

**TITLE 5**

**MUNICIPAL FINANCE AND TAXATION<sup>1</sup>**

**CHAPTER**

1. REAL PROPERTY TAXES.
2. PRIVILEGE AND BUSINESS TAXES GENERALLY.
3. WHOLESALE BEER TAX.
4. LOCAL SALES TAX.
5. PURCHASING.

**CHAPTER 1**

**REAL PROPERTY TAXES**

**SECTION**

- 5-101. Amounts rounded to the nearest dollar.
- 5-102. When due and payable.
- 5-103. When delinquent--penalty and interest.

**5-101. Amounts rounded to the nearest dollar.** Individual ad valorem property tax amounts shall be rounded to the nearest dollar. Such roundings shall be applied uniformly to all property tax bills in the municipality for real and personal property, and shall be accomplished by rounding amounts ending in \$0.01 to \$0.49 down to the nearest dollar, and amounts ending in \$0.50 to \$0.99 up to the nearest dollar. Such rounding shall apply only to the tax amount, and not to any interest or penalty added to delinquent taxes. (Ord. #1994-09, Nov. 1994)

---

<sup>1</sup>Charter reference: art. IV.

**5-102. When due and payable.**<sup>1</sup> Taxes levied by the city against real property shall become due and payable annually on the first Monday of October of the year for which levied. (1973 Code, § 6-101)

**5-103. When delinquent--penalty and interest.**<sup>2</sup> 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 for delinquent municipal taxes in Tennessee Code Annotated, § 67-1-801(c).<sup>3</sup> (1973 Code, § 6-102)

---

<sup>1</sup>State law references

Tennessee Code Annotated, §§ 67-1-701, 67-1-702 and 67-1-801, read together, permit a municipality to collect its own property taxes if its charter authorizes it to do so, or to turn over the collection of its property taxes to the county trustee. Apparently, under those same provisions, if a municipality collects its own property taxes, tax due and delinquency dates are as prescribed by the charter; if the county trustee collects them, the tax due date is the first Monday in October, and the delinquency date is the following March 1.

<sup>2</sup>Charter and state law reference

Tennessee Code Annotated, § 67-5-2010(b) provides that if the county trustee collects the municipality's property taxes, a penalty of 1/2 of 1% and interest of 1% shall be added on the first day of March, following the tax due date and on the first day of each succeeding month.

<sup>3</sup>Charter and state law references

A municipality has the option of collecting delinquent property taxes any one of three ways:

- (1) Under the provisions of its charter for the collection of delinquent property taxes.
- (2) Under Tennessee Code Annotated, §§ 6-55-201--6-55-206.
- (3) By the county trustee under Tennessee Code Annotated, § 67-5-2005.

## CHAPTER 2

### PRIVILEGE AND BUSINESS TAXES GENERALLY

#### SECTION

5-201. Tax levied.

5-202. License required.

**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 equal to the amount allowed by said 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 carried on within the city at the rates and in the manner prescribed by the said act. (1973 Code, § 6-201)

**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 recorder to each applicant therefor upon the applicant's compliance with all regulatory provisions in this code and payment of the appropriate privilege tax. (1973 Code, § 6-202)

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

5-301. To be collected.

**5-301. To be collected.** The recorder 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.<sup>1</sup> (1973 Code, § 6-301)

---

<sup>1</sup>State 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

### LOCAL SALES TAX

#### SECTION

- 5-401. Tax levied; rates; exceptions; penalties and interest.
- 5-402. When collection to begin.
- 5-403. City to contract with state for collection.
- 5-404. Suits for recovery of tax illegally assessed or collected.
- 5-405. Copy of ordinance to be furnished to state and published.

**5-401. Tax levied; rates; exceptions; penalties and interest.** As authorized by Tennessee Code Annotated, §§ 67-6-701 through 67-6-712, there is hereby levied a tax in the same manner and on the same privileges subject to the Retailers' Sales Tax Act under title 67, Chapter 6, Parts 1-6 of the Tennessee Code Annotated, as the same may be amended, which are exercised in Milan, Tennessee. The tax is levied on all such privileges at a rate of .50 percent in addition to the state rate of 6.0 percent and the county rate of 2.25 percent for a total tax rate of 8.75 percent on taxable privileges exercised in Milan, Tennessee. (Ord. #1994-05, May 1994)

**5-402. When collection to begin.** If a majority of those voting in the election required by Tennessee Code Annotated, § 67-6-706, vote for the ordinance, collection of the tax levied by this ordinance shall begin on the first day of a month occurring thirty (30) or more days after the county election commission makes it official canvass of the election returns. (Ord. #1994-05, May 1994)

**5-403. City to contract with state for collection.** It having been determined by the Department of Revenue of the State of Tennessee that it is feasible for this tax to be collected by the department, that determination being evidenced by local option sales and use tax rules and regulations heretofore promulgated by the Tennessee Department of Revenue, the department shall collect the tax concurrently with the collection of the state tax in the same manner as the state sales tax is collected in accordance with rules and regulations promulgated by the department. The mayor is hereby authorized to contract with the department 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 amount or percentage to cover the expense of the administration and collection of the tax. (Ord. #1994-05, May 1998)

**5-404. Suits for recovery of tax illegally assessed or collected.** In the event the tax is collected by the Department of Revenue, suits alleging that

the tax was illegally assessed or collected shall be brought against the Tennessee Commissioner of Revenue and the mayor. (Ord. #1994-05, May 1994)

**5-405. Copy of ordinance to be furnished to state and published.**

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 Milan, Tennessee, prior to the election referred to in § 5-402 hereof. (Ord. #1994-05, May 1994)

**CHAPTER 5**

**PURCHASING**

**SECTION**

5-501. Maximum amount for purchases without advertisement and competitive bidding.

**5-501. Maximum amount for purchases without advertisement and competitive bidding.** Purchases of ten thousand dollars (\$10,000.00) or less in any fiscal year shall not require any public advertisement or competitive bidding. (as added by Ord. #06-04, Oct. 2006, and replaced by Ord. #12-01, March 2012)