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# Chapter XI - Taxation

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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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# Chapter XI - Taxation

## Hotel - Motel Tax

### Private Acts of 1989 Chapter 18

**SECTION 1.** As used in this act unless the context otherwise requires:

- (1) "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.
- (2) "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.
- (3) "Occupancy" means the use or possession, or the right to the use or possession, of any room, lodgings or accommodations in any hotel.
- (4) "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.
- (5) "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.
- (6) "Operator" means the person operating the hotel whether as owner, lessee or otherwise.

**SECTION 2.** The legislative body of Sequatchie 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 four percent (4%) 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.

**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 and 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 rooms within the county to the county trustee or such other officer as may by resolution of the county legislative body be charged with the duty of collection thereof, such tax to be remitted to such officer not later than the twentieth (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.** The trustee or other authorized collector of the tax authorized by this act shall be responsible for the collection of such tax. A monthly tax return under oath shall be filed with the trustee by the operator with such numbers of copies thereof as the trustee may reasonably require for the collection of such tax. The report of the operator shall include such facts and information as may be deemed reasonable for the verification of the tax due. The form of such report shall be developed by the trustee and approved by the county legislative body prior to use. The trustee shall audit each operator in the county at least once per year and shall report on the audits made on a quarterly basis to the county legislative body. The county legislative body is hereby authorized to adopt resolutions to provide reasonable rules and regulations for the implementation of the provisions of this act.

**SECTION 6.** 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 not be added to the rent, or that if added, any part will be refunded.

**SECTION 7.** Taxes collected by an operator which are not remitted to the county trustee on or before the due dates are delinquent. An operator shall be liable for interest on such delinquent taxes from the due date at the rate of twelve percent (12%) per annum, and shall be liable for an additional penalty of one percent (1%) for each month or fraction thereof such taxes are delinquent. Such interest and penalty shall become a part of the tax herein required to be remitted. Each occurrence of 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).

**SECTION 8.** 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 trustee shall have the right to inspect at all reasonable times.

**SECTION 9.** The county trustee 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.

For his services in administering and enforcing the provisions of this act, the county trustee shall be entitled to retain as a commission one percent (1%) of the taxes collected.

Upon any claim of illegal assessment and collection, the taxpayer shall have the remedy provided in Tennessee Code Annotated, Title 67, Chapter 1, Parts 7 and 9, it being 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 the tax levied under the authority of this act. The county trustee shall also possess those powers and duties as provided in Tennessee Code Annotated, Section 67-1-707, for the county clerks with respect to the adjustment and settlement with taxpayers all errors of county taxes collected by him under authority of this act and to direct the refunding of same. Notice of any tax paid under protest shall be given to the county trustee and the resolution authorizing levy of the tax shall designate a county officer against whom suit may be brought for recovery.

**SECTION 10.** The county trustee is hereby charged with the duty of collection of the tax herein authorized and shall place the proceeds of such tax in the general fund or such other fund as the county legislative body may specify by resolution.

**SECTION 11.** The tax levied pursuant to the provisions of this act shall only apply in accordance with the provisions of Tennessee Code Annotated, Section 67-4-1425.

**SECTION 12.** If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

**SECTION 13.** This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the county legislative body of Sequatchie County. Its approval or non-approval shall be proclaimed by the presiding officer of the county legislative body and shall be 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, this act shall take effect upon being approved as provided in Section 13.

Passed: February 22, 1989.

## Litigation Tax

### Private Acts of 1982 Chapter 248

**SECTION 1.** There is levied a privilege tax on litigation in the amount of five dollars and twenty-five cents (\$5.25) upon all original civil suits and cases filed in Circuit, Chancery, Probate and General Sessions Courts in Sequatchie County.

**SECTION 2.** There is levied a privilege tax on litigation of fifteen dollars (\$15.00) in all criminal cases instituted in the Circuit Court or Criminal Court in Sequatchie County.

**SECTION 3.** The term "case" shall include ex parte as well as adversary or contested proceedings.

**SECTION 4.** The privilege tax on litigation shall be collected by the clerks of the respective courts and taxed as a part of the costs in each suit or case. Such clerks shall be accountable for and shall pay over the revenue to the county trustee not later than the tenth (10th) of the month immediately following the

month in which such collections are made.

**SECTION 5.** Upon receipt of the funds of such privilege tax on litigation from the respective clerks, the county trustee shall deposit such funds into a separate fund, which is to be designated as the "Court House and County Buildings Maintenance Repair and Improvement Fund," to be used exclusively for the purpose of maintenance and repair of the Court House and other county buildings.

**SECTION 6.** If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to that end the provisions of this Act are declared to be severable.

**SECTION 7.** This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the county legislative body of Sequatchie County. Its approval or non-approval shall be proclaimed by the presiding officer of the legislative body of Sequatchie County and certified by him to the Secretary of State.

**SECTION 8.** 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 7.

Passed: March 4, 1982.

## Marriage Tax

### Private Acts of 1992 Chapter 157

**SECTION 1.** The county legislative body of Sequatchie County is authorized by resolution to levy a tax on the privilege of being married on the courthouse grounds. The resolution levying such tax shall state the rate of the tax and the method of implementation, administration and enforcement. All tax revenue generated pursuant to the tax authorized by this act shall be deposited in the county general fund.

**SECTION 2.** This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the county legislative body of Sequatchie County. Its approval or nonapproval shall be proclaimed by the presiding officer of the county legislative body and certified by him to the Secretary of State.

**SECTION 3.** 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 2.

Passed: March 5, 1992.

## Taxation - Historical Notes

### **Assessor of Property**

The following acts were superseded, repealed or failed to win local ratification, but they are listed here as a reference to laws which once affected the Sequatchie County Assessor.

1. Acts of 1907, Chapter 602, was a public law concerning Tax Assessors.
2. Private Acts of 1915, Chapter 551, amended Chapter 602, Acts of 1907, to set up an annual salary of \$300 for the tax assessor of Sequatchie County.
3. Private Acts of 1947, Chapter 742, amended Chapter 551, Private Acts of 1915, Item 2, above, in Section 1 so as to increase the annual compensation of the Tax Assessor of Sequatchie County from \$300 to \$800.
4. Private Acts of 1963, Chapter 216, properly ratified by the Sequatchie County Quarterly Court added after Section One a provision to pay the Tax Assessor of the County ten cents per mile traveled in the conduct of the business of his office which mileage must be supported by certificates indicating the miles traveled, but in no event was the annual total to be paid in this regard exceed \$2,800 annually.

### **Taxation**

The following is a listing of acts pertaining to taxation in Sequatchie County which are no longer effective.

1. Private Acts of 1857-58, Chapter 124, required the county clerks in Marion County and Bledsoe County to make out and hand over to the Tax Collector of Sequatchie County a list of the taxes for 1858 which were due in the area which was included in Sequatchie County. All taxes collected in those described areas would be for the benefit of the new county.

2. Public Acts of 1870-71, Chapter 50, stated that all counties and cities could impose taxes for county and municipal purposes in the following manner and upon these conditions (1) that all taxable property shall be taxed according to its value upon the principles established for state taxation, and (2) that the credit of no county or city shall be given, or loaned, to any person, firm, or corporation, unless a majority of the justices, or the councilmen, shall first agree, and then upon an election wherein three-fourths of the voters approve. Twenty-six counties, not including Sequatchie, exempted themselves for the next ten years from the three-fourth approval vote, substituting a simple majority approval vote instead.
3. Private Acts of 1939, Chapter 490, created the offices of county auditing and Back Tax Collecting Commission in Sequatchie County (identified by the 1920 Federal Census figures) and named S. B. Wilson, D. M. Harris, and Fred Wilson as the original members of that commission. On the first Monday in January, 1942, the Quarterly Court would appoint commissioners for two years, three years, and four years and fill vacancies which might occur for the unexpired portions of the said term. The commissioners would make audits as authorized under general state law being governed by its terms and dictates. The Commission would collect delinquent taxes of all sorts and descriptions and be paid 50% of all the back taxes collected. The commission could secure the services of the State Auditor whenever they deemed it necessary, and could initiate suits to recover any losses or to correct any error. Sequatchie County did not meet the census figures quoted in 1920 but did come

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