



**DAVIDSON COUNTY CLERK'S OFFICE
HOTEL/MOTEL TAX INFORMATION
523 MAINSTREAM DRIVE
P.O. BOX 196333
NASHVILLE, TN 37219
(862-6254)**

DEDUCTIONS (HOTEL/MOTEL TAXES)

Beginning February 2010 the County Clerk's Office, the collector of the hotel/motel tax made a requirement that all hotel properties include documentation for hotel deductions taken. Since we implemented this requirement we have received numerous questions pertaining to deductions. The purpose of this deduction explanation is to help answer and to give a better definition of when and how to apply the deduction rules.

FACTS AND QUESTIONS

EXEMPTIONS

What Qualifies As An Exemption?

The law provides for only two classes of exemptions. (1) A tenant who has occupied room space for thirty or more continuous days is not required to pay the tax after the thirtieth day (Residents who have already been in residency thirty days or more are exempt). (2) Local, state or federal governmental agencies, when paid by those agencies. These rules also apply to the 2.50 nightly city taxes.

SPECIAL NOTICE

How Do I Know If My Organization Qualifies For An Exemption?

The law does not exempt schools, corporations, fraternal organizations, religious groups, hospitals, athletic teams of public schools, universities and colleges, members of the military, ministers or representatives of foreign governments. Please note that schools and athletic teams are liable for the hotel tax but agencies of the government such as school boards or teachers attending conferences as a requirement for in-service training, official business and etc. are not liable if the rules for those deductions are followed. Non profit agencies under no circumstance will be exempt from this tax.

Continue

Page 2

EXCEPTIONS

Do Universities And Colleges Qualify For Exemptions?

Based upon the logic set forth in Attorney General Opinion No. 83-382 (August 24, 1983) governmental entities to include the **University of Tennessee**, are not subject to the Metropolitan Davidson County Hotel tax if the room or rooms are (1) in the name of the governmental entity and (2) paid for directly by the governmental entity. The governmental entity must satisfy both criteria in order to be exempt from the tax. Accordingly, the tax is collectible against an employee of a governmental entity if (1) the room is in his/her name or (2) the room is paid for by the employee personally. This applies even if the employee is on official business and will be reimbursed by the governmental entity for the cost of the room. This rule only applies to Tennessee Universities and Colleges and not out of state universities or colleges. The hotel tax must be collected if the university or college fails to satisfy either or both criteria. For example, if a room is rented in the name of an employee of a university or college, even if the employee is on official business, the tax must be collected. If the room is rented in the name of the university or college but the employee pays for the room or uses a personal credit card, the tax must be collected. (The tax must be collected even if the employee who pays for the room will be reimbursed for the cost of the room by the university or college). However, if the room is rented in the name of the university or college and the cost of the room is billed directly to the university or college or paid for with a university or college check or check card, the hotel tax should not be collected. Out of state, private colleges and universities do not qualify for exemptions for the hotel tax.

Below is a list of state universities and community colleges for which the hotel privilege tax is not collectible upon satisfaction of the above-referenced criteria:

University of Tennessee, Austin Peay State University, Chattanooga State Technical Community College, Cleveland State Community College, Columbia State Community College, The Community College in Southwest Tennessee, Dyersburg State Community College, East Tennessee State University, Jackson State Community College, Middle Tennessee State University, Motlow State Community College, Nashville State Technical Community College, Roane State Community College, State Technical Institute at Knoxville, Tennessee State University, Tennessee Technological University, Tri-Cities State Technical Institute (Northeast State Technical Community College), The University of Memphis, Volunteer State Community College, Walters State Community College, and State Technology Centers located at Athens, Covington, Crossville, Dickson, Elizabethton, Harriman, Hartsville, Hohenwald, Jacksboro, Jackson, Knoxville, Livingston, McKenzie, McMinnville, Memphis, Morristown, Murfreesboro, Nashville, Newbern, Oneida, Paris, Pulaski, Ripley, Savannah, Shelbyville, and Whiteville.