

1. LEGAL BASIS FOR TAX

Tennessee Code Annotated (TCA) §67-4-1404. Tennessee Constitution, Article XI, Section 9; now, **THEREFORE, BE IT ORDAINED** by the board of Mayor and City Council of the City of Lenoir City, June 25, 2007. The law provides for no exemptions except tenants who have occupied rooms for 30 continuous days or more.

The law does not exempt schools, corporations, fraternal organizations, religious groups, hospitals, local, state, or federal government agencies (including athletic teams of public schools, universities, or colleges), and members of the military, ministers or representatives of foreign governments.

Where a hotel, motel, or rooming house contracts with a company, agency or individual for use of specific number of rooms covering a period of 30 continuous days or more the five percent (5%) occupancy tax will be collected until the rooms have been occupied for over 30 consecutive days, then application can be made to the City of Lenoir City for a refund.

2. NAME, ADDRESS

A form will be forwarded to you by the City of Lenoir City, 10 to 20 days prior to the due date of report. This form should be used in filling your return. If form is lost you should request another one immediately. **DO NOT USE SELF-PREPARED FORM.**

3. RECORDS

Keep in your files at your principal place of business or some other convenient location, duplicate copies of your return. Records and information in support of all revenues and credits should be maintained for a period of at least three years from date of tax return. Such records should be available and open to inspection for the City of Lenoir City or his/her authorized representative.

4. PENALTIES AND INTEREST

Avoid penalties and interest by filing correct returns on time, and by paying correct tax due with return. The law provides for interest at eight percent (8%) per annum and penalty at the rate of one percent (1%) per month for late filing of returns.

Penalties are also imposed by law for the willful failure to collect the tax from your tenants, for failure to pay by tax, for failure to keep records and file returns, and for making false statements.

5. **TAX** should be shown as a separate item in your bill to your tenant and on your receivable ledger record.