

Liquor Licenses

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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Liquor Licenses

Reference Number: MTAS-1868

Revenue Class: Licenses and Permits

Fund: General

Account No.: 32220

Description: This is a privilege tax on those who engage in the business of selling retail alcoholic beverages for consumption on the premises. The tax varies by the type of establishment that sells the liquor by the drink.

Authorization: T.C.A. § 57-4-301 *et seq.*

Requirements or Restrictions: These same privilege taxes are paid twice by the businesses; once to the county and once to the municipality. Privilege tax increases imposed after fiscal year 2004 do not go to cities, but rather to the Alcoholic Beverage Commissioner to administer the law.

Current Rate: Municipalities are allowed to levy a privilege tax on the sale of alcoholic beverages for consumption on the premises. The taxes, paid annually, are:

- Private club — \$500
- Convention center — \$1,000
- Premiere type tourist resort — \$2,000
- Historical performing arts center — \$150
- Urban park center — \$150
- Commercial passenger boat company — \$1,250
- Historic mansion house site — \$150
- Historic interpretive center — \$150
- Community theater — \$150
- Zoological institution — \$150
- Museum — \$150
- Establishment in commercial airport terminal — \$1,500
- Commercial airline travel club — \$1,000
- Public aquarium — \$150
- Motor speedway — \$2,000
- Sports Facility — \$2,000
- Theater — \$150
- Restaurant, according to seating capacity, on licensed premises:
 - 40 – 74 seats — \$650
 - 75 – 125 seats — \$750
 - 126 – 175 seats — \$925
 - 176 – 225 seats — \$975
 - 226 – 275 seats — \$1,100
 - 276 or more seats — \$1,200

- Wine-only restaurant, according to seating capacity on licensed premises:
 - 75 – 125 seats — \$270
 - 126 – 175 seats — \$300
 - 176 – 225 seats — \$310
 - 226 – 275 seats — \$330
 - 276 or more seats — \$350
- Caterers — \$625
- Hotels, according to room capacity, on licenses premises:
 - 0 – 99 rooms — \$1,000
 - 100 – 399 rooms — \$1,250
 - 300 rooms and over — \$1,500
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- **Frequency of Payment:** Annually.

Late Pay Penalty: N/A

Exemptions: No tax authorized or imposed by this section shall be levied or assessed from any charitable, nonprofit or political organization selling alcoholic beverages at retail pursuant to a special occasion license. T.C.A. § 57-4-301 (e).

Collection: The state notifies the municipality when renewal is due, then the municipality sends a letter to the establishment, which sends the revenue to the municipality.

Use Restrictions: None.

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