



County Technical Assistance Service  
INSTITUTE *for* PUBLIC SERVICE

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# Hotel/Motel Privilege Tax

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

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# Hotel/Motel Privilege Tax

## Private Acts of 1986 Chapter 127

**SECTION 1.** For the purposes of this Act, unless the context requires otherwise, the following terms shall have the meanings indicated:

- (a) "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.
- (b) "Hotel" means any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist camp, tourist court, tourist cabin, motel or any place in which rooms, lodgings or accommodations are furnished to transients for a consideration.
- (c) "Occupancy" means the use or possession or the right to the use or possession, of any room, lodgings or accommodations in any hotel.
- (d) "Transient" means any person who exercises occupancy or is entitled to occupancy for any rooms, lodgings or accommodations in a hotel for a period of less than ninety (90) continuous days.
- (e) "Consideration" means the consideration charged, whether or not received, for the occupancy in a hotel valued in money whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits, property and services of any kind or nature without any deduction therefrom whatsoever. Nothing in this definition shall be construed to imply that consideration is charged when the space provided to the person is complimentary from the operator and no consideration is charged to or received from any person.
- (f) "Operator" means the person operating the hotel whether as owner, lessee or otherwise.

**SECTION 2.** The legislative body of Greene County is authorized to levy a privilege tax upon the privilege of occupancy in any hotel of each transient in an amount not to exceed seven percent (7%) of the consideration charged by the operator. Such tax is a privilege tax upon the transient occupying such room and is to be collected as provided by this act.

As amended by: Private Acts of 1997, Chapter 10  
Private Acts of 2004, Chapter 101

**SECTION 3.** Such tax shall be added by each and every operator to each invoice prepared by the operator for the occupancy of his hotel, such invoice to be given directly or transmitted to the transient and shall be collected by such operator from the transient and remitted to the county.

When a person has maintained occupancy for ninety (90) continuous days, he shall receive from the operator a refund or credit for the tax previously collected from or charged to him, and the operator shall receive credit for the amount of such tax if previously paid or reported to the county.

**SECTION 4.** The tax hereby levied shall be remitted by all operators who lease, rent or charge for any hotel room within the county to the county clerk, such tax to be remitted to such officer not later than the 20th day of each month for the preceding month. The operator is hereby required to collect the tax from the transient at the time of the presentation of the invoice for such occupancy whether prior to occupancy or after occupancy as may be the custom of the operator, and if credit is granted by the operator to the transient; then the obligations to the county entitled to such tax shall be that of the operator.

**SECTION 5.** No operator of a hotel shall advertise or state in any manner whether directly or indirectly that the tax or any part thereof will be assumed or absorbed by the operator, or that it will be added to the rent, or that, if added, any part will be refunded.

**SECTION 6.** Taxes collected by an operator which are not remitted to the county clerk on or before the due dates are delinquent. An operator shall be liable for interest on such delinquent taxes from the due date at a rate of eight percent (8%) per annum, and in addition for a penalty on such taxes of one percent (1%) for each month or fraction thereof that such taxes are delinquent. Such interest and penalty shall become a part of the tax herein required to be remitted. Willful refusal of an operator to collect or remit the tax or willful refusal of a transient to pay the tax imposed is hereby declared to be unlawful and shall be punishable upon conviction by a fine not in excess of fifty dollars (\$50.00).

Any fine levied herein shall be applicable to each individual transaction involving lodging services paid by a transient to the operator in those cases when the operator fails or refuses to pay the tax payable to the county clerk.

**SECTION 7.** It shall be the duty of every operator liable for the collection and payment to the county of any tax imposed by this Act to keep and preserve for a period of three (3) years all records as may be necessary to determine the amount of such tax as he may have been liable for the collection of and payment to the county, which records the county clerk shall have the right to inspect at all reasonable times.

**SECTION 8.** The county clerk in administering and enforcing the provisions of this Act 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 the county clerks.

Upon any claim of illegal assessment and collection, the taxpayer shall have the remedy provided in the Tennessee Code Annotated, Section 67-1-912, it being the intent of this act that the provisions of law which apply to the recovery of taxes illegally assessed and collected shall apply to the tax collected under the authority of this Act; provided, the county clerk shall possess those powers and duties as provided in Tennessee Code Annotated, Section 67-1-707 (a) and (b) with respect to adjustment and settlement with taxpayers of all the errors of taxes collected by him under the authority of this act and to direct the refunding of same. Notice of any tax paid under protest shall be given the county clerk, and suit for recovery shall be brought against such county clerk.

**SECTION 9.**

(a) One and one-half percent (1 ½%) of the tax levied herein shall be retained by the county government and the general fund and allocated for the direct support of industrial development, recruitment, and retention for all Greene County. One and one-half percent (1 ½%) of the tax shall be retained by the county and the general fund and allocated for direct support of development and support of tourism for Greene County. Two percent (2%) of the tax shall be allocated to Greene County's General Debt Service Fund. One percent (1%) of the tax shall be allocated to the county's capital improvement fund for construction, renovation or maintenance of facilities, recreational pursuits, or the purchase of equipment. The remaining one percent (1%) of the tax shall be allocated to support or promote the performing arts as allocated by the Greene County legislative body.

(b) All such percentages, proceeds and revenues specified in subsection (a) may be reallocated by the Greene County Legislative Body by two-thirds (2/3) vote of the membership as necessitated or warranted under the circumstances then existing.

As amended by:  
Private Acts of 1997, Chapter 10  
Private Acts of 2001, Chapter 6  
Private Acts of 2004, Chapter 101

**SECTION 10.** The tax collected by the county clerk shall be remitted by him to the county trustee for distribution in accordance with the terms of this act and the laws of the state of Tennessee.

**SECTION 11.** The privilege tax levied by this act shall be in addition to all other taxes levied or authorized to be levied whether in the form of excise, license, or privilege taxes, and shall be in addition to all other fees and taxes now levied or authorized to be levied.

**SECTION 12.** If any clause, sentence, paragraph, section or any part of this act shall be held or declared to be unconstitutional, it shall not affect the remainder of this act notwithstanding the part held to be invalid, if any, and to that end the provisions of this Act are declared severable.

**SECTION 13.** This Act shall have no effect unless it is approved by a two-thirds (⅔) vote of the county legislative body of Greene County. Its approval or nonapproval shall be proclaimed by the presiding officer of the legislative body of Greene County and certified by him to the Secretary of State.

**SECTION 14.** For the purpose of approving or rejecting the provisions of this Act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective upon being approved as provided in Section 13.

Passed: March 17, 1986.

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