

CLARKSVILLE MONTGOMERY COUNTY, TN TAX RATE DISTRIBUTION COMPARISON

Direct impact on tourism & stays: sales tax and hotel/motel tax

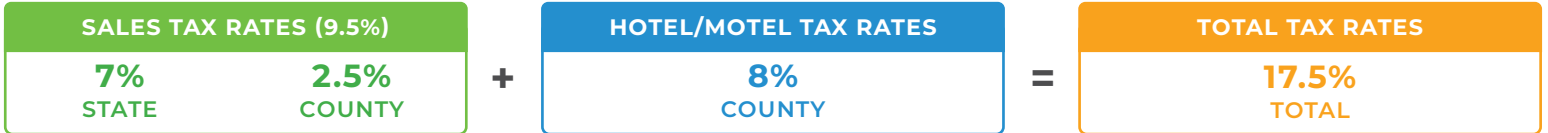
Background

- **Prior to 2021** - only the county was allowed Hotel/Motel Tax (HOT)
- **2021** - HOT can not exceed 5% (Montgomery County rate was grandfathered); up to 4% authorized for municipalities. (Source: [Significant Changes to Hotel/Motel Tax Laws in 2021](#))

Current

- **2019** - 8% of HOT Tax in Montgomery County distributed as follows: 4% (Montgomery County), 3% (CVB/Visit Clarksville), 1% (City of Clarksville) (Source: [Bill No. 2710, State of Tennessee, July 2018](#))
- **Sales tax** - 9.5% Collected; 7% (State); 2.5% (Montgomery County) distributed as follows: 75.27% (CMCSS), 24.05% (City), 0.68% (County)

CURRENT TAX RATES

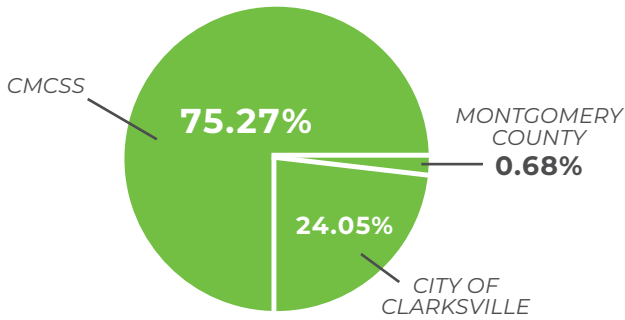


- Hotel/motel stays collect all state sales and hotel/motel taxes, except stays exceeding 30 days or more.
- Adding 4% would make Montgomery County the highest total tax rate in TN at 21.5%

TAX DISTRIBUTION BREAK DOWN

LOCAL SALES TAX

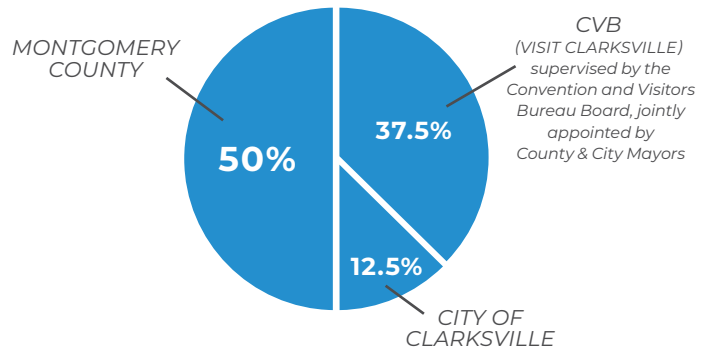
*DISTRIBUTION OF THE 2.5% SALES TAX RATE



*Based on December 2023 Analysis of Sales Tax Receipts with calculation and distribution of said sales tax receipts are made pursuant to TCA sections 67-3049 through 67-3056 and according to the "Interlocal" agreements between the City of Clarksville and Montgomery County.

HOTEL/MOTEL TAX

DISTRIBUTION OF THE 8% HOTEL/MOTEL TAX RATE



*100% of funding dedicated to the Customs House Museum (Apx. \$600k per year generated.)

2023 SNAPSHOT OF LOCAL TAX BREAKDOWN

SALES TAX (2.5%)

SOURCE: SALES TAX PROCEEDS, MONTGOMERY COUNTY TRUSTEE, 2023

\$112,964,725.75

COLLECTED & DISTRIBUTED TO

\$27,708,600.54	\$707,914.36	\$84,548,210.85
CITY	COUNTY	CMCSS

HOTEL/MOTEL TAX (8%)

SOURCE: HOTEL TAX HISTORICAL REPORT, MCGTN TRUSTEE, 2023

\$4,770,518.03

COLLECTED & DISTRIBUTED TO

\$596,314.75	\$2,385,259.02	\$1,788,944.26
CITY	COUNTY	CVB

TOTAL TAX COLLECTION

CITY: \$28,304,915.29

COUNTY: \$3,093,173.38

CMCSS: \$84,548,210.85

CVB: \$1,788,944.26