State of Tennessee

PUBLIC CHAPTER NO. 108

HOUSE BILL NO. 23

By Representatives Dale Carr, Farmer

Substituted for: Senate Bill No. 47

By Senators Overbey, Southerland

AN ACT to amend Tennessee Code Annotated, Title 67, relative to authorizing certain municipalities located in a tourist resort county to levy certain privilege taxes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 4, Part 5, is amended by adding the following language as a new, appropriately designated section:

67-4-5__.

(a)   Notwithstanding any other law to the contrary, any municipality located within a tourist resort county as defined in § 42-1-301(3) that also has two (2) premiere type tourist resort municipalities as defined in § 67-6-103(a)(3)(B)(i) in such county, is authorized to levy and impose the following taxes currently levied and imposed by private act by other municipalities located within such county:

(1)   A privilege tax not to exceed two percent (2%) of the consideration charged by restaurants, cafes, cafeterias, caterers and other similar establishments located in such municipality; and

(2) A privilege tax not to exceed three percent (3%) upon the privilege of a consumer paying consideration for admission into or for an amusement within the corporate limits of the municipality levying the tax.

(b) The privilege tax levied pursuant to subdivision (a)(1) shall not apply to food prepared to be served at churches, senior citizen centers, nursing homes and at boarding houses where the cost of food is included in the rental rate. In addition such tax shall not apply to the sale of alcoholic beverages in any form, manner, time or place.

(c) Any such tax may be levied upon the adoption of an ordinance by a two-thirds (2/3) vote of the municipal governing body to which this section applies. The ordinance shall specify the privileges to which such taxes apply and the manner of payment and collection of such taxes.

(d)   Such taxes shall be levied on the same privileges, in the same manner and to the same extent as such taxes are levied pursuant to the private acts which impose such taxes.

(e)

(1)   In administering and enforcing this act, the tax collection official shall have as additional powers, those powers and duties with respect to collecting taxes as provided in Title 67 of Tennessee Code Annotated or otherwise provided by law for county clerks.

(2) Upon any claim of illegal assessment and collection, the taxpayer has the remedies provided in Tennessee Code Annotated, Title 67; it is the intent of this act that the provisions of law which apply to the recovery of state taxes illegally assessed and collected shall also apply to t he tax or taxes levied under the authority of this act. Section 67-1-707 shall be applicable to adjustments and refunds of such tax or taxes.

(3) With respect to the adjustment and settlement with taxpayers, all errors of city taxes collected by the tax collection official under authority of this act shall be refunded by the tax collection official.

(4) Notice of any tax paid under protest shall be given to the tax collection official and the ordinance authorizing the levy of the tax shall designate a municipal officer against whom suit may be brought for recovery.

(f) Such taxes shall be in addition to any other taxes levied or authorized to be levied on such privileges.

(g) Seventy-five percent (75%) of the proceeds collected from any tax imposed pursuant to this section shall be used for tourism promotion; tourism infrastructure, including but not limited to, municipally owned or operated event centers and golf courses; and tourism advertising.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

HOUSE BILL NO. ___23___

PASSED: ___MARCH 21, 2013___

Beth Harwell

BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

Ron Ramsey

RON RAMSEY
SPEAKER OF THE SENATE

APPROVED this _8th_ day of _April_ 2013

Bill Haslam

BILL HASLAM, GOVERNOR