



Amusement Tax

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

Amusement Tax	3
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Amusement Tax

Reference Number: MTAS-1859

Revenue Class: Local Taxes

Fund: General

Account No.: 31860

Description: A tax levied at the same rate for tangible personal property on the sales price of each sale at retail of dues or fees for membership to recreational clubs, admission ticket sales, entrance fees, and charges made for the privilege of using tangible personal property for amusement, sports, entertainment or recreational activities.

Authorization: T.C.A. § 67-6-202; T.C.A. § 67-6-212; T.C.A. § 67-6-330

Requirements or Restrictions: Free or complimentary tickets or admissions are to be computed at equivalent values and included as sales, unless they are provided to people attending a public school, college, or university.

Current Rate: Municipalities receive 99 percent of 4.603 percent of six percent of the statewide seven percent sales tax. This allocation is different for premiere type tourist resorts and Tennessee River resort districts. All increased revenues from the 2002 state sales tax rate increase from six percent to seven percent go to the state general fund (Public Acts, 2002 Chapter 856, Section 4).

Frequency of Payment: Monthly.

Late Pay Penalty: N/A

Exemptions: There are several other exemptions listed in T.C.A. § 67-6-330 that include admissions to K-12 school activities, fairs, dues to 501(c) organizations, and admissions to various nonprofit organizations' events.

Collection: The state collects the tax and distributes to municipalities.

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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