

Sevierville Local Privilege Taxes

Notice #15-04

Sales Tax

January 2015

**INTRODUCTION**

This notice is intended to clarify information regarding two special local privilege taxes Sevierville imposes.

DISCUSSION

Under Tennessee law, taxes that are imposed on a consumer and separately stated on the invoice are not included in the sales price for purposes of computing the sales tax.

In 2013, the city of Sevierville adopted two laws that impose two separate special local privilege taxes: one tax is a two percent tax on the purchase of food at restaurants and the other tax is a two percent tax on the purchase of admissions into amusements, such as theaters, shows, dance halls and exhibitions. Both taxes are levied on the purchaser or consumer, and the taxes are required to be separately stated on the invoice.

Because the two Sevierville local privilege taxes are imposed on the consumer and are separately stated on invoices, they are not included in the sales price for purposes of calculating the sales tax.

- *Taxes imposed on a consumer are not included in the sales price for sales tax purposes.*
- *The city of Sevierville imposes two local privilege taxes on purchases of food in restaurants and amusements.*
- *These Sevierville local privilege taxes are not included in the sales price when calculating the sales tax.*

**References:**

T.C.A. § 67-4-504
T.C.A. § 67-6-102
(79)(B)(iii)
Sevierville Code
5-901 et seq. and
5-1001 et seq.

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