



State of Tennessee

PUBLIC CHAPTER NO. 1046

HOUSE BILL NO. 681

By Representatives Beck, Hawk, Hazlewood, Bricken, White

Substituted for: Senate Bill No. 421

By Senator Yarbro

AN ACT to amend Tennessee Code Annotated, Title 67, relative to taxation.

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

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 4, Part 14, is amended by adding the following as a new section:

(a) Notwithstanding another law to the contrary, in a county with a metropolitan government that has imposed a privilege tax upon the privilege of occupancy in a hotel of each transient, such metropolitan government may, upon approval by ordinance of the metropolitan council, impose an additional privilege tax upon the privilege of occupancy in a hotel of each transient in an amount up to one percent (1%) of the consideration charged by the operator. The proceeds from the privilege tax provided for in this subsection (a) must be retained by the metropolitan government for the exclusive use of the sports authority for the payment of debt service for the construction of an enclosed stadium with at least fifty thousand (50,000) seats and for future capital improvements to the enclosed stadium.

(b) The privilege tax provided for in subsection (a) must be added by each operator to each invoice prepared by the operator for the occupancy of the operator's hotel, such invoice to be given directly or transmitted to the transient, and the tax must be collected by the operator from the transient and remitted to the tax collection official.

(c) The privilege tax provided for in subsection (a) must be remitted by all operators who lease, rent, or charge for rooms to the tax collection official not later than the twentieth of each month next following collection from the transient. The operator shall collect the tax from the transient at the time of the presentation of the invoice for the occupancy whether prior to occupancy or not, as may be the custom of the operator. The obligation to the metropolitan government entitled to the tax is that of the operator.

(d) For the purpose of compensating the operator in accounting for and remitting the privilege tax provided for in subsection (a), the operator is allowed two percent (2%) of the amount of tax due and accounted for and remitted to the tax collection official in the form of a deduction in submitting the operator's report and paying the amount due by the operator; provided, that the amount due was not delinquent at the time of payment.

(e) Notwithstanding this part to the contrary, on or after the effective date of this act, the tax levied pursuant to subsection (a), when levied upon the occupancy of a short-term rental unit secured through a short-term rental unit marketplace, must be collected and remitted in accordance with chapter 4, part 15 of this title.

(f) An operator of a hotel shall not advertise or state in any manner, whether directly or indirectly, that the privilege tax provided for in subsection (a) or any part of the tax 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.

(g)

(1) Privilege taxes provided for in subsection (a) that are collected by an operator and not remitted to the tax collection official on or before the due dates are delinquent.

HB681

(2) An operator is liable for interest on such delinquent taxes from the due date at the rate of eight percent (8%) per annum, and in addition for penalty of one percent (1%) for each month or fraction of a month that such taxes are delinquent. Such interest and penalty must become a part of the tax required in this section to be remitted.

(3) On and after July 1, 2022, willful refusal of an operator to collect or remit the tax or willful refusal of a transient to pay the tax imposed is a Class C misdemeanor. A fine levied pursuant to this subdivision (g)(3) applies to each individual transaction involving lodging services paid by a customer to the operator in those cases when the operator refuses to collect or remit the tax or the transient refuses to pay the tax payable.

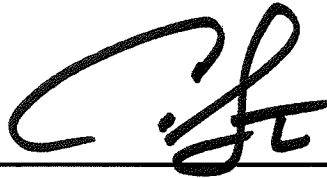
(h) In administering and collecting the privilege tax provided for in subsection (a), the tax collection official has, as additional powers, those powers and duties with respect to collection of taxes provided in this title or otherwise provided by law; provided, that chapter 1, part 17 of this title, does not apply to a record, document, or other information pertaining to a tax on the privilege of occupancy in a hotel imposed pursuant to subsection (a).

(i) Upon a claim of illegal assessment and collection, the taxpayer has the remedy provided in § 67-1-911, it being the intent of this subsection (i) that the provisions of law that apply to the recovery of state taxes illegally assessed and collected be conformed to apply to the recovery of taxes illegally assessed and collected under this section; provided, that the tax collection official possesses those powers and duties as provided in § 67-1-707, with respect to the adjustment and settlement with taxpayers of all errors of taxes collected by the tax collection official under this section and to direct the refunding of the adjustments and settlements. Notice of a tax paid under protest must be given to the tax collection official, and suit for recovery must be brought against the tax collection official.

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

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PASSED: April 27, 2022



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 25th day of May 2022



BILL LEE, GOVERNOR