



County Technical Assistance Service  
INSTITUTE *for* PUBLIC SERVICE

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# Amusement Tax

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Dear Reader:

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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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# Amusement Tax

## Private Acts of 1949 Chapter 596

### **SECTION 1.** That:

#### DEFINITIONS

"Admission" includes seats and tables, reserved or otherwise, standing room, and other similar accommodations for which charges are made as a condition of the use thereof, for attending or using the facilities of places of amusement, including concerts, theaters, athletic events, circuses, carnivals, swimming pools, motion picture shows, night clubs, dance halls, wrestling matches, prize fights, bowling alleys, skating rinks;

"Collector" includes, in the case of Counties, the County Court Clerk and any Deputy County Court Clerk, and in the case of Cities, any Recorder, Finance Director, Treasurer, or any Deputy thereof, or other official charged with the duty of municipal tax collection.

### **SECTION 2.** That:

#### Levy of Tax, Rate Thereof, and Use of the Proceeds of the Tax

For the purpose of providing additional revenue for counties and cities to which this Act applies, and of defraying the expense of administering this Act, there is hereby levied in all counties of this State having a population of not less than 34,000 nor more than 35,000, according to the Federal Census of 1940, a tax of one (1c) cent for each (20c) cents, or major fraction thereof, on the amount paid for admission to any place of amusement, including admission by season ticket or subscription, the tax to be levied on, and paid by the person paying for said admission. Provided, however, that in case the amount paid for admission is less than eleven (11) cents, no tax is imposed; and provided further, that in the case of free admission for any purpose, no tax is imposed; and, provided further, that, where the amount paid for admission by season ticket or subscription is such that the amount which is charged to the holder thereof or subscriber for single admission under said ticket or subscription is less than eleven (11) cents, no tax is imposed.

In the computation of the tax levied hereby, any admission or ticket tax paid to any other governmental unit shall be excluded from the charge for admission in determining the applicability or amount of the tax levied hereunder. In the case the admission is determined by a required cover charge or minimum charge of any character, then the tax shall be computed as the said cover or minimum charge is the cost of admission.

### **SECTION 3.** That:

Exemptions -- No tax shall be levied under this Act with respect to any admissions, all the proceeds of which inure (1) exclusively to the benefit of persons in the military or naval forces of the United States, of National Guard Organization, Veterans Organizations, Parent Teacher Associations and municipally operated amusement and enterprises, if no part of the proceeds inure to the benefit of any promoter or producer thereof.

(2) Exclusively to the benefit of religious, educational or charitable institutions, non-profit organizations or organizations conducted for the sole purpose of maintaining a cooperative or community center, if no part of the net earnings thereof inures to the benefit of any individual promoter or producer thereof.

(3) Exclusively for the benefit of members of police or fire departments of any municipal corporation or the dependents or heirs of such members.

(4) Exclusively to the maintenance of agricultural fairs, if no part of the net earnings thereof inures to the benefit of any private individual, producer or promoter of the same. Provided, however, that this exemption does not include the exemption of admissions to midways, carnivals or like private enterprises operated in connection therewith.

The exemption from tax provided in this section shall, however, not be allowed in the case of admissions to athletic contests or pugilistic matches or exhibitions, the proceeds of which inure wholly or partly to the benefit of any college, high school, academy, preparatory or other school in cases wherein the admission price is forty-one (41c) cents or more.

### **SECTION 4.** That:

Prices to be Marked on Ticket -- The price (excluding the tax to be paid by the person paying the admission) for which every admission ticket or card is sold shall be conspicuously and indelibly printed, stamped or written on the face or back of that part of the ticket which is to be taken up by the management of the theater, stadium, auditorium, dance hall, cabaret, or other place of amusement, together with the name of

the individual or organization managing the amusement enterprise and selling the ticket or card.

**SECTION 5.** That:

The Collection of Tax and Reports Thereof -- Every person receiving any payment for admissions, subscriptions, cover charges or minimum charges, fees, dues or otherwise which is taxable under this Act, shall collect from the purchaser thereof, the tax imposed by this Act and hold the same in a separate fund until paid to the tax collector, which tax shall be and become due to the municipality or county immediately upon the sale of ticket or tickets and the municipality or county shall have the right to take legal steps to collect the same, if necessary, immediately. Every such person or organization shall, on demand of the municipality or county and in every case, on or before the 10th day of each calendar month, make a return in duplicate under oath to the tax collector showing the number of taxable admissions issued or disposed of, and the amount of taxable dues, fees, minimum charges, cover charges, collected during the preceding calendar month, together with the serial numbers of any tickets, cards, checks, or cash register receipts issued or sold representing or covering the same, and such other facts and information as the tax collector may reasonably require for the verification of the amount of the tax due therefor.

Every person making such return shall, at the time of making the return, pay the amount of taxes shown thereby to the tax collector. If the tax imposed by this Act is not paid when due, there shall be added as a part of the tax, interest and penalty at the rate of two (2%) per cent per month from time the tax became due and until paid.

For the purpose of enforcing the payment of the tax due hereunder, the tax collector is hereby given and may avail himself of the process of distraint provided in the case of other tax delinquents.

**SECTION 6.** That:

Tax Levy for Whom

Whenever any place of amusement, for the admission to which a tax is due, and payable hereunder, is located and conducted within the limits of an incorporated municipality to the counties to which this Act applies, the tax hereby levied shall be for the benefit of, and paid to, the municipality.

Whenever any place of amusement, for the admission to which a tax is due and payable hereunder, is located and conducted outside the limits of any incorporated town in the Counties to which this Act applied, the tax hereby levied shall be for the benefit of, and paid to, the County.

The monies so received into the treasuries of a County or City hereunder shall be credited to the general revenue fund of such City or County, and be available for appropriation by the proper authorities to the expenses of administering this Act or any other public purpose.

**SECTION 7.** That:

Liability of Collector for Tax; Tax Lien; Estimated Assessment and Penalty:

Any person and organization charged with the collection of a tax herein levied, who fails to collect the same, shall be liable for the full amount of the tax which he should have collected.

The taxes imposed by this Act shall be a lieu upon all property of any person or organization required to collect and pay the same to the Counties and Cities hereunder. If he shall sell out his business or quit it, he shall be required to make out the return provided for under this Act within thirty (30) days after the sale of such business or retirement therefrom, and his successors in business shall withhold a sufficient amount of purchase money to cover the amount of taxes so collected and unpaid, together with interest and any other liability hereunder, until such time as the former owner shall produce a receipt from the tax collector showing that the taxes due hereunder have been paid in full.

The lien hereby fixed shall be enforceable by the tax collectors in the same manner as other tax liens.

The collectors of the tax hereunder are expressly authorized, if not satisfied with the correctness of any return, report or payment hereunder, to make an investigation of the books and records of any person charged with the collection of the tax hereunder, and of any other matter pertinent thereto, and upon discovery of any discrepancy, are authorized to make a deficiency assessment against any person required to collect and pay the tax hereunder, which deficiency assessment shall be accompanied by a ten (10%) per cent penalty assessment. Any such deficiency assessments are collectible and secured as are other taxes hereunder, and are due within ten (10) days after notice thereof is given or sent by registered mail to the person against whom such assessment shall have been made.

For the purpose of ascertaining the correctness of any report, return or payment hereunder, any person charged with the collecting of the taxes levied hereby shall make all of his books, records and canceled ticket stubs available for inspection by the collectors at all reasonable times.

**SECTION 8.** That:

## PENALTIES

Any person who sells an admission ticket or card, or collects upon a check in a dance hall or cabaret upon which the name of the vendor and the price of the admission or charge is not indelibly printed, stamped or written, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not more than One Hundred (\$100.00) Dollars for each such offense.

Any person charged by this Act with the duty of collecting or paying the taxes hereby imposed, who wilfully fails or refuses to charge and collect or to pay such taxes, or to make the reports and returns required hereunder, or to permit the tax collector and other records for the purpose of verifying any return or report or payment pursuant to this Act, shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be fined not less than Twenty-five (\$25.00) Dollars, nor more than One Thousand (\$1,000.00) Dollars, and upon conviction of a second or other subsequent offenses, shall be fined not less than One Hundred (\$100.00) Dollars, nor more than Two Thousand (\$2,000.00) Dollars, and imprisoned, in the discretion of the Court, in the County Jail or workhouse for not more than three months, or both. In case of violations by a corporation, the officers or directors responsible for such violation shall be subject to the punishment provided herein upon proper indictment.

**SECTION 9.** That the provisions of this Act are hereby declared to be severable. If any of its sections, provisions, exceptions, sentences, clauses, phrases, or parts be held unconstitutional or void, or so as applied to any person, then the remainder of this Act shall continue in full force and effect, it being the legislative intent hereby now declared, that this Act would have been adopted, even if such unconstitutional or void matter had not been included therein.

**SECTION 10.** That all laws and parts of laws in conflict with this Act be, and the same are hereby repealed, and this Act shall take effect from and after its passage, the public welfare requiring it, but no tax levied hereunder shall be due or payable until April 1st, 1949.

Passed: April 5, 1949.

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**Source URL:** <https://www.ctas.tennessee.edu/private-acts/amusement-tax>