



Sample Ordinance for Levying Local Sales Tax

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](http://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal 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 municipal 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 MTAS website material.

Sincerely,

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Sample Ordinance for Levying Local Sales Tax

Reference Number: MTAS-537

SAMPLE ORDINANCE FOR LEVYING LOCAL SALES TAX FOR THE FIRST TIME

Be it ordained by the _____ (insert proper clause):

Section 1: As authorized by *Tennessee Code Annotated*, Sections 67-6-701, *et seq.*, as amended, there is levied a tax in the same manner and on the same privileges subject to the Retailer’s Sales Tax Act under Chapter 6, Parts 1–6, Title 67, T.C.A. as the same may be amended, which are exercised in _____ (city). The tax is levied on all such privileges at a rate of _____, not to exceed the maximum percentage as provided for in the “1963 Local Option Revenue Act,” *Tennessee Code Annotated*, Section 67-6-702, as amended, except as limited or modified by statute. Penalties and interest for delinquencies shall be the same as provided in T.C.A. § 67-6-516.

Section 2. If a majority of those voting in the election required by T.C.A. § 67-6-706 vote for the ordinance, collection of the tax levied by this ordinance shall begin on the first day of the month occurring 30 or more days after the county election commission makes its official canvass of the election returns.

Section 3. The state Department of Revenue shall collect the tax concurrently with the collection of the state tax in the same manner as the state tax is collected in accordance with rules and regulations promulgated by the department. The _____ (specify officer) is authorized to contract with the Department of Revenue for the collection of the tax by the department, and to provide in the contract that the department may deduct from the tax collected a reasonable percentage as provided by statute to cover the expense of the administration and collection of the tax as provided for in *Tennessee Code Annotated*, Section 67-6-710.

Section 4. In the event the tax is collected by the Department of Revenue, suits for the recovery of any tax illegally assessed or collected shall be brought against the state commissioner of revenue and the _____ (specify city officer).

Section 5. A certified copy of this ordinance shall be transmitted to the Department of Revenue by the city recorder forthwith and shall be published one time in a newspaper of general circulation in _____ (city) prior to the election called for in Section 2.

Adopted this _____ day of _____, 20__ .

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

Source URL (retrieved on 05/25/2020 - 2:12pm): <http://www.mtas.tennessee.edu/reference/sample-ordinance-levying-local-sales-tax>



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