

Sec. 11-199. - Privilege tax levied; use.

- (a) Pursuant to the provisions of T.C.A. § 67-4-1401 through T.C.A. § 67-4-1425, there be and is hereby levied a privilege tax upon the privilege of occupancy in any hotel of each transient. From and after the operative date of this Ordinance and through the 30th day of September, 2003, the rate of the levy shall be two percent (2%) of the consideration charged by the operator. From the 1st day of October, 2003, through the 30th day of April, 2005, the rate of the levy shall be three percent (3%) of the consideration charged by the operator. Thereafter, the rate of the levy shall be four percent (4%) of the consideration charged by the operator. This privilege tax shall be collected pursuant to and subject to the provisions of these statutory provisions. The City Treasurer is designated as the authorized collector to administer and enforce this ordinance and these statutory provisions.
- (b) The proceeds received from this tax shall be designated for the development and implementation of public improvements in the downtown area and waterfront area necessary to implement the 21st Century Waterfront Plan, which may include parking facilities. The privilege taxes collected shall be placed in a special account to be used only for these purposes.

(Ord. No. 12620, § 3, 6-26-12)

EXPLANATIONS AND DEFINITIONS

- A. COUNTY/CITY/EAST RIDGE/COLLEGEDALE - COUNTY means Hamilton County, Tennessee; CITY means the City of Chattanooga, Tennessee; EAST RIDGE means the City of East Ridge, COLLEGEDALE means the City of Collegedale.
- B. LEGAL BASIS FOR TAX –The COUNTY has levied taxes on the OCCUPANCY of HOTEL rooms by TRANSIENTS pursuant to the Private Acts of 1980, Chapter 905 as amended; the CITY of CHATTANOOGA/CITY of EAST RIDGE/CITY of COLLEGEDALE has levied taxes on the OCCUPANCY of HOTEL rooms by TRANSIENTS pursuant to T.C.A. 67-4-1401. Et seq. and CITY of CHATTANOOGA Ordinance No. 11303; CITY of EAST RIDGE Ordinances Nos. 782 and 788.
- C. LEVY OF TAX – The TAX is a privilege tax upon the TRANSIENT PERSON occupying rooms in a HOTEL. The COUNTY/CITY/EAST RIDGE/COLLEGEDALE rate, as set by law, is four percent (4%) of the CONSIDERATION charged by the OPERATOR.
- D. REMITTANCE OF TAX – The TAX hereby levied shall be remitted to the Hamilton County Trustee no later than the 20th of each month following collection. For CITY/EAST RIDGE/COLLEGEDALE tax purposes, the OPERATOR shall be allowed to deduct two percent (2%) of the amount of CITY/EAST RIDGE/COLLEGEDALE tax due as an accounting fee for collecting the tax. This accounting fee is not deductible if the return or payment is delinquent.
- E. PENALTIES AND INTEREST FOR DELINQUENCY – As established by law, an OPERATOR shall be liable for interest on delinquent COUNTY taxes from the due date at the rate of twelve percent (12%) per annum, calculated at a daily rate, and in addition a penalty of two percent (2%) for each month or fraction thereof such taxes are delinquent; an OPERATOR shall be liable for interest on delinquent CITY/EAST RIDGE/COLLEGEDALE taxes from the due date at the rate of twelve percent (12%) per annum, calculated at a daily rate, and in addition a penalty of one percent (1%) for each month or fraction thereof such taxes are delinquent.
- F. HOTEL – means any structure, or any portion of any structure, which is occupied or intended or designed for OCCUPANCY by TRANSIENTS for dwelling, lodging or sleeping purposes within the area of the jurisdiction of the COUNTY and includes any hotel, inn tourist court, tourist cabin, motel or any place in which rooms, lodging or accommodations are furnished to TRANSIENTS for a CONSIDERATION.
- G. OCCUPANCY – means the use or possession or the right to the use or possession, of any room, lodging, or accommodations in a HOTEL.
- H. PERSON – means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, receiver, trustee, syndicate or another group or combination acting as a unit.
- I. TRANSIENT – means any PERSON who exercises OCCUPANCY or is entitled to OCCUPANCY for any room, lodging, or accommodations in a HOTEL for a period of less than ninety days for COUNTY purposes and less than thirty (30) days for CITY/EAST RIDGE/COLLEGEDALE purposes.
- J. 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.
- K. OPERATOR – means the person operating the HOTEL whether as owner, lessee or otherwise.
- L. RECORDS – It shall be the duty of every OPERATOR liable for the collection and payment of any tax imposed by this act to keep and preserve for a period of three (3) years all records necessary to determine the amount of such tax, which records the Hamilton County Trustee or designate shall have the right to inspect at all reasonable times.
- M. EXEMPTIONS FOR NON-TRANSIENTS – An OPERATOR may grant an exemption from the tax to NON-TRANSIENTS (PERSONS who exercise OCCUPANCY are entitled to OCCUPANCY for any room, lodging, or accommodations in a HOTEL for a period of more than ninety days for COUNTY purposes and more than thirty (30) days for CITY/EAST RIDGE/COLLEGEDALE purposes). A deduction may be made on line 2(a) of the Return for the CONSIDERATION received from NON-TRANSIENTS.
- N. EXEMPTIONS FOR FEDERAL GOVERNMENT OR STATE OF TENNESSEE EMPLOYEES – An OPERATOR may grant an exemption from the tax to employees of the Federal government and its agencies or the State of Tennessee and its political subdivisions when the HOTEL room charges are either billed directly to the applicable government, are paid using a government credit card, or are paid with cash, a personal check or a personal credit card. In situations when the Federal or State of Tennessee employee requests exemption from the occupancy tax and pays with either cash, a personal check, or a personal credit card, an OPERATOR must obtain both a copy of the employee's government identification card and a signed dated statement from the Federal or State of Tennessee government entity documenting that the employee is traveling on government business during the dates of occupancy and has been or will be reimbursed by the government for the cost of the occupancy. A deduction may be made on line 2(b) of the Return for the CONSIDERATION received from employees of the FEDERAL government and its agencies or the State of Tennessee and its political subdivisions.
- O. **Please call the Hamilton County Trustee at (423) 209-7270 if you have questions or need assistance completing the return.**