

## Enactment of Business Tax: City of Parkers Crossroads

### **Business Tax in the City of Parkers Crossroads, Tennessee**

On October 24, 2022, voters in the City of Parkers Crossroads voted to enact a municipal-level business tax. The effective date of the tax is December 1, 2022.

Therefore, for tax periods beginning on or after December 1, 2022, businesses may be subject to Parkers Crossroads municipal-level business tax if they have a physical location, place of business, or other location within the city limits of Parkers Crossroads.

### **Business Tax Overview**

Tennessee business tax consists of both a state-level and a municipal-level tax. Each municipality, through resolution or ordinance, may elect to levy the municipal-level business tax on business activities conducted within its borders. Tenn. Code Ann. §§ 67-4-708(1)-(4) details the taxable privileges subject to municipal-level business tax.

A business must have a physical location, place of business, or other location in a municipality to be subject to the municipal-level business tax. A business located in a municipality that has enacted business tax is required to pay *both* the state-level and municipal-level tax.

### **Registration and Licensing**

Businesses located in a municipality that has enacted the municipal-level business tax may register directly with the [Department of Revenue](#) or through the

appropriate city official. These businesses must also obtain a business license from the appropriate city official. Businesses with less than \$10,000 in gross sales are exempt from both the state-level and municipal-level business tax and are not required to register with the Department but may still be required to obtain a business license if they have gross sales between \$3,000 and \$10,000. Businesses with less than \$3,000 in gross sales are not required to obtain a business license or pay business tax.

### **Municipal-Level Filings**

Taxpayers with a location within the limits of a municipality that has enacted municipal-level business tax must file two returns for that location: a municipal-level business tax return and a state-level business tax return. The return must be filed no later than the fifteenth (15<sup>th</sup>) day of the fourth month following the end of the business' fiscal year. Taxpayers may file the returns electronically using the Department's [Tennessee Taxpayer Access Point \(TNTAP\)](#).

### **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. You may also review the Department's [Business Tax Manual](#).

### **References**

Tenn. Code Ann. §§ 67-4-701, 67-4-708(1)-(4).