



## Real Property Tax

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Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://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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## Real Property Tax

**Reference Number:** MTAS-1843

**Revenue Class:** Local Taxes

**Fund:** General

**Account No.:** 31111

**Description:** Ad valorem taxes levied within the municipality based on property appraisals.

**Authorization:** Article II, Section 28 of the Tennessee Constitution; T.C.A. § 67-1-701 *et seq.*; T.C.A. § 67-5-101 *et seq.*; T.C.A. § 67-5-801 *et seq.*

**Requirements or Restrictions:** Reference T.C.A.

**Current Rate:** Statutes provide that the following percentages of full value be used to determine assessments:

- Public utility real property, 55 percent (see Public Utility Property Tax, Account # 31120);
- Industrial and commercial real property, 40 percent;
- Residential and farm real property, 25 percent.

**Frequency of Payment:** Annually, between the first Monday in October and before the following March 1, unless the municipality is authorized to establish other due dates.

**Late Pay Penalty:** See Interest on Property Taxes, Account #31300.

**Exemptions:** All government, religious, charitable, scientific, literary and educational properties are exempt (Article II, Section 28 of the Tennessee Constitution and T.C.A. § 67-5-201 *et seq.*). Tax relief is offered to certain disabled and elderly home owners (Article II, Section 28 of the Tennessee Constitution and T.C.A. § 67-5-701 *et seq.*) and cities may provide by ordinance a tax freeze for qualified taxpayers over 65 years of age on their principal place of residence.

**Collection:** Property taxes are usually paid directly to the municipality. Some counties collect taxes for their municipalities, as in T.C.A. § 67-1-702 and § 67-5-1801(a). Taxes cannot be collected after ten years from April 1 of the year following the year they become delinquent. T.C.A. § 67-5-1806.

**Use Restrictions:** None.

*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.*

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