

SENATE BILL 2474

By Yager

AN ACT to amend Tennessee Code Annotated, Section
67-4-504, relative to privilege taxes.

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

SECTION 1. Tennessee Code Annotated, Section 67-4-504(a), is amended by deleting the subsection and substituting instead the following:

(1) Notwithstanding any other law to the contrary, an eligible municipality is authorized to levy and impose the following taxes:

(A) A privilege tax not to exceed two percent (2%) of the consideration charged by restaurants, cafes, cafeterias, caterers, and other similar establishments located in such municipality; and

(B) A privilege tax not to exceed three percent (3%) upon the privilege of a consumer paying consideration for admission into or for an amusement within the corporate limits of the municipality levying the tax.

(2) For purposes of this section, "eligible municipality" means a municipality that:

(A) Is located within a tourist resort county, as defined in § 42-1-301(3), that also has two (2) premiere type tourist resort municipalities, as defined in § 67-6-103(a)(3)(B)(i), in the county; or

(B)

(i) Has a state park located within the corporate limits of the municipality;

(ii) Is located within three (3) miles of an off-highway vehicle trail area authorized by the Tennessee wildlife resources agency (TWRA);

and

(iii) Has established off-highway vehicle access trails allowing the operation of off-highway vehicles on municipal streets.

SECTION 2. Tennessee Code Annotated, Section 67-4-504(b), is amended by deleting the language "subdivision (a)(1)" and substituting instead the language "subdivision (a)(1)(A)".

SECTION 3. Tennessee Code Annotated, Section 67-4-504(g), is amended by adding the language "payment of debt service;" immediately before the language "tourism promotion;".

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.