

Central Business Improvement District Fee

Retailers in the Davidson County Nashville Metropolitan Central Business Improvement District (CBID) Must Pay a .25% Fee on Certain Sales

The Nashville Metropolitan Government of Davidson County imposes a .25% fee on retailers on the sales price of certain tangible personal property and services that are also subject to Tennessee sales tax.

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 south, 8th Avenue to the west, and Charlotte Avenue 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 as of January 1, 2014, with certain exceptions. Sales that are exempt from sales tax, such as out-of-state sales, sales to qualified nonprofits or other tax-exempt entities, sales of professional services, 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 20th day of the month following the reporting period.

Prior to February 2017, CBID retailers electronically filed a separate CBID return to report and pay their CBID fees. Beginning with the February 2017 return, which is due March 20, CBID retailers will report and pay their CBID fees on a separate Schedule D on their sales and use tax return. The reporting change is part of the Department's replacement and modernization of its current tax system.

For 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

Tenn. Code Ann. § 7-88-117; Public Chapter 347 (2013); Metro Nashville Resolution RS2013-873