

TITLE 5

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

CHAPTER

1. MISCELLANEOUS.
2. REAL PROPERTY TAXES.
3. BUSINESS TAXES.
4. WHOLESALE BEER TAX.
5. LOCAL SALES TAX.

CHAPTER 1

MISCELLANEOUS

SECTION

5-101. Official depositories for city funds.

5-101. Official depositories for city funds. Depositories for city funds include the Local Government Investment Pool administered by the State of Tennessee and any financial institution meeting the guidelines as set forth by the State of Tennessee. (1972 Code, § 6-601, as amended by Ord. #788, April 1994, and Ord. #861, Sept. 1999, and replaced by Ord. #917, April 2004)

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<sup>1</sup>Charter references

Audits: art. V, §§ 16 and 17 and art. XII, § 3.

Expenditure of money: art. III, § 1(8), art. IX, § 2(i), art. XII, §§ 3, 4, 5, and 6, and art. XVII.

Purchasing: art. IX, § 2(h), art. XVII, § 4, and art. XXIII.

Special assessments: art. III, §§ 1(3), (17) and (18).

Taxes: art. III, §§ 1(1), (2), (21), (31) and (33), art. XI, art. XII, § 2, art. XIII, art. XIV, art. XX, § 10, and art. XXI, § 8(e).

## CHAPTER 2

REAL PROPERTY TAXES

## SECTION

5-201. When due and payable.

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

5-201. When due and payable.<sup>1</sup> Taxes levied by the city against real property shall become due and payable annually on October 1. (1972 Code, § 6-101)

5-202. When delinquent--penalty and interest.<sup>2</sup> All real property taxes shall become delinquent on such date and shall be subject to such penalties as are prescribed and authorized in art. XI, § 5 of the charter.<sup>3</sup> (1972 Code, § 6-102)

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<sup>1</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.

<sup>2</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>3</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

BUSINESS TAXES

## SECTION

5-301. Tax levied.

5-302. License required.

5-301. Tax levied. The taxes provided for in Chapter 387 of the Public Acts of 1971 (Tennessee Code Annotated, § 67-4-701, et seq.), known as the Business Tax Act, are hereby enacted, ordained, and levied on the businesses, business activities, vocations, and occupations carried on in the City of Athens, Tennessee, at the rates and in the manner prescribed by the said act. (1972 Code, § 6-201, modified)

5-302. License required. No person shall exercise any taxed privilege within the city without a currently effective privilege license, which shall be issued by the director of finance to each applicant therefor upon the applicant's payment of the appropriate privilege tax. (1972 Code, § 6-202)

## CHAPTER 4

WHOLESALE BEER TAX

## SECTION

5-401. To be collected.

5-401. To be collected. The director of finance is hereby directed to take appropriate action to assure payment to the city of the wholesale beer tax levied by the "Wholesale Beer Tax Act," as set out in Tennessee Code Annotated, title 57, chapter 6.<sup>1</sup> (1972 Code, § 6-301)

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<sup>1</sup>State law reference

Tennessee Code Annotated, title 57, chapter 6 provides for a tax of 17% on the sale of beer at wholesale. Every wholesaler is required to remit to each municipality the amount of the net tax on beer wholesale sales to retailers and other persons within the corporate limits of the municipality.

## CHAPTER 5

LOCAL SALES TAX

## SECTION

- 5-501. Tax levied.  
5-502. When collection to begin.  
5-503. State to collect for city.  
5-504. Suits for recovery of tax illegally assessed.  
5-505. Copy of ordinance to be furnished to state and published.

5-501. Tax levied. As authorized by Tennessee Code Annotated, § 67-6-701 as amended, there is levied a tax in the same manner and on the same privileges subject to the Retailer's Sales Tax Act under Tennessee Code Annotated, title 67, chapter 6 as the same may be amended, which are exercised in the City of Athens, Tennessee. The tax is levied on all such privileges at a rate of two-ninths of the rates levied in the Retailer's Sales Tax Act, Tennessee Code Annotated, title 67, chapter 6 as amended, so long as the general state rate continues at 4.5 per cent, and at one-third of the state rates if and when the general state rate is reduced to 3 per cent. Provided with respect to industrial and farm machinery as defined in Tennessee Code Annotated, § 67-6-102(8) and (12), the tax thereon is imposed at the rate of one-third (1/3) of 1%. Provided further, the tax shall not exceed \$5.00 on the sale or use of any single article of personal property, and there is excepted from the tax levied by this ordinance the sale, purchase, use, consumption or distribution of electric power or energy, or natural or artificial gas, or coal and fuel oil, so long as such exception is required by state law. Penalties and interest for delinquencies shall be the same as provided in Tennessee Code Annotated, § 67-6-516. (1972 Code, § 6-401)

5-502. When collection to begin. If a majority of those voting in the election required by Tennessee Code Annotated, § 67-6-706,<sup>1</sup> vote for the ordinance, collection of the tax levied by this ordinance shall begin on the first day of the month occurring 30 or more days after the Election Commission makes its official canvass of the election returns. (1972 Code, § 6-402)

5-503. State to collect for city. It having been determined by the Department of Revenue of the State of Tennessee that it is feasible for this tax to be collected by that department, said determination being evidenced by Local Option Sales and Use Tax Rules and Regulations heretofore promulgated by the department of revenue, the department shall collect such tax concurrently with the collection of the state tax in the same manner as the state tax is collected in

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<sup>1</sup>This ordinance was approved by the voters on June 27, 1977.

accordance with rules and regulations promulgated by said department. The mayor is hereby authorized to contract with the department of revenue for the collection of the tax by the department, and to provide in said contract that the department may deduct from the tax collected, a reasonable amount or percentage to cover the expense of the administration and collection of said tax. (1972 Code, § 6-403)

5-504. Suits for recovery of tax illegally assessed. In the event the tax is collected by the department of revenue, suits for the recovery of any tax illegally assessed or collected shall be brought against the Mayor of the City of Athens, Tennessee. (1972 Code, § 6-404)

5-505. Copy of ordinance to be furnished to state and published. A certified copy of this ordinance shall be transmitted to the said department of revenue by the city manager forthwith and shall be published one time in a newspaper of general circulation in Athens, Tennessee, prior to the election called for in § 5-502 hereof. (1972 Code, § 6-405)