

Natural Disaster Tax Relief

Hotel Occupancy Tax Relief

Public Chapter 979 (2026), effective May 19, 2026, authorizes a county that has declared a state of local emergency or is subject to a state of emergency or disaster declaration to provide tax relief to individuals displaced from their homes as a result of the emergency or disaster. The tax relief applies to the local occupancy tax and various other local taxes that may apply to renting an accommodation. A county must authorize the tax relief either by resolution from the county legislative body or via an executive order from the county executive.

Forms of Tax Relief

A county may provide tax relief in the form of an occupancy tax waiver at the point of sale **or** reimbursement to the customer of taxes paid for renting the accommodation. The option to provide reimbursement for taxes paid requires consultation with the Tennessee Department of Revenue and hotel operators.

The relief period may not exceed 14 days.

County Must Establish Processes

If a county chooses to authorize tax relief, it must establish a process for:

- 1) residents to attest or verify they are residents of the county and are displaced as a result of the emergency or disaster;
- 2) hotel operators and short-term rental unit marketplaces to waive occupancy taxes for affected residents; and
- 3) reimbursing residents for taxes paid if they were not waived at the point of sale.

Adjoining Counties

A county may authorize reimbursement for taxes paid by a resident for lodging in an adjoining county if there is a limited vacancy within their home county.

More Information

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

References

Pub. Ch. 979 (2026)