



County Technical Assistance Service

Published on e-Li (<http://ctas-eli.ctas.tennessee.edu>)

August 17, 2019

Hotel/Motel Tax

Dear Reader:

The following document was created from the CTAS electronic library known as e-Li. This online library is maintained daily by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

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 e-Li material.

Sincerely,

The University of Tennessee
County Technical Assistance Service
226 Capitol Blvd. Suite 400
Nashville, TN. 37219
615-532-3555 phone
615-532-3699 fax
ctas@tennessee.edu
www.ctas.tennessee.edu

Table of Contents

Hotel/Motel Tax	3
-----------------------	---

Hotel/Motel Tax

Reference Number: CTAS-1639

The hotel/motel tax is a tax on the privilege of occupancy of hotel and motel rooms and similar spaces. Counties levy the hotel/motel tax by private act (with the exception of Davidson County which uses a general law, T.C.A. § 7-4-101 *et seq.*, applicable only to counties with a metropolitan form of government). The distribution of the tax is set forth in the private act. Rates vary according to the terms of the private act. There is no statutory limit on the rate that may be imposed by the general assembly in the private act (Op. Tenn. Att'y Gen. 01-141).

Under T.C.A. § 67-4-1425, any private act enacted after May 12, 1988, that authorizes a city or county (with exceptions noted in the statute) to levy a hotel/motel tax must limit its application as follows:

1. A city shall only levy such tax on occupancy of hotels located within its municipal boundaries.
2. A city shall not be authorized to levy such tax on occupancy of hotels if the county in which such city is located has levied such tax prior to the adoption of the tax by the city; and
3. A county shall only levy such tax on occupancy of hotels within its boundaries but outside of the boundaries of any municipality that has levied a tax on such occupancy prior to the adoption of such tax by the county.

These limitations only apply prospectively and all private acts levying taxes on the privilege of occupancy of hotels enacted prior to May 12, 1988, shall remain in full force and effect. Note that home rule municipalities have separate general law authority to levy hotel/motel taxes. As these taxes are not levied by private act, the limitations listed above do not apply to hotel/motel taxes levied by a home rule municipality.

Source URL: <http://ctas-eli.ctas.tennessee.edu/reference/hotelmotel-tax>

