

HOUSE BILL 1397

By Holsclaw

AN ACT to amend Tennessee Code Annotated, Title 67,
relative to authorizing certain municipalities to levy
a certain privilege tax.

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 section:

(a) As used in this section, "motor sports tourist municipality" means any municipality within which is located a motor sports facility with a track having a permanent seating capacity of at least one hundred thousand (100,000) and that is sanctioned by National Association for Stock Car Auto Racing (NASCAR) for racing events.

(b) Notwithstanding any other law to the contrary, any motor sports tourist municipality is authorized to levy and impose a privilege tax not to exceed two percent (2%) of the consideration charged by restaurants, cafes, cafeterias, caterers, and other similar establishments located in the municipality.

(c) The privilege tax levied pursuant to subsection (b) shall not apply to food prepared to be served at churches, senior citizen centers, or nursing homes, or at boarding houses if the cost of food is included in the rental rate. In addition, the tax shall not apply to the sale of alcoholic beverages in any form, manner, time, or place. The municipal governing body may designate additional exemptions by ordinance.

(d) The tax may be levied upon the adoption of an ordinance by a unanimous vote of the municipal governing body to which this section applies. The ordinance shall

specify the privileges to which the tax applies, the exemptions thereto, and the manner of payment and collection of the tax.

(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 this title or otherwise provided by law for county clerks.

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

(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 section 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) The tax imposed by this section 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.