

## Central Business Improvement District Fee Increase

### **Retailers in the Nashville Metropolitan Central Business Improvement District (CBID) Must Pay a .50% Fee on Certain Sales Beginning July 1, 2021**

The Nashville Metropolitan Government of Davidson County currently imposes a fee on retailers on the sales price of certain tangible personal property and services that are also subject to Tennessee sales tax. The fee is set at .25% until June 30, 2021.

Effective July 1, 2021, Public Chapter 466 (2021) increases the CBID fee from .25% to .50%.

The CBID fee is imposed on retailers in the district, the boundaries of which generally include the Cumberland River to the east, Lafayette Street to the south, Rosa L. Parks Blvd/8<sup>th</sup> Avenue to the west, and Dr. Martin Luther King Jr. Blvd to the north. The Nashville Metropolitan government must use the CBID fees to assist in the recruitment of major conventions and group meetings, in the improvement of promotion, and additional security in the district.

### **Not All Sales of Tangible Personal Property and Services Are Subject to the CBID Fee**

The CBID fee is administered in the same manner as the state sales tax. CBID retailers must pay the fee on any sales that are subject to Tennessee sales tax. Sales that are exempt from sales tax, such as out-of-state sales, sales to qualified nonprofits or other tax-exempt entities, sales of newspapers, and sales for resale are not subject to the CBID fee.

Additionally, the following sales, which *are* subject to state sales tax, are *not* subject to the CBID fee.

- Lodging provided to transients;

- Tickets to sporting events or other live ticketed events;
- Alcoholic beverages that are subject to the liquor-by-the-drink tax;
- Publications (other than newspapers); and
- Overnight and long-term parking.

CBID retailers may, but are not required to, collect the fee from their customers by separately itemizing the fee on their customers' invoices or receipts. Retailers should not include the fee in the sales price for sales tax purposes or in their taxable gross receipts for business tax purposes.

### **CBID Retailers Pay the CBID Fees to the Department of Revenue**

The Department of Revenue collects the CBID funds and distributes them to the Nashville Metropolitan Government. CBID fees are reported and paid to the Department each month, no later than the 20<sup>th</sup> day of the month following the reporting period.

CBID retailers report and pay their CBID fees on a separate Schedule D on their sales and use tax return.

### **For More Information**

Visit [www.tn.gov/revenue](http://www.tn.gov/revenue). Click on Revenue Help to search for answers or to submit an information request to one of our agents.

### **References**

Tenn. Code Ann. § 7-88-117; Public Chapter 466 (2021).