

HOUSE BILL 2676

By Turner M

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 51, Part 11 and Title 7, Chapter 51, Part 14, relative to certain adult oriented establishments.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 7, Chapter 51, Part 14, is amended by adding Sections 2 through 5 of this act as new, appropriately designated sections:

SECTION 2.

(a) A five dollar (\$5.00) privilege tax, for state purposes only, is imposed for each entry by each customer admitted to adult cabarets or adult oriented establishments, hereafter referred to in Sections 2 through 5 of this act as business, which provide for an audience of two (2) or more individuals live performances, displays or dancing of any type, all or part of which include specified sexual activities. Such tax shall be in addition to all other taxes imposed on any such customer.

(b) Such business shall record daily in the manner required by the state treasurer the number of customers admitted to the business. The business shall maintain the records for the period required by the treasurer.

(c) This section does not require a business to impose the tax directly on a customer of the business. A business has discretion to determine the manner in which the business derives the money required to pay the tax imposed under this section.

SECTION 3.

(a) Within fifteen (15) days of the end of each calendar quarter, a business shall:

(1) Remit the tax imposed by Section 2 to the adult-oriented establishment board in the county where such business is located in the manner prescribed by the treasurer; and

(2) File a report with the treasurer in the manner and containing the information required by the treasurer.

(b) The board shall remit the proceeds collected to the treasurer in the manner prescribed by the treasurer and shall be authorized to deduct two percent (2%) of the amount of the tax collected to defray the cost of accounting and remitting the tax to the treasurer.

#### SECTION 4.

(a) Taxes collected by a business that are not remitted to the adult-oriented establishment board on or before the due dates are delinquent.

(b) A business shall be liable for interest on such delinquent taxes from the due date at the rate of eight percent (8%) per annum, and in addition for penalty of one percent (1%) for each month or fraction of a month that such taxes are delinquent. Such interest and penalty shall become a part of the tax required in this act to be remitted.

(c) Willful refusal of a business to collect or remit the tax is a Class B misdemeanor.

SECTION 5. The funds received from the tax imposed under this act shall be deposited in a special account to be created in the state general fund. Moneys from such account shall be appropriated solely for the purpose of making grants to public and private agencies for victims of sexual abuse and victims of domestic violence. Such grants shall be administered by the division of resource development and support in the department of finance and administration.

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.