

Giles County 5-Year Revenue Trends

Sales and Property Taxes



This attached spreadsheets were prepared to provide the EDC with clear revenue data for an ongoing study. The numbers reveal notable trends in local revenue dynamics, offering useful insights for the Commission.

Sales Tax

- Sales tax revenue across the county has grown consistently, with some municipalities performing better than others. Countywide, shared sales tax increased **34% from 2021 to 2025**, outpacing the cumulative CPI of **19.2%**.
- Many analysts recognize that CPI often underreports real-world inflation, particularly for the county's "basket of goods," which is heavy on specialized labor and durable goods. In this context, the county and most municipalities are **maintaining purchasing power** through sales tax revenue—a positive indicator for funding operations and addressing infrastructure needs.
- **Caveat:** Sales tax is inherently volatile and tied to consumer spending. Reliance on it as a primary revenue source carries some risk during economic downturns.

Property Tax

- The 2022 reassessment shifted the commercial vs. residential split. Residential taxes increased modestly, while commercial valuations declined.
- Despite these changes, total property tax revenue growth **lagged behind inflation**, with residential revenue up **16%** and commercial revenue down **7%** from 2020–2024, compared to a CPI of **24.8%**.
- Residential property now accounts for ~82% of total property tax revenue, increasing dependence on homeowners. This concentration may constrain flexibility for future rate adjustments.
- A common question is whether commercial tax rates can be raised while leaving residential rates flat; legally and practically, this is **not feasible**, as rates must apply uniformly to their respective classes.

Conclusions and Implications

1. **Sales Tax Growth Maintains Purchasing Power**
 - Strong growth in sales tax supports education and infrastructure funding. Overreliance on this source, however, carries some volatility risk.
2. **Property Tax Growth Lags Inflation**
 - Residential growth is moderate, commercial revenue is declining, and total property tax revenue has not kept pace with inflation. Structural limitations in the property tax base may constrain long-term flexibility.
3. **Shift in Tax Base Composition**

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- Increased reliance on residential property highlights the need to consider tax-base diversification.

4. Infrastructure Funding Pressures

- Lagging property tax growth, rising costs, and efforts to address deferred maintenance indicate that sales tax alone will not suffice for long-term capital needs. Strategic planning is essential to balance revenue streams and manage risk.

5. Policy Considerations

- Encouraging commercial development could broaden and stabilize the property tax base.
- Diversifying local revenue sources beyond sales and property taxes may reduce volatility.

Summary: Giles County presents a mixed revenue picture. **Strong sales tax growth** supports ongoing operations, while **property tax revenue lags inflation**, particularly on the commercial side. Addressing these structural trends is critical for sustainable funding of infrastructure and county services.

v/r,

A handwritten signature in blue ink, appearing to read "G. S. Stowe".

G. S. Stowe
County Executive

01 Oct 2025

State Sales Tax—Shared Revenue by Jurisdiction

	2020	2021	2022	2023	2024	2025	5-Year Increase
Ardmore	\$109,916	\$124,551	\$137,465	\$144,171	\$149,013	\$152,823	26%
Elkton	\$52,376	\$59,349	\$62,566	\$64,563	\$66,731	\$68,437	17%
Lynnville	\$26,007	\$29,469	\$32,866	\$34,591	\$35,753	\$36,667	28%
Minor Hill	\$48,660	\$55,139	\$57,931	\$59,706	\$61,711	\$63,289	17%
Pulaski	\$590,457	\$669,992	\$766,110	\$771,113	\$807,191	\$834,137	28%
Giles County	\$8,756,145	\$10,327,133	\$11,866,001	\$12,225,950	\$12,608,934	\$13,278,569	34%

Data Source

Comptroller Local Government Audit

<https://comptroller.tn.gov/office-functions/la/e-services/confirmations.html>

Cumulative Inflation Rate 2021-2025	19.20%
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Property Tax—Residential vs Commercial

2020	Assessed Percent	Total Amount	Split
	\$0.25 Residential	\$11,780,749.00	79%
	\$0.40 Commercial	\$3,187,651.00	21%
	Total	\$14,968,400.00	
2021	Assessed Percent	Total Amount	
	\$0.25 Residential	\$12,038,763.00	79%
	\$0.40 Commercial	\$3,204,054.00	21%
	Total	\$15,242,817.00	
2022	Assessed Percent	Total Amount	
	\$0.25 Residential	\$13,051,892.00	82%
	\$0.40 Commercial	\$2,817,421.74	18%
	Total	\$15,869,313.74	
2023	Assessed Percent	Total Amount	
	\$0.25 Residential	\$13,354,057.00	82%
	\$0.40 Commercial	\$2,909,649.38	18%
	Total	\$16,263,706.38	
2024	Assessed Percent	Total Amount	
	\$0.25 Residential	\$13,668,021.00	82%
	\$0.40 Commercial	\$2,971,559.07	18%
	Total	\$16,639,580.07	

Five Year Change 2020-2024 Residential 16%
Commercial -7%

Cumulative Inflation Rate 2020-2024	24.8%
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