

**PLEASE READ THE FOLLOWING VERY CAREFULLY**

PROCEDURES FOR OPENING A BUSINESS IN GATLINBURG. **\*\*THIS IS NOT A COMPLETE LISTING OF RULES AND REGULATIONS.\*\*** IT IS UP TO THE BUSINESS OWNER TO MAKE SURE HE/SHE HAS ALL THE PERTINENT INFORMATION REGARDING THEIR PARTICULAR BUSINESS.

1. Obtain a City business license application from the Finance Department - Gatlinburg City Hall - \$15.00 application fee. Telephone number: 865-436-1405.
2. Obtain a County business license from the Sevier County Clerk's office - \$15.00 application fee. Telephone number: 865-453-5502.
3. Obtain a Tennessee Department of Revenue tax I.D. number - call 865-594-6100 or 615-253-0600. Visit the Department of Revenue's website at <https://www.tn.gov/revenue/>. **Even if you have a SALES TAX ID# from another business location - you MUST obtain a separate sales tax number for this new location. *THIS IS NOT THE SAME NUMBER AS YOUR FEDERAL TAX ID NUMBER.*** Be sure that under the BUSINESS NAME AND LOCATION ADDRESS box on the application form, you list the Business Location address in Gatlinburg.
4. Gross Receipts Tax is **1.25%** of total GROSS SALES (excluding sales tax) BUT INCLUDING WHOLESALE SALES/OUT OF STATE VIA MAIL/UPS SALES, ETC. This gross receipts tax comes from the business owner and is **NOT** an add-on tax to the customer. This tax is due by the 20th of the month (i.e., May 1st. thru 31st. taxes are due by June 20th). If payments are received after the 20th, penalty and interest are applied. **You will receive online filing directions with your business license within two weeks of applying, call the Finance Department at 865-436-1405 if you do not receive them. NOT RECEIVING THE DIRECTIONS DOES NOT RELIEVE THE BUSINESS OWNER OF THE RESPONSIBILITY OF PAYING THEIR TAXES ON TIME.** You will pay the 1.25% Gross Receipts Tax on **ALL SALES**, including mixed drinks, wine, beer, food, etc.
5. Restaurant Privilege Tax is **1.50%** of total gross restaurant sales making a total of **11.25%** sales tax to the customer. This **IS** an add-on tax to the customer. These taxes are due and payable as the Gross Receipts Tax (see item #4 above). Alcoholic beverages are excluded from the Restaurant Privilege Tax. An alcoholic beverage is defined as having an alcoholic content in excess of 5%. Beer sales are taxable to the customer under the Restaurant Privilege Tax Ordinance.
6. Hotel/Motel Tax is **3%** of total gross hotel sales making a total of **12.75%** (3% to the city, 9.75% to the State of TN) sales tax to the customer. This **IS** an add-on tax to the customer. These taxes are due and payable as the Gross Tax.
7. Amusement Tax is 2% of the admission into or for an amusement making a total of **11.75%** (2% to the city, 9.75% to the State of TN) sales. This is an add-on tax to the customer. These taxes are due and payable as the Gross tax
8. Your business license will be renewed on a yearly basis with the State of Tennessee 865-594-6100.
9. **A FINAL BUSINESS TAX RETURN** must be filed with the State of Tennessee within **15 days** of your final closing date. Failure to close your license out will result in penalties against you.

Please note: If you have purchased an existing business you are liable for all unpaid Gross Receipts Taxes, Hotel/Motel Taxes, Restaurant Privilege Taxes, Business Taxes, etc. It is up to you, as the new Business Owner, to verify through the previous Business Owner that all taxes, etc., have been paid. **THIS INFORMATION IS CONFIDENTIAL AND WE CANNOT GIVE OUT THIS INFORMATION TO YOU.**