

## Personal 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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Table of Contents

Personal Property Tax .....	3
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## Personal Property Tax

Reference Number:  
MTAS-1844

**Revenue Class:** Local Taxes

**Fund:** General

**Account No.:** 31112

**Description:** *Ad valorem* taxes levied on personal property used for business purposes within incorporated municipal limits.

**Authorization:** Article II, Section 28 of the Tennessee Constitution; T.C.A. § 67-1-701 *et seq.*; T.C.A. § 67-5-101; T.C.A. § 67-5-901.

**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 tangible personal property, 55 percent;
- Industrial and commercial tangible personal property, 30 percent; and
- Other tangible personal property, 5 percent.

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

**Late Pay Interest:** Interest of one and one half percent (1.5%) shall be added on March 1, (unless the municipality is authorized to establish other due dates) following the tax due date and on the first day of each succeeding month, except as otherwise provided in regard to municipal taxes under T.C.A. § 67-5-2010.

**Exemptions:** Inventories of merchandise held by merchants and businesses for sale and exchange by persons taxable under T.C.A. § 67-5-901(a).

**Collection:** Personal property schedules mailed out no later than February 1st by the assessor; completed and returned by March 1; collection same as real property tax. Taxes cannot be collected after 10 years from April 1 of the year following the year they become delinquent. T.C.A. § 67-5-1806.

**Use Restrictions:** None.

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