

**TITLE 5**

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

**CHAPTER**

1. MISCELLANEOUS.
2. REAL PROPERTY TAXES.
3. PRIVILEGE TAXES.

**CHAPTER 1**

**MISCELLANEOUS**

**SECTION**

5-101. Official depositories for city funds.

**5-101. Official depositories for city funds.** The Farmers Bank of Parsons, and the Citizens State Bank of Parsons are hereby designated as the official depositories for all city funds. (1970 Code, § 6-401)

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<sup>1</sup>Charter references

Depositories for city funds: § 44.

Signatures required for checks: § 43.

## CHAPTER 2

**REAL PROPERTY TAXES**<sup>1</sup>**SECTION**

5-201. When due and payable.

5-202. When delinquent--penalty and interest.

**5-201. When due and payable.**<sup>2</sup> Taxes levied by the city against real property shall be payable annually anytime after the city tax rolls are prepared. Such taxes shall be due annually on the first day of February of the year following that for which levied. (1970 Code, § 6-101)

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<sup>1</sup>Charter references

City powers; property tax: § 46(a).

Collection: § 41.

Delinquent taxes: § 40.

Omitted property: § 37.

Penalties, etc.: § 42.

Property taxes and assessments: § 36.

Tax due date: § 39.

Tax levy: § 38.

<sup>2</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.

**5-202. When delinquent--penalty and interest.**<sup>1</sup> When real property taxes become delinquent they shall be subject to such penalty and interest as is authorized and prescribed in the charter.<sup>2</sup> (1970 Code, § 6-102)

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<sup>1</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>2</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 3

### PRIVILEGE TAXES<sup>1</sup>

#### SECTION

5-301. Tax levied.

5-302. License required.

**5-301. 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 in the maximum amount allowed by 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 in the manner prescribed by the said act. All persons shall pay a gross receipts tax in addition to the minimum tax according to the dominant business activity of such persons as follows:

(1) Classification 1 of § 67-4-708.

One-thousandth (1/1000) of one percent (1%) of all the retail sales of the businesses.

One-thousandth (1/1000) of one percent (1%) of all the wholesale sales of the business by persons classified under subsection (a) of classification 1 of § 67-4-708.

One-thousandth (1/1000) of one percent (1%) of all the wholesale sales of the business by persons classified under subsections (b) and (c) of classification 1 of § 67-4-708.

(2) Classification 2 of § 67-4-708.

One-thousandth (1/1000) of one percent (1%) of all the retail sales of the business.

One-thousandth (1/1000) of one percent (1%) of all the wholesale sale of the business.

(3) Classification 3 of § 67-4-708.

One-thousandth (1/1000) of one percent (1%) of all the retail sales of the business.

One-thousandth (1/1000) of one percent (1%) of all the wholesale sales of the business.

(4) Classification 4 of § 67-4-708.

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<sup>1</sup>Charter reference

City powers; levy and collect privilege tax: § 4(b).

One-thousandth (1/1000) of one percent (1%) of the compensation entitled to under a contract after excluding legal deductions.<sup>1</sup> (1970 Code, § 6-301)

**5-302. 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 such applicant's compliance with all regulatory provisions in this code and payment of the appropriate privilege tax. (1970 Code, § 6-302)

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<sup>1</sup>See particularly title 67, chapter 42, Tennessee Code Annotated. For additional provisions as to administration and collection, see also title 67, chapter 43, particularly section 67-4307.