

STATE OF TENNESSEE
COMPUTATION OF LEGAL DEBT SERVICE MARGIN
JUNE 30, 2000

(Expressed in Thousands)

LEGAL DEBT SERVICE LIMIT (2000 PLEDGED REVENUES OF \$870,302/150%)	\$ 580,201
LESS - 2000 DEBT SERVICE REQUIRED ON ALL GENERAL LONG-TERM DEBT, INCLUDING STATE LOAN PROGRAM AND FACILITIES REVOLVING FUND GENERAL OBLIGATION BONDS	138,481
LEGAL DEBT SERVICE MARGIN	\$ 441,720

	COLLECTIONS FOR FISCAL YEAR 2000				PLEDGED	
	PORTION PLEDGED	ALL	LOCAL	TOTAL	PERCENT	AMOUNT
		GOVERNMENTAL FUND TYPES	GOVERNMENT FUND		PERCENT	AMOUNT
CALCULATION OF 2000 PLEDGED REVENUES AS ABOVE:						
GASOLINE TAX	29.3 %	\$ 356,554	\$ 260,167	\$ 616,721	29.3	\$ 180,699
PETROLEUM PRODUCTS FEE	ALL	48,415	12,017	60,432	100.0	60,432
MOTOR VEHICLE REGISTRATION FEE	ONE-HALF	218,583		218,583	50.0	109,292
FRANCHISE TAX	ALL	519,879		519,879	100.0	519,879
TOTALS		\$ 1,143,431	\$ 272,184	\$ 1,415,615		\$ 870,302

NOTE: Pledged revenues for the last five years are shown below:

FISCAL YEAR	PLEDGED REVENUES	PERCENT INCREASE (DECREASE)
1996	573,205	2.0
1997	694,114	21.1
1998	621,159	(10.5)
1999	632,040	1.8
2000	870,302	37.7