

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2666 - SB 2707

February 18, 2018

SUMMARY OF BILL: Increases the maximum occupancy privilege tax rate, from 2.5 to 5.0 percent, that the City of McMinnville is authorized to levy.

ESTIMATED FISCAL IMPACT:

Increase Local Revenue - \$31,500/Permissive

Assumptions:

- Public Chapter 165 of 2017 authorized the City of McMinnville to levy an occupancy privilege tax not to exceed 2.5 percent.
- The City of McMinnville began collecting the tax of 2.5 percent in December of 2017.
- According to information provided by the City of McMinnville, December occupancy privilege tax collections totaled \$2,629.
- It is assumed that average monthly occupancy privilege tax collections are approximately \$2,629.
- The City of McMinnville will annually collect \$31,548 (\$2,629 x 12 months) under current law, pursuant to the 2.5 percent tax.
- Increasing the tax by 100 percent from 2.5 percent to 5.0 percent will result in a permissive recurring increase in local government revenue of \$31,548.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

/jdb