

U.S.: ▲ 5.04%



**▼ 3.40%**  
unemployment rate

U.S.: ▼ 4.50%



### Quick Facts

Tennessee recorded **18,489 new business filings in the third quarter of 2024.**

New business filings in the third quarter of 2024 were down 4.20% relative to the third quarter last year.

#### Nonfarm Employment

Nonfarm employment is projected to grow by **1.29%** or **43,300** jobs in 2025.

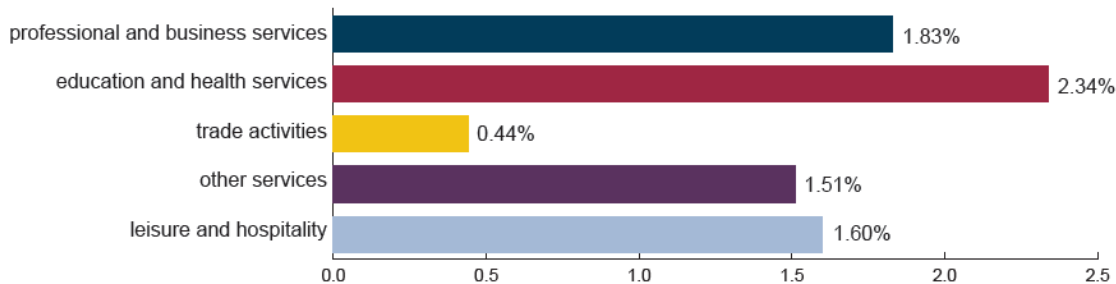
This is faster than the **0.31%** forecast for the US.

**▲ 2.65%**  
TN real GDP  
U.S.: ▲ 2.08%

**▲ 2.43%**  
U.S. Consumer Price Index

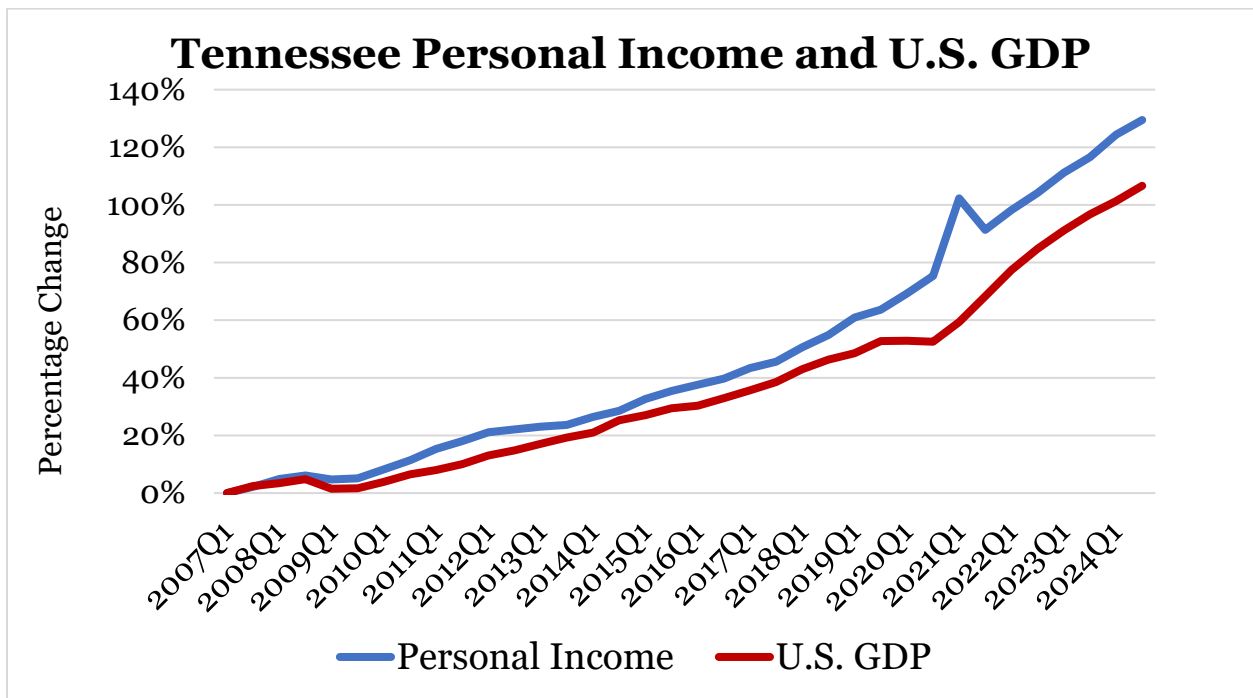
**▲ 4.08%**  
TN per capita income  
U.S.: ▲ 4.40%

### 2026 Tennessee Nonfarm Employment by Sector



Few agencies estimate growth in Tennessee personal income, making it difficult to directly compare CBER’s projections with other sources. Tennessee personal income closely tracks growth in the state’s Gross Domestic Product (GDP), and the state GDP figure typically mirrors the national GDP. Consequently, U.S. GDP may be used as a proxy for Tennessee GDP, which, in turn, may stand in for Tennessee personal income – in fact, the two figures often track closely (Exhibit 2). Thus, in the end, staff may compare the many estimates of U.S. GDP growth to CBER’s projections and use the result to judge the reasonableness of CBER’s personal income predictions.

**Exhibit 2: Relative Growth of Tennessee Personal Income and U.S. GDP**



Source: U.S. Bureau of Economic Analysis, Tennessee Personal Income by Major Component, Gross Domestic Product, January 28, 2025 [www.bea.gov](http://www.bea.gov).

CBER projects that U.S. GDP will increase 2.04 percent in calendar year 2025. This figure falls within a range of government and non-government forecasts. (Exhibit 3). Because CBER’s estimates for U.S. GDP fall within the range of predictions from other reputable sources, Comptroller’s staff finds that CBER’s projections for Tennessee personal income growth are not unreasonable.



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### Exhibit 3: Government and Non-Government GDP Forecasts

Forecaster	CY 2025	CY 2026	Date
World Bank	2.3	2.0	January 2025
Fannie Mae	2.2	2.0	January 2025
Scotiabank	2.1	1.6	December 2024
Congressional Budget Office	1.9	1.8	January 2025
Deutsche Bank	2.0	2.2	December 2024
Federal Reserve Bank	2.1	2.0	December 2024
Conference Board	2.3	1.8	January 2025
Wells Fargo	2.1	2.2	January 2025
<i>High</i>	2.3	2.2	
<i>Median</i>	2.1	2.0	
<i>Low</i>	1.9	1.6	
<b>CBER</b>	<b>2.0</b>	<b>2.1</b>	<b>December 2024</b>

Source: World Bank, [Global Economic Prospects, January 2025](https://www.worldbank.org), p. 4, <https://www.worldbank.org>; Fannie Mae, “[Economic Forecast: January 2025](http://www.fanniemae.com),” January 10, 2025, p. 1, <http://www.fanniemae.com>; Scotiabank, “[Forecasting Amid High Uncertainty: Scotiabank’s Forecast Tables](http://www.scotiabank.com),” December 2024, p. 6, <http://www.scotiabank.com>; Congressional Budget Office, “[The Budget and Economic Outlook: 2025 to 2035](https://www.cbo.gov),” January, 2025, p. 4, <https://www.cbo.gov>; David Folkerts-Landau et al., [Perspectives 2025 – Annual Outlook](https://www.dbresearch.com), Deutsche Bank, December, 2024, p. 3, <https://www.dbresearch.com>; Federal Reserve Bank, “[Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents under their individual assumptions of projected appropriate monetary policy](https://www.federalreserve.gov),” December 18, 2024, p. 2, <https://www.federalreserve.gov>; Conference Board, “[Global Economic Outlook](http://www.conference-board.org),” January 2025, p. 2, <http://www.conference-board.org>; Wells Fargo, “[U.S. Economic Outlook: January 2025](https://www.wellsfargo.com),” January, 2025, p. 6, <https://www.wellsfargo.com>; Lawrence M. Kessler et al., [An Economic Report to the Governor of the State of Tennessee: The State’s Economic Outlook January 2025](http://cber.haslam.utk.edu), Boyd Center for Business and Economic Research, University of Tennessee, January 2025, p. 110, <http://cber.haslam.utk.edu>.

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## U.S. Economy

U.S. GDP is one of the broadest measures of economic activity for the national economy and is composed of personal consumption expenditures, investment, government purchases, and the balance of trade. As is typically the case, consumption was the largest contributor to GDP growth during the year, accounting for roughly three-quarters of the overall economy<sup>2</sup>. However, looking at the quarterly estimates of GDP could cause the reader to misunderstand what is happening in the economy. For example, GDP is the sum of consumption, investment, government purchases and net exports. When government purchases are reduced GDP growth could slow or turn negative causing the reader to believe the economy is in, or headed toward, a recession. This fact could misinform policy makers to believe that government spending always creates GDP growth. To paraphrase Howard Lutnick, Secretary of Commerce, If the government buys a tank, that’s GDP. But excessive hiring only inflates GDP at the cost to taxpayers.

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<sup>2</sup> Lawrence M. Kessler et al., [An Economic Report to the Governor of the State of Tennessee: The State’s Economic Outlook January 2025](http://cber.haslam.utk.edu), Boyd Center for Business and Economic Research, University of Tennessee, January 2025, pp. 2, <http://cber.haslam.utk.edu>.

## Consumer Confidence

Consumer confidence is an economic indicator that measures the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation. In theory, the more optimistic consumers feel, the more they may be inclined to spend. An upturn in the index can be an indicator of more jobs, higher wages, an increased demand for capital, and possibly higher inflation. A downturn in the index can be an indication of the opposite. “The Conference Board reported that its consumer confidence index retreated this month to 104.1 from 109.5 in December. However, the proportion of consumers expecting a recession over the next 12 months remained stable at the low end of the series range.”<sup>3</sup>

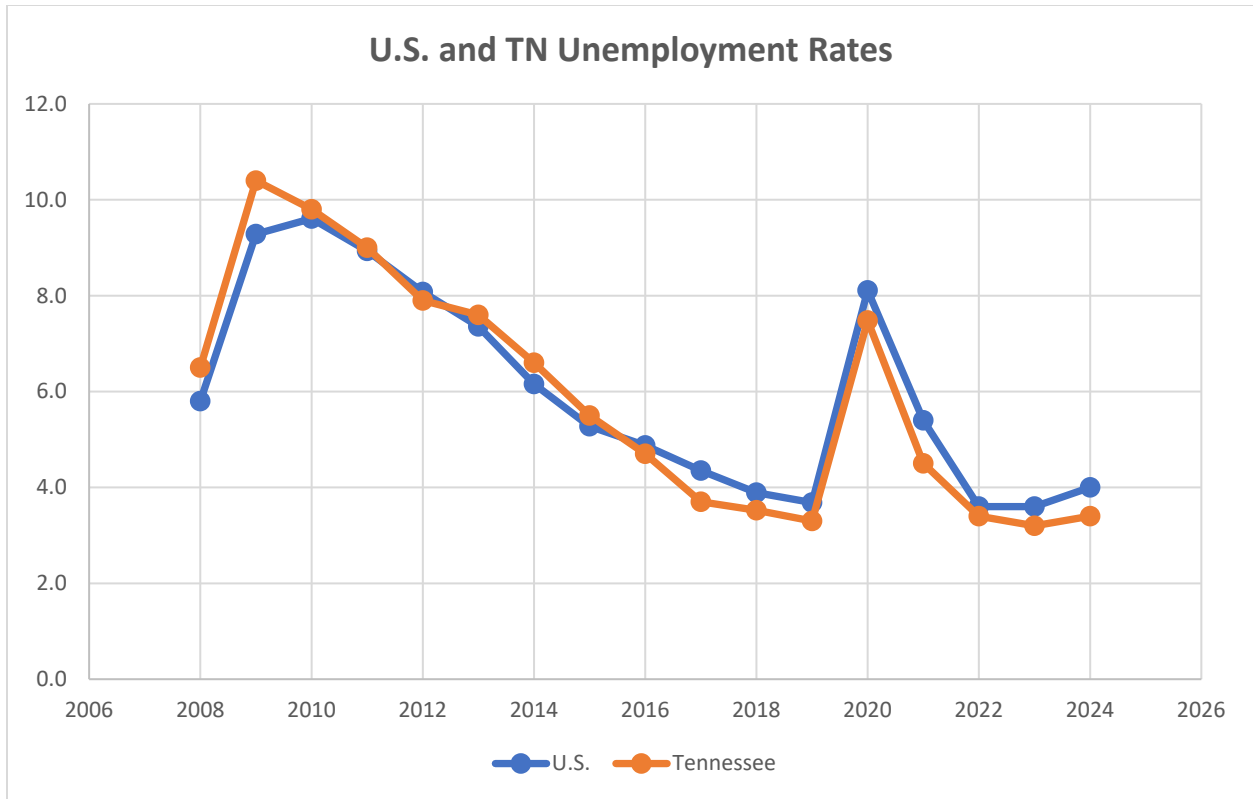
## Labor Market

“Robust labor markets remain a consistent bright spot in the economy, though unemployment has risen slightly in the past year. The overall and prime-age (25 to 54) unemployment rates were 4.1 percent and 3.5 percent, respectively. To provide context, this is slightly better than unemployment rates prior to the pandemic.”<sup>4</sup> The February 7, 2025, Employment Situation Summary from the Bureau of Labor Statistics reports average hourly earnings for all employees rose by 0.5 percent. Over the past 12 months, average hourly earnings have increased by 4.1 percent. As the headcount of federal employees declines, we could see increases in both the labor force participation rate and the unemployment rate in the coming months.

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<sup>3</sup> Matt Ott., *US Consumer Confidence Dips Again to Start the Year*, The Associated Press, January 2025, <https://www.apnews.com>

<sup>4</sup> Lawrence M. Kessler et al., *An Economic Report to the Governor of the State of Tennessee: The State's Economic Outlook January 2024*, Boyd Center for Business and Economic Research, University of Tennessee, January 2024, pp. 2, <http://cber.haslam.utk.edu>.



Source: Federal Reserve Bank of St. Louis, Civilian Unemployment Rate, March 6, 2025, <https://fred.stlouisfed.org>.

## Inflation and Interest Rates

The monetary goals of the Federal Reserve are to foster economic conditions that achieve both stable prices and maximum sustainable employment. Price stability preserves the integrity and purchasing power of the nation’s money. When prices are stable, people can hold money for transactions and other purposes without having to worry that inflation will eat away at the real value of their money. Equally important, stable prices allow people to rely on the dollar as a measure of value when making long-term contracts, engaging in long-term planning, or borrowing or lending for long periods.

The preferred measure by the Federal Reserve of core inflation in the U.S. is the change in the core personal consumption expenditures price index (PCE). The Federal Open Market Committee’s (FOMC) stated objective for core PCE is 2.0 percent. Total PCE price inflation was 2.4 percent over the 12 months ending in November, and core PCE price inflation, which excludes changes in consumer energy and many food prices, was 2.8 percent over the same period.<sup>5</sup>

<sup>5</sup> Federal Open Market Committee, *Minutes from Meetings January 28-29, 2025*, pp. 7. <https://www.federalreserve.gov>.

The FOMC recognizes that inflation is still somewhat elevated and relatively high inflation readings at the beginning of the year slowed the year-over-year progress.

In their discussion of inflation developments, participants observed that inflation had eased significantly over the past two years. A number of participants remarked that current readings of 12-month inflation were boosted by relatively high inflation readings in the first quarter of last year, and several participants noted that cumulative inflation over the past 3, 6, or 9 months showed greater progress than 12-month measures. Most participants commented that month-over-month inflation readings in November and December had exhibited notable progress toward the Committee's goal of price stability. With regard to the outlook for inflation, participants noted that, under appropriate monetary policy, inflation would continue to move toward 2.0 percent, although progress could remain uneven.<sup>6</sup>

When inflation is high, central banks increase interest rates to restrict economic growth and the continuous demand for funds. For investors, inflation is an extremely useful measure since it can be used as a leading indicator to speculate on the future direction of interest rates. Typically, interest rates have a negative correlation with market returns.

## **Tariffs**

A tariff is a levy or duty that a government imposes on imported goods. When a product crosses a country's border, the government charges this fee before the product can enter the domestic economy. Early in U.S. history, tariffs were a major source of federal revenue. After the approval of the income tax in 1913, the reliance on tariffs for funding decreased. Following the Great Depression, the approach to tariffs changed and they became more of a tool to influence economic policy. More specifically, U.S. tariff policy shifted from a focus on revenue sources to a tool for trade policy, such as addressing perceived unfair trade practices, instruments in trade negotiation, protecting industries, and safeguarding national interests.

Whether imposed by the U.S. or by foreign governments, tariffs can impact a domestic economy in various ways, both directly and indirectly, affecting consumers, businesses, and overall economic activity. Among the possible effects are higher consumer prices. This is due to some portion of the additional cost is passed on to consumers.<sup>7</sup>

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<sup>6</sup> Federal Open Market Committee, *Minutes from Meetings January 28-29, 2025*, pp.11. <https://www.federalreserve.gov>.

<sup>7</sup> Rodney Sullivan, *What are Tariffs and How Will They Affect Us*, University of Virginia Darden School of Business, February 4, 2025, [www.news.darden.virginia.edu](http://www.news.darden.virginia.edu)

## National Debt

When the government spends more than it takes in, it borrows to make up the difference. The debt can be seen as the accumulated sum of previous years' deficits. At \$36.2 trillion and rising, the amount of publicly held debt as a percentage of GDP is expected to rise above 100 percent by the end of 2025.<sup>8</sup> Debt held by the public rises each year in relation to the size of the economy and is projected to reach 118 percent of GDP in 2035, surpassing its previous high of 106 percent in 1946.<sup>9</sup> Servicing this debt is one of the federal government's biggest expenses. Interest payments on the debt totaled \$881 billion in 2024, or approximately 13 percent of all federal outlays, according to the Congressional Budget Office. That's projected to rise to \$1.8 trillion by 2035. To put that in perspective, the Fiscal Year 2025 National Defense Authorization Act appropriated \$923.3 billion for national defense. So the interest on the debt is only \$42 billion less per year than the country's national defense.

There are two primary ways to reduce the deficit. Government can choose to reduce expenditures or increase taxes. Both can lower deficits, but care must be taken to reduce the unintended consequences of the chosen path. "We found that a tax-based plan produces a deeper recession. One explanation is that without a reduction in spending, tax hikes must be long-lasting, producing long-lasting negative effects on labor supply and investment. In contrast, a longer-lasting spending cut produces a milder recession because it signals that sooner or later it will be possible to cut taxes"<sup>10</sup>

## Conclusion

As Tennessee is preparing to debate the FY 26 budget, it is worth remembering how far Tennessee has come in three to four years. The economy was in freefall with the lockdown recession causing millions to lose their livelihoods, and Tennessee was preparing to utilize the Rainy Day Fund for the first time since the Great Recession. Fortunately, utilizing the Rainy Day Fund was not necessary. With Tennessee's revenue returning to a more normal growth rate, Tennessee should continue its conservative fiscal approach of very low debt, excellent pension funding, low taxes, and continued preparation for what might happen by appropriating additional funds to the Rainy Day Fund.

In consideration of the information provided here, CBER's projections for Tennessee nominal personal income growth of 4.59 percent and 4.90 percent for calendar years 2025 and 2026, respectively do not appear to be unreasonable.

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<sup>8</sup> Lawrence M. Kessler et al., *An Economic Report to the Governor of the State of Tennessee: The State's Economic Outlook January 2025*, Boyd Center for Business and Economic Research, University of Tennessee, January 2025, pp. 20, <http://cber.haslam.utk.edu>

<sup>9</sup> Congressional Budget Office, *The Budget and Economic Outlook: 2025 to 2035*, January 2025. [www.cbo.gov](http://www.cbo.gov)

<sup>10</sup> Alberto Alesina et al., *Balancing Act*, International Monetary Fund, March 2018, pp. 11, [www.imf.org](http://www.imf.org)

STATE OF TENNESSEE

Office of the Attorney General



**JONATHAN SKRMETTI**  
ATTORNEY GENERAL AND REPORTER

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TELEPHONE (615)741-3491  
FACSIMILE (615)741-2009

March 24, 2025

State Funding Board  
c/o Sandra Thompson  
Assistant Secretary  
Division of State Government Finance  
Tennessee Comptroller of the Treasury  
Cordell Hull Building  
425 Rep. John Lewis Way, N.  
Nashville, TN 37243-3400

RE: List Identifying State Tax and Non-Tax Revenue Sources

Gentlemen:

The attached list identifying State tax and non-tax revenue sources existing as of March 24, 2025, is approved pursuant to the provisions of Tenn. Code Ann. § 9-4-5202.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jonathan Skrmetti", with a long horizontal flourish extending to the right.

JONATHAN SKRMETTI  
Attorney General and Reporter

Encl.

March 24, 2025

The list below identifies tax and non-tax revenue sources existing as of March 24, 2025, and is approved by the Attorney General and Reporter pursuant to the provisions of Tenn. Code Ann. § 9-4-5202:

Tax Revenue Sources

1. Sales and Use Tax
2. Gasoline Tax
3. Diesel Tax
4. Special Privilege Tax on Petroleum Products
5. Export Tax on Petroleum Products
6. Environmental Assurance Fee
7. Highway User Fuel Tax
8. Alternative Fuels Tax (Liquefied Gas Tax & Compressed Natural Gas Tax)
9. Recordation Tax
10. Privilege Taxes
11. Litigation Tax
12. Gross Receipts Taxes
13. Beer Taxes
14. Alcoholic Beverage Taxes
15. Franchise Tax
16. Excise Tax
17. Tobacco Tax
18. Motor Vehicle Title and Registration Fees
19. Mixed Drink Tax
20. Business Tax
21. Occupational Privilege Tax
22. Severance Taxes
23. Insurance Premiums Tax
24. Coin Operated Amusement Machine Tax
25. Tire Predisposal Fee
26. Used Oil Tax
27. Car Rental Surcharge
28. Bail Bond Tax
29. Vending Machine Tax
30. Unauthorized Substances Tax
31. Insurance Verification Fee
32. Fantasy Sports Tax
33. Sports Wagering Licensing and Fees
34. Hemp-derived Cannabinoid Tax
35. Nursing Home Tax
36. Hospital Coverage Assessment
37. Ambulance Service Provider Assessment

Mixed Fee and Tax Revenue Sources

38. Regulatory Fees and Tax Collections from:
  - a. Department of Commerce and Insurance

- b. E-911 Emergency Communications
- c. Department of Financial Institutions
- d. Wildlife Resources Agency
- e. Department of Health
- f. Department of Agriculture
- g. Regulatory Board Fees
- h. Tennessee Public Utility Commission
- i. Secretary of State
- j. Department of Safety
- k. Department of Revenue
- l. Department of Education
- m. Department of Environment and Conservation
- n. Other State Departments, Agencies, and Boards

Non-Tax Revenue Sources

- 39. Court Fines & Penalties Reported to:
  - a. Department of Commerce and Insurance
  - b. Department of Financial Institutions
  - c. Department of Agriculture
  - d. Wildlife Resources Agency
  - e. Department of Health
  - f. Tennessee Public Utility Commission
  - g. Department of Safety
  - h. Department of Education
  - i. Department of Environment and Conservation
  - j. Department of Labor
  - k. Other State Departments, Agencies, and Boards
- 40. Treasury Earnings
- 41. Proceeds from Unclaimed Property
- 42. Departmental Revenues for Current Services
- 43. Federal Funds
- 44. Proceeds of State Bonds and Notes
- 45. Gifts and Donations
- 46. Payments in Lieu of Taxes
- 47. Opioid Litigation Settlement
- 48. Tobacco Litigation Settlement
- 49. Lottery Revenues

Approved:

  
\_\_\_\_\_  
JONATHAN SKRMETTI  
Attorney General and Reporter  
State of Tennessee





THE UNIVERSITY OF  
**TENNESSEE**  
KNOXVILLE

BOYD CENTER FOR BUSINESS  
AND ECONOMIC RESEARCH

January 23, 2025

Mr. Jason E. Mumpower  
Comptroller of the Treasury  
State Funding Board  
State Capitol  
Nashville, Tennessee 37243

Dear Mr. Mumpower:

Sections 9-6-201 and 202 of the *Tennessee Code Annotated* state that the Funding Board may secure from the Tennessee Econometric Model the estimated rate of growth of the state's economy as measured by the forecasted change in Tennessee personal income. Personal income is defined by the United States Department of Commerce. Major assumptions and the methodology used in arriving at the estimates are to be provided as well. The background information to our forecast is included in the *Tennessee Economic Report to the Governor, 2025*. We report the following to you:

Calendar Year	Personal Income (mil \$)	Growth (%)	Index (1977=100)	Calendar Year	Personal Income (mil \$)	Growth (%)	Index (1977=100)	Calendar Year	Personal Income (mil \$)	Growth (%)	Index (1977=100)
1977	27,176	10.83	100.00	1994	106,434	6.39	391.65	2011	241,432	6.07	888.41
1978	30,979	14.00	114.00	1995	114,276	7.37	420.51	2012	252,592	4.62	929.48
1979	34,544	11.51	127.11	1996	120,649	5.58	443.96	2013	254,465	0.74	936.36
1980	38,078	10.23	140.12	1997	127,785	5.91	470.22	2014	263,856	3.69	970.92
1981	42,383	11.31	155.96	1998	139,760	9.37	514.28	2015	277,356	5.12	1020.60
1982	45,046	6.28	165.76	1999	145,232	3.91	534.42	2016	286,532	3.31	1054.37
1983	48,057	6.68	176.84	2000	153,990	6.03	566.64	2017	299,308	4.46	1101.38
1984	53,481	11.29	196.80	2001	158,125	2.69	581.86	2018	316,177	5.64	1163.45
1985	57,208	6.97	210.51	2002	162,879	3.01	599.35	2019	335,602	6.14	1234.93
1986	61,216	7.01	225.26	2003	169,930	4.33	625.30	2020	359,873	7.23	1324.24
1987	65,941	7.72	242.65	2004	179,893	5.86	661.96	2021	400,468	11.28	1473.62
1988	71,646	8.65	263.64	2005	188,178	4.61	692.45	2022	417,369	4.22	1535.81
1989	76,928	7.37	283.07	2006	200,189	6.38	736.64	2023	443,472	6.25	1631.86
1990	81,787	6.32	300.96	2007	209,747	4.77	771.81	2024	470,572	6.11	1731.58
1991	86,093	5.26	316.80	2008	218,372	4.11	803.55	2025	492,170	4.59	1811.06
1992	94,022	9.21	345.98	2009	217,095	-0.59	798.85	2026	516,289	4.90	1899.81
1993	100,042	6.40	368.13	2010	227,613	4.85	837.56	2027	542,494	5.08	1996.24

We would be pleased to discuss the economic forecast with you in detail.

Best regards,

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