

TITLE 5

MUNICIPAL FINANCE AND TAXATION¹

CHAPTER

1. MISCELLANEOUS.
2. PRIVILEGE TAXES.
3. WHOLESALE BEER TAX.
4. PURCHASING.
5. HOTEL/MOTEL TAX.
6. REAL AND PERSONAL PROPERTY TAXES.

CHAPTER 1

MISCELLANEOUS

SECTION

- 5-101. Official depositories for city funds.
- 5-102. Signatures on checks drawn on city accounts.
- 5-103. Fiscal year.
- 5-104. Charitable contributions.

5-101. Official depositories for city funds. Municipal funds may be deposited in any depository institution as designated by the board of mayor and aldermen. Such depositories shall furnish such security as is required by Tennessee Code Annotated, § 6-4-402, before being given custody of any city funds. (1994 Code, § 5-101, modified)

5-102. Signatures on checks drawn on city accounts. Checks drawn on city accounts shall be signed by two (2) members of the board of mayor and aldermen as designated by ordinance or resolution of the board of mayor and aldermen. (1994 Code, § 5-102, modified)

5-103. Fiscal year. The fiscal year for the city shall begin on July 1 of each year and end on June 30 of the following year. (1994 Code, § 5-103)

5-104. Charitable contributions. All financial aid to nonprofit charitable organizations shall be made by specific resolution and only to an organization in which no part of the net earnings inures or may lawfully inure

¹Charter references

For specific charter provisions on depositories of municipal funds, see Tennessee Code Annotated, § 6-4-402.

to the benefit of any private share holder or individual and which provides year round services benefitting the general welfare of the residents of the city. The recipient of said funds must meet the provisions of the Tennessee Code Annotated, § 6-54-111 in addition to any requirements for the Comptroller of the Treasury for the State of Tennessee. (1994 Code, § 5-104, modified)

CHAPTER 2

PRIVILEGE TAXES

SECTION

5-201. Tax levied.

5-202. License required.

5-203. Refund of overpayment of business tax.

5-201. Tax levied. Except as otherwise specifically provided in this code, there is hereby levied on all vocations, occupations, and businesses declared by the general laws of the state to be privileges taxable by municipalities, an annual privilege tax in the maximum amount allowed by state laws. The taxes provided for in the state's "Business Tax Act" (Tennessee Code Annotated, § 67-4-701, et seq.) are hereby expressly enacted, ordained, and levied on the businesses, business activities, vocations, and occupations doing business or exercising a taxable privilege as provided by said Act, in the City of La Vergne, Tennessee, at the rates and in the manner prescribed by the said Act. The proceeds of the privilege taxes herein levied shall accrue to the general fund. (1994 Code, § 5-201)

5-202. License required. No person shall exercise any such privilege within the city without a currently effective privilege license, which shall be issued by the tax collector to each applicant therefor upon the applicant's payment of the appropriate privilege tax. (1994 Code, § 5-202, modified)

5-203. Refund of overpayment of business tax. The city is authorized to settle and adjust with tax payers all errors and double assessments of city business taxes erroneously collected and to direct the refunding of the same. Any claim for such refund to the city of business tax revenues alleged to have been erroneously paid shall be filed with the tax collector supported by proper proof within one (1) year from date of payment, otherwise the taxpayer shall not be entitled to refund and said claim for refund shall be barred.

In addition, the city is authorized to make refunds without a claim being filed if in possession of proper proof and facts that a refund is due within the period of limitation described above. (1994 Code, § 5-401, modified)

CHAPTER 3**WHOLESALE BEER TAX****SECTION**

5-301. To be collected.

5-301. To be collected. The mayor is hereby directed to take appropriate action to assure payment to the city of the wholesale beer tax levied by the "Wholesale Beer Tax Act," as set out in Tennessee Code Annotated, title 57, chapter 6, and such tax in the amount of seventeen percent (17%) of the wholesale price is hereby levied by the City of La Vergne.¹ (1994 Code, § 5-301)

¹State law reference

Tennessee Code Annotated, title 57, chapter 6 provides for a tax of 17% on the sale of beer at wholesale. Every wholesaler is required to remit to each municipality the amount of the net tax on beer wholesale sales to retailers and other persons within the corporate limits of the municipality.

CHAPTER 4**PURCHASING****SECTION**

5-401. Public advertising and competitive bidding required for purchases over \$10,000.00.

5-401. Public advertising and competitive bidding required for purchases over \$10,000.00. Public advertisement and competitive bidding shall be required for the purchase of all goods and services exceeding an amount of ten thousand dollars (\$10,000.00) except for those purchases specifically exempted from advertisement and bidding by the Municipal Purchasing Act of 1983. (1994 Code, § 5-501, as amended by Ord. #2009-3, March 2009)

CHAPTER 5

HOTEL/MOTEL TAX

SECTION

- 5-501. Definitions.
- 5-502. Levy of tax.
- 5-503. Tax added to room invoice.
- 5-504. Remittance to city tax collector.
- 5-505. Method of reporting taxes.
- 5-506. Offer to absorb tax prohibited.
- 5-507. Penalties and interest for delinquency.
- 5-508. Records.
- 5-509. Administration.
- 5-510. Collection of tax.
- 5-511. Allocation of proceeds.

5-501. Definitions. Definitions as used in this chapter unless the context otherwise requires:

(1) "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;

(2) "Hotel" means any structure or space, or any portion thereof, 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, of any room, lodgings or accommodations in any hotel;

(4) "Operator" means the person operation the hotel whether as owner, lessee or otherwise;

(5) "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.

(6) "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 thirty (30) continuous days. (1994 Code, § 5-601)

5-502. Levy of tax. There is hereby levied, assessed and imposed and shall be paid and collected, a privilege tax upon the privilege of occupancy in any hotel of each transient in an amount equal to two and one-half (2 ½%) 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 chapter. (1994 Code, § 5-602)

5-503. Tax added to room invoice. The tax shall be added by each operator to each invoice which the operator prepares and gives directly, or transmits, to the transient for the occupancy of the operator's hotel. The tax so invoiced shall be collected from the transient by the operator and remitted to the municipality. When a person has maintained occupancy for thirty (30) continuous days, that person shall receive from the operator a refund or credit for the tax previously collected from or charged to that person, and the operator shall receive credit for the amount of such tax if previously paid or reported to this municipality. (1994 Code, § 5-603)

5-504. Remittance to city tax collector. The tax levied shall be remitted by all operators who lease, rent or charge for rooms or spaces in hotels within the municipality, to the City Tax Collector of the City of La Vergne, such tax to be remitted to such city tax collector no later than the twentieth (20th) day of each month for the preceding month. The operator is 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 obligation to the municipality for such tax shall be that of the operator. For the purpose of compensating the operator in accounting for remitting the tax levied pursuant to this chapter, the operator shall be allowed two percent (2%) of the amount of the tax due and accounted for and remitted to the city tax collector in the form of a deduction in submitting the operator's report and paying the amount due by such operator; provided, that the amount due was not delinquent at the time of payment. (1994 Code, § 5-604)

5-505. Method of reporting taxes. The city tax collector shall be responsible for the collection of such tax and shall place the proceeds of such tax in accounts for the purposes stated herein. A monthly tax return under oath shall be filed with the city tax collector by the operator with such number of copies thereof as the city tax collector 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 city tax collector and approved by the board of mayor and aldermen prior to use. The city tax collector shall audit each operator in the municipality at least once per year and shall report on the audits made to the legislative body at least quarterly. (1994 Code, § 5-605)

5-506. Offer to absorb tax prohibited. 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. (1994 Code, § 5-606)

5-507. Penalties and interest for delinquency. Taxes collected by an operator which are not remitted to the city tax collector on or before the due dates are delinquent taxes. An operator shall be liable for interest from the due date at the rate of twelve percent (12%) per annum, and in addition, a 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. 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 declared to be unlawful and shall be punishable upon conviction by a fine not in excess of the maximum amount allowed to be imposed by the La Vergne City Court. (1994 Code, § 5-607)

5-508. Records. It shall be the duty of every operator liable for the collection and payment to the municipality of the tax imposed by this chapter to keep and preserve for a period of three (3) years all records as may be necessary to determine the amount of such tax for which the operator may have been liable for the collection of and payment to the municipality, which records the city tax collector shall have the right to inspect at all reasonable times. (1994 Code, § 5-608)

5-509. Administration. The city tax collector in administering and enforcing the provisions of this chapter shall have, as additional powers, those powers and duties with respect to collection taxes as provided in Tennessee Code Annotated, Title 67, or otherwise provided by law for the county clerks. Upon any claim or illegal assessment and collection, the taxpayer shall have the remedies provided in Title 67, it being the intent of this chapter 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 chapter. The city tax collector shall also possess those powers and duties as provided in Tennessee Code Annotated, § 67-1-107 for county clerks.

With respect to the adjustment and settlement with taxpayers, all errors of taxes collected by the city tax collector under the authority of this chapter shall be refunded by the city tax collector. Notice of any tax paid under protest shall be given to the city tax collector and any suit may be brought for recovery of such tax paid under protest by filing the same against the city tax collector. (1994 Code, § 5-609)

5-510. Collection of tax. The city tax collector is hereby charged with the duty of collection of the tax herein authorized and the proceeds of the tax

authorized by this chapter shall be allocated to and placed in the general fund or other fund of the municipality to be used for the purpose of depositing the tax collected by this chapter. (1994 Code, § 5-610)

5-511. Allocation of proceeds. The proceeds received by the municipality from the tax herein imposed shall be placed in the general fund and shall be allocated by the board of mayor and aldermen in the yearly budget. (1994 Code, § 5-611)

CHAPTER 6

REAL AND PERSONAL PROPERTY TAXES

SECTION

5-601. When due and payable.

5-602. When delinquent--penalty and interest.

5-603. Property tax relief program.

5-601. When due and payable. Taxes levied by the city against real and personal property shall become due and payable annually on the first Monday of October of the year for which levied. (as added by Ord. #2011-23, Oct. 2011)

5-602. When delinquent--penalty and interest. All real property taxes shall become delinquent on and after the first day of March next after they become due and payable and shall thereupon be subject to such penalty and interest as is authorized and prescribed by the state law for delinquent county real property taxes. (as added by Ord. #2011-23, Oct. 2011)

5-603. Property tax relief program. (1) A property tax relief program for elderly low income taxpayers, totally and permanently disabled taxpayers and disabled veteran taxpayers is hereby established.

(2) The taxpayers to receive this relief shall be determined in accordance with the property tax relief listing as specified by Tennessee Code Annotated, §§ 67-5-701 through 67-5-705, as amended, issued by the State of Tennessee.

(3) The amount of property tax relief granted by the city shall be an additional amount equivalent to the municipal property tax relief given by the State of Tennessee as defined above. The total property tax relief provided cannot exceed the total property taxes actually paid.

(4) The city administrator, or his designee, is hereby authorized to develop the necessary procedures to execute said program. (as added by Ord. #2011-23, Oct. 2011)