



The bills on the following list have been identified by TSCPA's legislative tracker as bills of interest to the CPA profession. They may be viewed in their entirety at [www.legislature.state.tn.us/](http://www.legislature.state.tn.us/). If you have questions or comments, please email [tscpa@tscpa.com](mailto:tscpa@tscpa.com).

#### KEY

✓ - Legislation with an active status

➔ - Comments

PC - Link to Public Chapter

## 2018 LEGISLATION

### ALCOHOLIC BEVERAGES

- ✓ **SB 1794 by Ketron/HB 1499 by Hulseley - Extending distribution of liquor-by-the-drink tax proceeds by one year.** Extends by one year the manner in which liquor-by-the-drink tax proceeds are distributed to local political subdivisions.

*Senate Status:* Referred to State & Local Government.

*House Status:* **State Government passed on 2/20/2018; Set on floor on 2/26/2018.**

### BUSINESS TAXES

- ✓ **SB 1672 by Green/HB 1689 by Gant - Federal bonus depreciation for excise tax purposes.** Deletes provision decoupling Tennessee from federal bonus depreciation rules, which allow higher first-year depreciation for qualified assets. Under current law, taxpayers claiming bonus depreciation deductions on federal taxes must add it back to net earnings for Tennessee excise tax purposes. ➔ **Member's bill.** ⬅

*Senate Status:* **Set in Finance Revenue Subcommittee on 2/27/2018.**

*House Status:* **Set in Finance, Ways & Means Subcommittee on 2/28/2018.**

- ✓ **SB 1799 by Ketron/HB 1726 by Rogers - Occupational privilege tax - rebate on tax for certain persons over 70.** Allows a person engaged in an occupation subject to the occupational privilege tax who is 70 years old or older and who earned no income during the previous year from the taxable occupation to receive a 50 percent rebate on that person's occupational privilege tax.

*Senate Status:* **Set in Finance Revenue Subcommittee on 2/27/2018.**

*House Status:* Referred to Finance, Ways & Means Subcommittee.

- ✓ **SB 1874 by Lundberg/HB 1776 by Hulseley - Tax credit - charitable donations made to nonprofits that provide opioid abuse treatment services.** Gives businesses the ability to receive a tax credit off of the business's franchise and excise tax return for charitable donations to nonprofits providing opioid abuse treatment services and programs.

Fiscal Note: (Dated February 3, 2018) Decrease State Revenue \$1,000,000/FY20-21 \$2,000,000/FY21-22 and Subsequent Years

*Senate Status:* **Set in Finance Revenue Subcommittee on 2/27/2018.**

*House Status:* *Finance Subcommittee on 2/7/2018 placed behind the budget.*

- ✓ **SB 2097 by Dickerson/HB 2058 by Sargent - Special apportionment formula for refined liquid petroleum pipelines.** For franchise and excise tax purposes, establishes a special apportionment formula for refined liquid petroleum pipelines that have business activities within and without this state.

*Senate Status:* **Set in Finance Revenue Subcommittee on 2/27/2018.**

*House Status:* *Referred to Finance, Ways & Means Subcommittee.*

- ✓ **SB 2100 by Dickerson/HB 2367 by Lynn - Definition of "sale" under Business Tax Act.** Expands Changes the definition of "sale" in Business Tax Act to exclude the transfer of services and property between certain advertising agencies.

*Senate Status:* **Set in Finance Revenue Subcommittee on 2/27/2018.**

*House Status:* *Referred to Finance, Ways & Means Subcommittee.*

- SB 2220 by Tate/HB 2653 by Camper - Report on industrial machinery franchise and excise tax credits.** Requires the commissioner of revenue to report in writing to the finance, ways and means committees of the senate and the house the total, annual amount of industrial machinery franchise and excise tax credits provided under Tennessee Code Annotated, Section 67-4-2009(3), for fiscal years 2012-2017.

*Senate Status:* *Referred to Finance, Ways & Means.*

*House Status:* *Referred to Finance, Ways & Means Subcommittee.*

- ✓ **SB 2256 by Norris/HB 2112 by Hawk - Apportionment of income and net worth by financial asset management companies.** Authorizes financial asset management companies to elect to apportion net earnings by multiplying earnings by a fraction for excise tax and franchise tax purposes. Requires this method of apportionment to remain in effect for a minimum of five years if chosen by the taxpayer. Prohibits the taxpayer from newly electing this method for five years once the taxpayer revokes the election.

→ **Administration bill. Department of Financial Institutions bill.** ←

Amendment: Senate Finance Revenue Subcommittee amendment 1 deletes and replaces language in the original bill such that the only substantive change clarifies the definition of financial asset management company.

*Senate Status:* **Finance Revenue Subcommittee passed on 2/20/2018 with amendment 1; Set in Finance, Ways & Means on 2/27/2018.**

*House Status:* **Set in Finance, Ways & Means Subcommittee on 2/28/2018.**

- SB 2265 by Yager/HB 2533 by Calfee - Report on evaluation of certain tax credits.** Requires the commissioners of economic and community development and revenue to create a report on the evaluation of certain taxes every two years.

*Senate Status:* *Referred to Finance, Ways & Means.*

*House Status:* *Referred to Finance, Ways & Means Subcommittee.*

- ✓ **SB 2345 by Gardenhire/HB 2398 by Travis - Financial institutions that receive tax credits for providing grants to housing entities.** Allows any unused credit from the Franchise Tax Law and the Excise Tax Law to be carried over for 15 years after the original tax year for a financial institution that receives a tax credit for providing grants or low-rate loans to certain housing entities.

Fiscal Note: (Dated February 7, 2018) Decrease State Revenue Exceeds \$100,000/FY18-19 Exceeds \$500,000/FY19-20 Exceeds \$1,000,000/FY20-21 and Subsequent Years

*Senate Status:* **Set in Finance Revenue Subcommittee on 2/27/2018.**

*House Status:* *Referred to Finance, Ways & Means Subcommittee.*

**SB 2613 by Yarbro/HB 2407 by Thompson - Tax incentives for purchases of industrial machinery.** Prohibits industrial machinery franchise and excise tax credit if a taxpayer's investment in industrial machinery will cause the employer to lose employees.

*Senate Status:* Referred to Finance, Ways & Means.

*House Status:* Referred to Finance, Ways & Means Subcommittee.

✓ **SB 2720 by Johnson/HB 2427 by M. White - Extends business tax exemption for mental or behavioral health services.** Extends business tax exemption for mental and behavioral health services by persons engaged in the business of providing foster care, residential treatment, therapeutic and rehabilitative care, or other social assistance programs.

*Senate Status:* Set in Finance Revenue Subcommittee on 2/27/2018.

*House Status:* Set in Finance, Ways & Means Subcommittee on 3/7/2018.

## COMMERCIAL LAW

✓ **SB 1662 by Dickerson/HB 1507 by Powell - Use of blockchain technology and smart contracts in conducting electronic transactions.** Recognizes the legal authority to use blockchain technology and smart contracts in conducting electronic transactions. Protects rights of ownership of certain information secured by blockchain technology.

Amendment: House Insurance & Banking Subcommittee amendment 2, Senate Commerce & Labor Committee amendment 1 deletes all language after the enacting clause. Adds and defines the terms "distributed ledger technology" and "smart contract" to the Uniform Electronic Transactions Act. Establishes that a cryptographic signature that is generated and stored through distributed ledger technology is considered to be in an electronic form and to be an electronic signature. Establishes that no contract relating to a transaction shall be denied legal effect, validity, or enforceability because that contract is executed through a smart contract. Protects ownership rights of information secured by distributed ledger technology, except where transaction terms expressly transfers those rights. Establishes that technologies not defined in this legislation may be considered in electronic form or to be an electronic signature or electronic record.

*Senate Status:* Commerce passed on 2/20/2018 with amendment 1; Sent to Calendar Committee.

*House Status:* Insurance & Banking Subcommittee passed on 2/21/2018 with amendment 2; Set in Insurance & Banking on 2/27/2018.

✓ **SB 1942 by Johnson/HB 1916 by Goins - Revises the Uniform Limited Partnership Act.** Requires the secretary of state to file an application with a certificate of existence showing a date not less than one month prior to the date of filing the application. Reduces the fee from \$25 to \$20 for filing a withdrawal statement with the secretary of state. Creates transfer of registration requirements for a limited liability company that elects to be registered as an obligated member entity. Creates new contents of certificate of cancellation. Creates guidelines for foreign limited partnerships with revoked registrations who wish to cancel registration without reinstating.

*Senate Status:* Commerce passed on 2/20/2018; Sent to Calendar Committee.

*House Status:* Business & Utilities passed on 2/21/2018; Sent to Calendar & Rules.

## ECONOMIC DEVELOPMENT

**SB 2594 by Yarbro/HB 2640 by Love - Allocation of sales and use of tax revenue for the construction of new stadiums.** Authorizes allocation of sales and use taxes to be used for financing facility for minor league affiliate of a major league soccer team.

*Senate Status:* Referred to State & Local Government.

*House Status:* Referred to Finance, Ways & Means Subcommittee.

**SB 2622 by Norris/HB 2664 by Carter - Electronically filing annual reports for industrial development corporations.** Allows the annual reports required by the lessees of industrial development corporations to be filed electronically with the comptroller of the treasury and the county assessor of property.

*Senate Status:* Referred to State & Local Government.

*House Status:* Referred to Local Government Subcommittee.

## FINANCIAL LITERACY

✓ **SB 2094 by Dickerson/HB 2277 by K. Brooks - Monies distributed for financial literacy education.** Permits the financial literacy commission to establish a program to award grants to individuals and entities to promote financial literacy in this state from funds appropriated for that purpose. Awards the grants using eligibility and selection criteria established by the commission. Specifies the individuals and entities eligible to apply for a grant. Requires each grant recipient to provide a final report within 60 days of expending all grant funds for a specific grant to the commission containing a description of the program implemented with grant funds, a final itemized budget, and the objective metrics used to assess the success of the program.

*Senate Status:* Referred to Education.

*House Status:* **Education Administration and Planning Subcommittee passed on 2/20/2018; Set in Education Administration and Planning on 2/27/2018.**

## FRANCHISE & EXCISE TAXES

✓ **SB 1744 by Johnson/HB 1593 by Sargent - Exemption - entities with less than \$100 in combined franchise and excise tax liability.** Exempts entities that would otherwise have less than \$100 in combined franchise and excise tax liability from franchise and excise taxes for tax year that begins on or after July 1, 2018, and prior to July 1, 2019. Gradually increases the exemption threshold to \$500 for tax years that begin on or after July 1, 2020.

*Senate Status:* **Set in Finance Revenue Subcommittee on 2/27/2018.**

*House Status:* Referred to Finance, Ways & Means Subcommittee.

## FUEL TAXES

**SB 2372 by Niceley/HB 2135 by T. Hill - Sale or transfer of business by aviation fuel dealer - notice.** Requires aviation fuel dealers to notify the commissioner of a sale or transfer of business. Requires an annual report on the transportation equity trust fund to include amount of aviation fuel taxes that come from the use of an aircraft.

*Senate Status:* Referred to Transportation & Safety.

*House Status:* Referred to Finance, Ways & Means Subcommittee.

## GENERAL

**SB 1722 by Bowling/HB 1459 by Matheny - State contracts with professional sports teams prohibited.** Prohibits the state from entering into new contracts or renewing existing contracts that provide state funding to professional sports organizations or professional sports teams.

*Senate Status:* Referred to State & Local Government.

*House Status:* Referred to State Government Subcommittee.

**SB 2651 by Watson/HB 1692 by Hulsey - Records evidencing pet insurance as confidential.** Deems records evidencing pet insurance that are provided to local government entities in order to register a dog or cat as confidential and not open to public inspection. **►Our caption bill for FEIN issue. ◀**

*Senate Status:* Referred to State & Local Government.

*House Status:* Referred to State Government Subcommittee.

## **GENERAL TAXES**

**SB 1595 by Yager/HB 2532 by Calfee - Notice of tax assessment being challenged by a taxpayer in a lawsuit.**

Specifies that the notice of tax assessment being challenged by a taxpayer in a lawsuit against the department of revenue must be attached to the petition filed in the lawsuit. → **Caption bill.** ←

*Senate Status:* Referred to State & Local Government.

*House Status:* Referred to Finance, Ways & Means Subcommittee.

**SB 1855 by Massey/HB 2031 by Coley - Tax collection proceedings - copy of court order.** Allows a court to dismiss a cause and permits the officer to enter a copy of the court order on the tax books.

*Senate Status:* Referred to Judiciary.

*House Status:* Referred to Finance, Ways & Means Subcommittee.

**SB 2051 by Crowe/HB 2132 by Van Huss - Perfection period for electronically filed tax returns.** Authorizes the commissioner of revenue to require or allow a "perfection period" for electronically filed Hall income tax and franchise and excise tax returns. Defines the "perfection period" to mean a period of ten calendar days, beginning with the day after date of the first transmission of an electronic return that is subsequently rejected by the commissioner.

*Senate Status:* Referred to Finance, Ways & Means.

*House Status:* Referred to Finance, Ways & Means Subcommittee.

**SB 2061 by Stevens/HB 2055 by Sargent - Adverse actions - formal hearing before the commissioner of revenue.** Increases the deadline one has for a formal hearing before the commissioner on adverse action proposed or taken to implement any revenue regulatory or registration law administered by the commissioner, not including those laws relating to certain assessments, from 10 to 12 days.

*Senate Status:* Referred to Finance, Ways & Means.

*House Status:* Referred to Finance, Ways & Means Subcommittee.

**SB 2252 by Norris/HB 1827 by Hawk - Disclosure of confidential tax information to persons providing data analysis.** Allows for tax returns and information to be disclosed to persons providing data analysis or analytical support relative to the continuance of tax administration. → **Department of Revenue bill.** ←

*Senate Status:* Referred to Finance, Ways & Means.

*House Status:* Referred to Finance, Ways & Means Subcommittee.

✓ **SB 2460 by Roberts/HB 2421 by Vaughan - Decreasing privilege tax.** Reduces the privilege tax from \$400 to \$200 for persons whose license is on active status. Reduces the privilege tax from \$400 to \$100 for persons whose licenses is on inactive status. Requires that persons licensed for two or more professions to only pay one privilege tax.

*Senate Status:* **Set in Finance Revenue Subcommittee on 2/27/2018.**

*House Status:* Referred to Finance, Ways & Means Subcommittee.

**SB 2647 by Watson/HB 2217 by Hazlewood - Angel investor tax credit.** Allows for a credit of 33 percent of the value of direct or indirect cash investment by an angel investor against the liability of such angel investor under this chapter in the tax year in which the investment was made.

*Senate Status:* Referred to Finance, Ways & Means.

*House Status:* Referred to Finance, Ways & Means Subcommittee.

✓ **SJR 494 by Kelsey - Constitutional amendment - prohibits tax on income derived from stocks and bonds.** Proposes additional language in Article II, Section 28 to prohibit the general assembly from levying or permitting any state or local tax upon income derived from stocks and bonds that are not taxed ad valorem.

Fiscal Note: (Dated January 16, 2018) Increase State Expenditures - \$9,100/FY22-23  
Senate Status: *Senate passed on 2/22/2018.*

## GOVERNMENT ORGANIZATION

✓ **SB 1532 by Bell/HB 1626 by Faison - Sunset - department of revenue.** Extends the department of revenue for four years to June 30, 2022.

Senate Status: *Set in Government Operations on 2/28/2018.*

House Status: *Set in Government Operations on 2/28/2018.*

**SB 1598 by Yager/HB 2543 by Keisling - Records retained by state agencies - license holders who receive electronic notification of their license renewals.** Requires each state agency to retain a record of the number of holders of a professional or occupational license, certification, or registration from the agency that receives notification of renewals of the holder's license, certification, or registration by email.

→ **Caption bill.** ←

Senate Status: *Referred to State & Local Government.*

House Status: *Referred to State Government Subcommittee.*

## GOVERNMENT REGULATION

**SB 1572 by Bell/HB 1895 by Matlock - Revisions to UAPA.** Revises definitions of "policy" and "rule" for rulemaking purposes. Prohibits a policy from being enacted, adopted, or enforced by an agency until the policy has been filed with the office of the attorney general. Requires the attorney general to review the proposed policy with 15 days of receipt of such policy. Prohibits an agency from promulgating rules or implementing policies that infringe on an agency member's freedom of speech. Specifies that an agency's appointing authority has the sole power to remove a member from a board, commission, council, committee, authority, task force, or other similar multi-member agency.

Senate Status: *Referred to Government Operations.*

House Status: *Referred to Government Operations.*

✓ **SB 1573 by Bell/HB 2437 by Gant - UAPA - requirements for agencies holding public hearings regarding rulemaking process.** Requires agencies, when statutorily required to hold a public hearing as part of its rulemaking process, to make copies of the rule available in redline form to persons in attendance at the hearing.

Senate Status: *Senate passed on 2/5/2018.*

House Status: *Set in Government Operations on 2/28/2018.*

**SB 1753 by Gardenhire/HB 1737 by Daniel - UAPA - promulgation of new permanent rules by an agency.** Requires agencies to repeal two existing permanent rules when they create a new permanent rule.

Fiscal Note: (Dated February 5, 2018) Other Fiscal Impact Repeal of permanent rules of agencies will result in an unknown impact to federal funding, state expenditures, and state revenues. Due to multiple unknown factors, a precise impact on state government cannot reasonably be determined.

Senate Status: *Referred to Government Operations.*

House Status: *Taken off notice in Government Operations on 2/7/2018.*

**SB 1764 by Kelsey/HB 1787 by Daniel - Payment of costs in a contested case hearing.** Authorizes a hearing officer or judge to order a state agency to pay the party issued a citation by the agency reasonable fees and expenses if ruled that the citation issued was not grounded.

Senate Status: *Referred to Government Operations.*

House Status: *Referred to Government Operations.*

- ✓ **SB 1929 by Jackson/HB 1966 by Daniel – UAPA – rules that infringe upon free speech.** Prohibits certain government entities from promulgating rules or issuing restrictions that infringe upon an entity member's freedom of speech. Requires the entity to be reviewed if the entity has been found of infringing on members free speech by a joint evaluation committee. Authorizes the joint evaluation committee to make recommendations for legislation to the general assembly.  
*Senate Status:* **Set in Government Operations on 2/28/2018.**  
*House Status:* *Referred to Government Operations.*
- ✓ **SB 2160 by Bell/HB 1800 by Daniel - UAPA - review of administrative actions by the general assembly.** Authorizes members of the general assembly the power to petition for a review by the government operations committee whether inter-agency memoranda should be promulgated as administrative rules. Requires either the committee chairs to direct the committees to meet with the purpose of reviewing any statement or intra-agency memoranda or for committees to vote to request the agency to promulgate the statement or intra-agency memoranda. **→Administration opposes.←**  
*Senate Status:* *Referred to Government Operations.*  
*House Status:* **Set in Government Operations on 2/28/2018.**
- SB 2295 by Bell/HB 2328 by Faison - UAPA - continues permanent rules filed with secretary of state.** Continues permanent rules filed with the secretary of state on or after January 1, 2017 with certain exceptions. Prohibits the department of children's services from creating a process whereby a person determined to be a perpetrator of child abuse or neglect may have their substantiations reviewed as authorized under Rule 0250-07-09-.12.  
*Senate Status:* *Referred to Government Operations.*  
*House Status:* *Referred to Government Operations.*
- ✓ **SB 2603 by Bell/HB 2386 by Daniel - UAPA - venue for appeals of contested case hearings.** Requires the appeals of contested case hearings to be heard in the chancery court closest to the residence of the person contesting the agency action.  
*Senate Status:* *Referred to Government Operations.*  
*House Status:* **Set in Civil Justice Subcommittee on 2/28/2018.**
- ✓ **SB 2652 by Watson/HB 1739 by Daniel - UAPA - economic impact analyses of administrative rules.** UAPA – economic impact analyses of administrative rules. Category: Government Regulation Summary: Requires agencies filing new rules with the secretary of state to provide an analysis of the rule’s economic impact on the state. If a congressional government operations committee finds the cost of the rule’s implementation to exceed \$1,000,000 over a three-year period, the agency will be forced to find ways to reduce the cost of the rule.  
Fiscal Note: (Dated February 16, 2018) Increase State Revenue \$741,200/Recurring/Fiscal Review Committee Increase State Expenditures \$330,000/One-Time/General Fund \$5,213,600/Recurring/General Fund \$370,600/Recurring/General Assembly Exceeds \$100,000/One-Time/Fiscal Review Committee Exceeds \$741,200/Recurring/Fiscal Review Committee  
*Senate Status:* *Referred to Government Operations.*  
*House Status:* **Set in Government Operations on 2/28/2018.**
- ✓ **SB 2715 by Bowling/HB 2555 by D. White - Fees promulgated by administrative rule.** Prohibits the increase of existing administrative fee that exceeds the lesser five percent or the average annual rate of inflation for the immediately preceding calendar year. Requires that state government agencies must submit a proposal for such increases as a legislative bill or amendment for consideration by the general assembly.  
*Senate Status:* *Referred to State & Local Government.*  
*House Status:* **Set in State Government Subcommittee on 2/28/2018.**

## LOCAL GOVERNMENT

**SB 2267 by Yager/HB 2215 by Powers - Local government risk management.** Requires an organization that provides risk management services to local governments to disclose certain information to the public upon request, including information on expenditures with third-party businesses and individuals and contracts with third-party businesses and individuals.

*Senate Status:* Referred to State & Local Government.

*House Status:* Referred to Local Government Subcommittee.

## PROFESSIONS & LICENSURE

**SB 1634 by Yarbro/HB 1555 by Gilmore - Suspension or revocation of professional licensure for defaulting on a student loan.** Repeals requirements that authorization to engage in regulated professions and occupations be revoked for persons who default on student loans. Requires reinstatement of licenses for otherwise qualified applicants whose licenses were suspended, denied, or revoked based solely on defaulting on student loan repayment.

*Senate Status:* Commerce deferred on 2/20/2018 to last calendar.

*House Status:* Taken off notice in Business & Utilities Subcommittee on 2/20/2018.

**SB 1766 by Green/HB 1487 by McCormick - Regulated professions - persons who have defaulted on student loans.** Repeals requirements that authorization to engage in regulated professions and occupations be revoked for persons who default on student loans.

*Senate Status:* Referred to Commerce.

*House Status:* Referred to Business & Utilities Subcommittee.

**SB 2055 by Tate/HB 2515 by Akbari - Remediation of licensure violation.** Requires all professional boards to create a remediation subcommittee for offering a licensee the option to have the licensure violation remediated prior to the board applying penalties to, or suspending or revoking the license of, the cited licensee. Allows the subcommittee to report to the board prior to the expiration of a thirty-day period if the subcommittee finds that the cited licensee is not cooperating with the remediation process.

*Senate Status:* Referred to Government Operations.

*House Status:* Referred to Business & Utilities Subcommittee.

**SB 2178 by Niceley/HB 2236 by Coley – Study of other states' independent professional standards boards.** Requires the office of research and education accountability to study other states' independent professional standards boards. Requires the findings of the study be reported to the education committees of the senate and the house of representatives, the governor, the commissioner of education, and executive director of the state board of education before February 1, 2019.

*Senate Status:* Referred to Education.

*House Status:* Referred to Education Administration and Planning Subcommittee.

**SB 2208 by Swann/HB 2073 by Holsclaw - Removes outdated reference to report on apprenticeship programs.** Removes language calling for a report on apprenticeship programs due by December 31, 2014.

*Senate Status:* Referred to Commerce.

*House Status:* Referred to Business & Utilities Subcommittee.

✓ **SB 2216 by Swann/HB 1509 by Powell - Revoking of professional license for defaulting on student loan.** Repeals requirements that authorization to engage in regulated professions and occupations be revoked for persons who default on student loans.

*Senate Status:* Set in Commerce on 2/27/2018.

*House Status:* Business & Utilities Subcommittee passed on 2/20/2018; Set in Business & Utilities on 2/28/2018.



**SB 2465 by Roberts/HB 2248 by Faison - Fresh Start Act.** Prohibits a licensing authority from denying an application for a license, certificate, or registration, or from refusing to renew a license, certificate, or registration, due to a prior criminal conviction that does not directly relate to the applicable occupation, profession, business, or trade. Requires the licensing authority to notify an applicant in writing prior to denial of an application for a license or certificate. Requires the written notification to include the licensing authority's justification for denial or refusal to renew. Clarifies that nothing in this section shall be construed to prohibit a licensing authority from issuing a restricted or conditional license. Establishes other provisions in regard to issuance of licenses, certificates, or registration for persons with a prior criminal conviction.

*Senate Status:* Referred to Commerce.

*House Status:* Referred to Business & Utilities Subcommittee.

✓ **SB 2471 by Roberts/HB 1724 by Hazlewood - Accountancy - renewal fee for inactive licensees over 65.** Lowers the age of inactive licensees who may not have to pay a renewal fee pursuant to rules from over 70 years of age to 65 years of age and older. → **TSCPA bill. No questions asked in committees.** ←

*Senate Status:* Commerce passed on 2/20/2018; Sent to Calendar Committee.

*House Status:* Set on floor on 2/26/2018.

## PROPERTY TAXES

**SB 1476 by Gardenhire/HB 1465 by McCormick - Referendum required prior to tax revenue being used to service debt on stadium for professional sports team.** Requires that a nonbinding referendum election be held before property tax or sales and use tax revenue is used to service debt on a professional sports team's stadium.

*Senate Status:* Referred to State & Local Government.

*House Status:* Referred to Local Government Subcommittee.

✓ **SB 1485 by Jackson/HB 1502 by Gravitt - Filing requirements with the state board of equalization.** Specifies that property subject to the tax exemption for religious, charitable, scientific, or educational property, property of certain low-income persons, property of certain educational institutions, and property used for airport runways is required to have the exemption application approved by the state board of equalization. Removes the requirement that the county assessor of property submit a record of the county board of equalization's changes to the state board of equalization.

*Senate Status:* Senate passed on 2/15/2018.

*House Status:* House passed on 2/22/2018.

*Other Status:* Sent to the speakers for signatures on 2/22/2018.

✓ **SB 1675 by Green/HB 1496 by Pitts - Property tax relief for disabled veterans who are temporarily in a nursing home.** Provides continued eligibility for a disabled veteran's property tax relief during temporary periods of confinement in a nursing home or hospitalization if the disabled veteran intends to return to the residence once he or she has sufficiently recovered.

Fiscal Note: (Dated January 22, 2018) Other Fiscal Impact There will be a shift in appropriated property tax relief funding to otherwise qualified property tax relief applicants. However, no change will be required for total appropriations made for the purpose of property tax relief.

Amendment: Senate amendment 1, House Local Government Committee amendment 1 deletes and rewrites all language after the enacting clause such that the substantive changes are to (1) add elderly low-income and disabled homeowner property tax relief recipients to those required to have continued eligibility during temporary periods of confinement in a nursing home or hospital if intent to return to the eligible residence is indicated and (2) to require individuals temporarily hospitalized or confined in a nursing home on or after October 3, 2017, to be retroactively reimbursed for any period where property tax relief reimbursement ceased as a result of such confinement.

*Senate Status:* Senate passed on 2/15/2018 with amendment.  
*House Status:* **Finance, Ways & Means Subcommittee passed on 2/21/2018; Set in Finance, Ways & Means on 2/27/2018.**

**SB 1923 by Lundberg/HB 1952 by Crawford - Accounting for tax increment financing in calculating the certified tax rate.** Permits governing bodies to exclude from taxable value of property appearing on the assessment roll, the taxable value of properties subject to tax increment financing and properties within areas where an economic impact plan has been approved.

*Senate Status:* Referred to State & Local Government.  
*House Status:* Referred to Local Government Subcommittee.

**SB 2119 by Stevens/HB 2310 by Vaughan - Advertising intent to exceed property tax rate on official county or city website.** Allows municipalities to advertise their intent to increase property taxes on the official county website before adopting the resolution.

*Senate Status:* Referred to State & Local Government.  
*House Status:* Referred to Finance, Ways & Means Subcommittee.

**SB 2276 by Pody/HB 2356 by Matlock - Retention of records of the county board of equalization.** Increases the time required for the assessor of property to preserve records and papers of the county board of equalization from 10 years to at least 12 years. **→Caption bill.←**

*Senate Status:* Referred to State & Local Government.  
*House Status:* Referred to Local Government Subcommittee.

**SB 2278 by Pody/HB 2686 by Weaver - Property tax freeze program.** Requires the comptroller of the treasury to annually report a list of all counties and municipalities that have adopted the property tax freeze program to the chairs of the finance, ways and means committees of the senate and the house of representatives.

*Senate Status:* Referred to State & Local Government.  
*House Status:* Referred to Local Government Subcommittee.

✓ **SB 2284 by Pody/HB 2478 by Matlock - Payments in lieu of tax agreement- Loudon County.** Prohibits industrial corporations in Loudon County from negotiating payment in lieu of tax agreement for less than the county ad valorem taxes otherwise due.

*Senate Status:* Referred to State & Local Government.  
*House Status:* **Set in Local Government Subcommittee on 2/28/2018.**

**SB 2290 by Bell/HB 2395 by Rogers - Requirements for property tax increase.** Requires that any real property tax rate increase be passed at a minimum of two consecutive, regularly scheduled meetings of the governing body of a county or municipality. Requires resolution or ordinance to be passed by a two-thirds vote for property tax increases of five percent or greater. Authorizes referendum on the question of a property tax rate increase of five percent or greater if the tax increase is not approved by a two-thirds vote of the governing body of the county or municipality.

*Senate Status:* Referred to State & Local Government.  
*House Status:* Referred to Local Government Subcommittee.

✓ **SB 2346 by Gardenhire/HB 2034 by Gravitt - Tax relief for property used for certain educational purposes.** Exempts tangible personal property owned and used by nonprofit organizations to provide character development and other educational programs to youth about the Congressional Medal of Honor and its local and national recipients. Specifies requirements for nonprofit to qualify for exemption.

*Senate Status:* Referred to Finance, Ways & Means.  
*House Status:* **Finance, Ways & Means Subcommittee passed on 2/21/2018; Set in Finance, Ways & Means on 2/27/2018.**

**SB 2378 by Roberts/HB 2456 by Daniel - Audits conducted on persons or entities receiving proceeds from hotel/motel tax.** Requires the comptroller of the treasury to conduct random audits on certain organizations receiving proceeds from the hotel occupancy tax stating how the proceeds are spent.

*Senate Status:* Referred to Finance, Ways & Means.

*House Status:* Referred to Local Government.

**SB 2455 by Roberts/HB 2563 by Kumar - Changing dates for filing petitions with the state board of equalization.** Changes the time frame from 20 days to 30 days that a petition must be filed at the office of the state board of equalization upon petition by any organization representing 10 or more owners of agricultural, forest, or open space land to convene a hearing.

*Senate Status:* Referred to State & Local Government.

*House Status:* Referred to Local Government Subcommittee.

✓ **SB 2495 by Johnson/HB 2337 by Powell - Motions to claim excess tax sale.** Requires that a motion to claim excess tax sale proceeds be served upon "all interested persons" rather than "the parties." Revises other provisions governing notice and publication of delinquent tax sales.

*Senate Status:* Referred to State & Local Government.

*House Status:* **Set in Local Government Subcommittee on 2/28/2018.**

**SB 2502 by Ketron/HB 1470 by Sparks – Composition of board of equalization.** Deletes obsolete language requiring property tax to be used for state purposes. Adds property assessors from each of the grand divisions to the state board of equalization.

*Senate Status:* Referred to State & Local Government.

*House Status:* Referred to Local Government Subcommittee.

**HJR 591 by Sparks - Constitutional amendment - prohibits general assembly from levying any state tax on property.** Proposes additional language in Article II, Section 28 of the state constitution to prohibit the general assembly from levying, authorizing, or otherwise permitting any state tax on property.

*Fiscal Note:* (Dated January 11, 2018) Increase State Expenditures \$9,100/One-Time

*House Status:* Referred to State Government Subcommittee.

## **PUBLIC FINANCE**

✓ **SB 1481 by Swann/HB 1500 by Vaughan - Local Government Modernization Act - duties of comptroller.** Clarifies that the Local Government Modernization Act of 2005 creates an ongoing, rather than one-time, duty of the comptroller of the treasury to ensure local governments are in compliance with the accounting and financial reporting standards established by the Governmental Accounting Standards Board.

*Status:* **Governor signed on 2/22/2018.**

✓ **SB 1486 by Stevens/HB 1536 by Lamberth - Reporting fraud, waste, or abuse to the comptroller of the treasury.** Adds debit card fraud to the definition of unlawful conduct that must be reported to the comptroller of the treasury. Also adds certain certified public accountants and firms to those with a duty to report unlawful conduct to the comptroller. Removes immunity from those reporters who knowingly provide false information. **→Talked to Comptroller's office, bill is narrow to contracts with Comptroller or Comptroller approves contract.←**

*Status:* **Sent to the Governor on 2/22/2018.**

✓ **SB 1493 by Haile/HB 1490 by Hazlewood - Balloon indebtedness under the Local Government Public Obligations Act of 1986.** Clarifies that "balloon indebtedness" under the Local Government Public Obligations Act of 1986 includes the refinancing of a debt that creates a final maturity date that is 31 or more years from the original date of issuance.

*Status:* **Governor signed on 2/22/2018.**

- ✓ **SB 1589 by Bell/HB 1462 by Williams - Requirements for state funding estimates and governor's budget recommendations.** Requires state funding estimates to have a majority vote, sets requirements for governor's budget recommendations, establishes reserved amount for legislative priorities and allocates said funds. → **Bill not moving.** ←
- Fiscal Note: (Dated January 29, 2018) Other Fiscal Impact Passage of this legislation will require the Governors FY18-19 proposed budget to be reduced by \$36,291,800. In addition, \$29,154,600 of the Governors FY18-19 proposed budget will be reserved for legislative priorities. The Governors FY18-19 proposed budget will be reduced by a total of \$65,446,400. Any future budgetary implications cannot be reasonably determined.
- Senate Status:* Referred to Finance, Ways & Means.
- House Status:* **Set in Finance, Ways & Means Subcommittee on 2/28/2018.**
- ✓ **SB 1612 by Kelsey/HB 1562 by Wirgau - Rainy Day Fund - Copeland Cap compliance.** Clarifies that funds allocated to the reserve for revenue fluctuations shall not be included as appropriations from state tax revenues. Also clarifies that funds expended from the reserve for revenue fluctuations to offset shortfalls in state tax revenue shall not be included as appropriations from state tax revenues. Finally, specifies that funds directly appropriated from the reserve for revenue fluctuations in the general appropriations act shall be included as appropriations from state tax revenues.
- Fiscal Note: (Dated February 12, 2018) Other Fiscal Impact Passage of this legislation will impact how frequently the General Assembly will be required to enact legislation to authorize the rate of growth of appropriations from state tax revenue to exceed the estimated rate of growth of the state's economy. Any impact on the amount of funding that will be allocated to or expended from the Rainy Day Fund or appropriated from state tax revenue in future years is estimated to be not significant.
- Amendment: **House Finance, Ways & Means Committee amendment 1** deletes language from the original bill such that the bill as amended establishes, for purposes of determining compliance with the Copeland Cap, that funds allocated to the Rainy Day Fund (RDF), and funds expended from the RDF to offset shortfalls in state tax revenue, will not be included as appropriations from state tax revenues.
- Senate Status:* Referred to Finance, Ways & Means.
- House Status:* **Finance, Ways & Means passed on 2/20/2018 with amendment 1; Set on floor on 3/1/2018.**
- ✓ **PC SB 1696 by Lundberg/HB 1501 by Crawford - Revises audit and accounting requirements for the comptroller of the treasury.** Revises various provisions governing audit and accounting requirements for the comptroller of the treasury, including the preparation of a uniform audit manual by the comptroller.
- Status:* **Enacted as Public Chapter 495, effective February 22, 2018.**
- Link to Public Chapter:* <http://publications.tnsosfiles.com/acts/110/pub/pc0495.pdf>
- SB 2552 by Norris/HB 2644 by Sargent - Appropriations - FY 2017 -2018.** Makes appropriations for the fiscal years beginning July 1, 2017, and July 1, 2018. → **Budget bill.** ←
- Senate Status:* Referred to Finance, Ways & Means.
- House Status:* Referred to Finance, Ways & Means Subcommittee.
- SB 2553 by Norris/HB 2646 by Sargent - Statutory revisions required for implementation of the annual appropriations act.** Allows for grant payments under the grant assistance program for nursing home care being made monthly or quarterly. Makes statutory revisions required for implementation of the annual appropriations act. → **Implementation Budget bill.** ←
- Senate Status:* Referred to Finance, Ways & Means.
- House Status:* Referred to Finance, Ways & Means Subcommittee.

**SB 2554 by Norris/HB 2645 by Sargent - Issuance and selling of bonds by the state.** Authorizes the state to issue and sell direct general obligation bonds in amounts not to exceed \$245,435,000. **→Bond Budget bill. ←**

**Senate Status:** *Referred to Finance, Ways & Means.*

**House Status:** *Referred to Finance, Ways & Means Subcommittee.*

**SB 2649 by Watson/HB 1457 by Carter - Establishes the Tennessee taxpayer relief and recession reserve.** Establishes the Tennessee taxpayer relief and recession reserve. Clarifies that deposits into the reserve for revenue fluctuation and the relief and recession reserve do not count toward the Copeland Cap. Provides an automatic, temporary sales tax reduction when there are sufficient over collections to offset the loss of revenue.

**Senate Status:** *Referred to Finance, Ways & Means.*

**House Status:** *Referred to Finance, Ways & Means Subcommittee.*

## SALES TAXES

✓ **SB 1685 by Briggs/HB 1468 by Staples - Historic Structure Rehabilitation Act.** Provides for a refund of state sales tax paid on expenditures to rehabilitate historic structures if the owner uses the certified historic structure for at least one year following the rehabilitation, the rehabilitation meets certain U.S. standards, and the certified qualified rehabilitation expenditures are made on or after July 1, 2018.

**Fiscal Note:** (Dated February 6, 2018) Increase State Revenue \$62,500/FY19-20 and Subsequent Years/Historical Commission Decrease State Revenue Net Impact \$651,800/FY19-20/General Fund \$1,303,600/FY20-21 and Subsequent Years/General Fund Increase State Expenditures \$62,500/FY19-20 and Subsequent Years/ Historical Commission Decrease Local Revenue Net Impact \$15,700/FY19-20 \$31,400/FY20-21 and Subsequent Years

**Amendment:** House Government Operations Committee amendment 1 rewrites the bill to change definitions regarding "certified historic residential structure" and requires that certified qualified rehabilitation expenditures are made on or after July 1, 2019. Allows the taxpayer's claim for refund of state sales or use taxes to include state taxes paid by the owner, contractors and subcontractors.

**Senate Status:** *Referred to Finance, Ways & Means.*

**House Status:** *Government Operations passed on 2/21/2018 with amendment 1; Set in Finance, Ways & Means Subcommittee on 2/28/2018.*

✓ **SB 1687 by Briggs/HB 1532 by Zachary - Phasing out of state administration fee on local option sales tax imposed on local governments.** Reduces the department of revenue's administration fee of 1.125 percent imposed on local governments for remittance of local option sales tax by 0.375 percent annually for the next three fiscal years.

**Fiscal Note:** (Dated February 3, 2018) Decrease State Revenue \$10,173,600/FY18-19/Department of Revenue \$21,049,300/FY19-20/Department of Revenue \$32,663,200/FY20-21/Department of Revenue Exceeds \$32,663,200/FY21-22 and Subsequent Years/ Department of Revenue Increase Local Revenue \$10,173,600/FY18-19 \$21,049,300/FY19-20 \$32,663,200/FY20-21 Exceeds \$32,663,200/FY21-22 and Subsequent Years

**Senate Status:** *Set in Finance Revenue Subcommittee on 2/27/2018.*

**House Status:** *Finance Subcommittee on 2/7/2018 placed behind the budget.*

**SB 1886 by Kelsey/HB 2040 by DeBerry - Annual report on amount of disaster relief refunds issued by department of revenue.** Requires the commissioner of revenue to annually report to the general assembly the amount of disaster relief refunds issued by the department for the previous calendar year.

**Senate Status:** *Referred to Finance, Ways & Means.*

*House Status:* Referred to Finance, Ways & Means Subcommittee.

**SB 2047 by Crowe/HB 2071 by Holsclaw - Exemption - electrical hookup fees assessed by a marina.** Exempts electrical hookup fees assessed by a marina from sales and use taxes.

*Senate Status:* Referred to Finance, Ways & Means.

*House Status:* Referred to Finance, Ways & Means Subcommittee.

✓ **SB 2060 by Gardenhire/HB 2210 by K. Brooks - Taxes on goods and services sold for resale in a subsequent retail transaction.** Requires retailers to collect state and local taxes on goods and services sold in a subsequent retail transaction. Allows a purchaser of such goods and services to claim a refund on such taxes collected.

*Senate Status:* Referred to Finance, Ways & Means.

*House Status:* **Set in Finance, Ways & Means Subcommittee on 2/28/2018.**

**SB 2121 by Yager/HB 2232 by McDaniel - Monthly usage fees for water service and for non-residential propane, natural gas, and electric services.** Clarifies that sales and use tax only applies to charges on a customer's monthly water bill for metered water usage, a monthly minimum bill, a monthly customer charge, or a monthly demand charge. Also clarifies that the sales and use tax imposed on sales of natural gas, propane, and electricity sold directly to the consumer for non-residential use applies only to charges on a consumer's monthly bill for metered usage, a monthly minimum bill, a monthly customer charge, or a monthly demand charge. monthly usage fees for water service and for non-residential propane, natural gas, and electric services.

*Senate Status:* Referred to Finance, Ways & Means.

*House Status:* Referred to Finance, Ways & Means Subcommittee.

**SB 2228 by Southerland/HB 2250 by Faison - Sales and use tax generated from a commercial development district.** Extends the application deadline from 06,30,17 to 06,30,21 for a distressed rural county to apply to be eligible to retain the sales and use tax generated from a commercial district.

*Senate Status:* Referred to Finance, Ways & Means.

*House Status:* Referred to Finance, Ways & Means Subcommittee.

✓ **SB 2531 by Ketron/HB 2171 by Kane - Exemption - printers, monitors, and computers purchased on annual sales tax holiday.** Exempts printers and monitors that are priced \$200 or less per item and school calculators priced \$150 or less per item from sales tax on annual sales tax holiday. Increases the cost of exempt computers from \$1,500 to \$2,000 per item.

*Senate Status:* **Set in Finance Revenue Subcommittee on 2/27/2018.**

*House Status:* **Set in Finance, Ways & Means Subcommittee on 2/28/2018.**

✓ **SB 2665 by Bailey/HB 1860 by Kane - Exemptions - bees, hives, and beekeeping equipment.** Exempts bees, hives, beekeeping equipment from tax sold directly to a consumer for noncommercial purposes, excluding honey, honey byproducts, and other food and wax products.

*Senate Status:* **Set in Finance Revenue Subcommittee on 2/27/2018.**

*House Status:* **Set in Finance, Ways & Means Subcommittee on 2/28/2018.**

✓ **SB 2668 by Bailey/HB 1672 by Keisling - Single article taxation.** Deletes an additional tax at the rate of 2.75 percent on the amount more than \$1,600 but less than or equal to \$3,200 on the sale or use of any single article of personal property.

*Senate Status:* **Set in Finance Revenue Subcommittee on 2/27/2018.**

*House Status:* **Set in Finance, Ways & Means Subcommittee on 2/28/2018.**

✓ **SB 2669 by Bailey/HB 1887 by Lollar - Exemption - water used in a farming operation.** Exempts any water furnished by a utility district that is used exclusively in a farming operation from taxes.

*Senate Status:* **Set in Finance Revenue Subcommittee on 2/27/2018.**  
*House Status:* **Set in Finance, Ways & Means Subcommittee on 2/28/2018.**

- ✓ **SB 2671 by Bailey/HB 2252 by Matlock - Exemption - personal property sold, given, or donated to nonprofit organizations.** Exempts personal property sold, given, or donated to nonprofit organizations from sales and use tax. Requires the nonprofit organizations meet certain criteria for the property to be exempt.

*Senate Status:* **Set in Finance Revenue Subcommittee on 2/27/2018.**  
*House Status:* **Set in Finance, Ways & Means Subcommittee on 2/28/2018.**

- ✓ **SB 2701 by Bailey/HB 2486 by Holt - Exempting agricultural trailers from sales tax.** Exempts agricultural trailers from sales and use tax. Defines agricultural trailer.

Fiscal Note: (Dated February 11, 2018) Decrease State Revenue Net Impact \$449,800 Decrease Local Revenue Net Impact \$183,600

*Senate Status:* **Set in Finance Revenue Subcommittee on 2/27/2018.**  
*House Status:* **Set in Finance, Ways & Means Subcommittee on 3/7/2018.**

## 2017 LEGISLATION

### GOVERNMENT REGULATION

- SB 910 by Bell/HB 852 by Daniel - Burden of proof in contested case hearings on state agencies.** Places the burden of proof in contested case hearings on state agencies to prove, by clear and convincing evidence, that the action taken by the agencies was proper.

*Senate Status:* *Government Operations passed on 4/12/2017 with amendment; Sent to Calendar Committee.*

*House Status:* *Taken off notice in State Government Subcommittee on 2/7/2018.*

- SB 911 by Bell/HB 769 by Daniel - Requirements for revocation of a license by an agency.** Prohibits the revocation of a license by an agency unless the agency provides notice of facts or conduct that warrant such action and the licensee was permitted to show compliance; requires testimony in an agency proceeding to be given under oath and for persons who allege misconduct by a licensee to be present and available to testify at the proceeding. Requires a person who is denied an occupational license or certification by the final decision of an agency and that decision is subsequently reversed on appeal, to be awarded attorney fees, court costs, pre-judgment interest, post-judgment interest, and lost wages from the agency. Specifies that any lost wages awarded shall only include income lost for the period in which the person was aggrieved by the final decision in the contested case hearing.

*Senate Status:* *Taken off notice in Government Operations on 3/29/2017.*

*House Status:* *Taken off notice in Business & Utilities Subcommittee on 3/28/2017.*

- SB 1075 by Lundberg/HB 971 by Crawford - Adverse action related to a license or other privilege - written request for hearing.** Increases from 10 to 12 the number of days following any adverse action related to a license or other privilege that the licensee must file a written request for a hearing before the commissioner to contest the action.

Amendment: House Finance Subcommittee Amendment 1 (007935) rewrites the bill. Revises the distribution of local government revenue generation by the 2.25 percent local sales tax imposed on the sales price on the sales made in this state by dealers with no location in Tennessee.

*Senate Status:* *Referred to Finance Revenue Subcommittee.*

*House Status:* *Finance deferred on 5/9/2017 to 2018.*

## PROFESSIONAL PRIVILEGE TAX

**SB 205 by Bowling/HB 1034 by Van Huss - Eliminates the professional privilege tax.** Eliminates the professional privilege tax for the tax year ending on May 31, 2018, and subsequent tax years.

Fiscal Note: (Dated February 7, 2017) Decrease State Revenue - Net Impact - \$88,918,900/FY16-17 and Subsequent Years Decrease State Expenditures - \$974,400/FY16-17 and Subsequent Years Increase Local Revenue - \$441,200/FY16-17 and Subsequent Years

*Senate Status:* Taken off notice in Finance, Ways & Means on 5/9/2017.

*House Status:* Taken off notice in Finance Subcommittee on 5/8/2017.

✓ **SB 306 by Kyle/HB 46 by Clemmons - Professional privilege tax.** Exempts individuals from the professional privilege tax for the first year in which they are licensed or registered in a taxable profession.

Fiscal Note: (Dated February 1, 2017) Decrease State Revenue - Net Impact - \$9,004,100 Decrease State Expenditures - \$98,800 Increase Local Revenue - \$44,700

Amendment: House Finance, Ways & Means Subcommittee amendment 1 changes the effective date from July 1, 2017 to July 1, 2018.

*Senate Status:* Taken off notice in Finance, Ways & Means on 5/9/2017.

*House Status:* **Finance, Ways & Means Subcommittee on 2/21/2018 placed behind the budget after adopting amendment 1.**

## PROFESSIONS & LICENSURE

**SB 290 by Yarbro/HB 355 by Beck - Includes sales prices for accounting and legal services within a central business improvement district as exempt from additional fees.** Clarifies that the sales prices for accounting, legal, or other professional services provided within a central business improvement district located within a tourism development zone are not subject to an additional fee. **→Bill changes definition to exclude accounting profession that is taxed in Nashville business improvement district.←**

*Senate Status:* Referred to State & Local Government.

*House Status:* Referred to State Government Subcommittee.

## TAXES BUSINESS

**SB 1078 by Lundberg/HB 1095 by T. Hill - Franchise and excise tax credits and exemptions for aeronautical jobs.** Requires the department of revenue to report the number and amount of franchise and excise tax credits and exemptions issued to privately owned air carriers, general aviation airports, and aeronautical facilities operated in this state.

Amendment: Senate Transportation & Safety Committee amendment 1 (006491) deletes and rewrites the bill, adding language that outlines repayment of grant funds for airports that received state funds for the planning and construction of any aerospace industrial park.

*Senate Status:* Taken off notice in Finance, Ways & Means on 5/9/2017.

*House Status:* Transportation passed on 4/11/2017; Sent to Finance.

**SB 1236 by Norris/HB 957 by Akbari - Community resurgence job tax credits.** Revises the wage requirement for a qualifying job under the Community Resurgence Job Tax Credit Act of 2015 from requiring wages equal to, or greater than, the state's average occupational wage to requiring wages at least 65 percent of the labor workforce development area wage.

Fiscal Note: (Dated March 8, 2017) Decrease State Revenue – Exceeds \$50,000/FY17-18 Exceeds \$100,000/FY18-19 and Subsequent Years Forgone State Revenue – Exceeds \$50,000/FY17-18 Exceeds \$100,000/FY18-19 and Subsequent Years

*Senate Status:* Finance Revenue Subcommittee passed on 3/15/2017; Sent to Finance.

*House Status:* Taken off notice in Finance Subcommittee on 5/8/2017.



**SB 1274 by Norris/HB 1042 by Gant - Taxation of business entities and their owners.** Allows professionals who own corporations, limited partnerships, and similar business entities to take their professional privilege tax payment as a credit against the business entity's franchise and excise tax liability.

Fiscal Note: (Dated March 8, 2017) Decrease State Revenue – \$2,000,000

*Senate Status:* Taken off notice in Finance, Ways & Means on 5/9/2017.

*House Status:* Taken off notice in Finance Subcommittee on 5/8/2017.

**SB 1277 by Norris/HB 1345 by Camper - Pilot program to issue franchise and excise tax credits to shippers making shipments into and from Shelby County.** Establishes a pilot program to issue franchise and excise tax credits to shippers making shipments into and from Shelby County. Requires a shipper to establish and implement a turn-around policy that assures pickups and deliveries are performed during the period of time agreed upon, and that the shipper provides the motor carrier with contact information for any person receiving the delivery.

Fiscal Note: (Dated March 10, 2017) Decrease State Revenue – Exceeds \$2,065,900/FY18-19 and Subsequent Years Increase State Expenditures – \$149,300/FY18-19 \$139,600/FY19-20 and Subsequent Years

*Senate Status:* Taken off notice in Finance, Ways & Means on 5/9/2017.

*House Status:* Taken off notice in Finance Subcommittee on 5/8/2017.

## **TAXES PROPERTY**

**SB 940 by Ketron/HB 791 by Sparks - Property taxes Equalization Board adjustments.** Deletes an outdated cross-reference to a deleted statute.

Amendment: Senate State & Local Government Committee Amendment 1, House Amendment 1 (005178) deletes all language after the enacting clause. Establishes a 15 acre minimum for property classified as forest land under the agricultural, forest, and open space land act. Transfers the responsibility for taxpayers appeals of forest land eligibility determination from the state forester to the county boards of equalization and the state board of equalization. Senate State & Local Government Committee Amendment 2 (006304) changes the effective date.

*Senate Status:* State & Local Government passed on 4/4/2017 with amendments; Sent to Finance.

*House Status:* House passed on 4/20/2017 with amendment.

**SB 1235 by Norris/HB 874 by Akbari - Expansion of the tax credit allowed for the purchase of brownfield property. Taxes, Exemption and Credits.** Makes revisions to tax credits, such as expanding the tax credit allowed for the purchase of brownfield property to include real property that was previously the subject of an investigation or remediation as a brownfield project under a voluntary agreement or consent order.

Fiscal Note: (Dated March 11, 2017) Decrease State Revenue – \$9,940,000

*Senate Status:* Referred to State & Local Government.

*House Status:* Taken off notice in Local Government Subcommittee on 4/4/2017.

## **TAXES SALES**

✓ **SB 10 by Green/HB 15 by Goins - Exemption - vehicles sold to disabled veteran or service member.** Exempts from sales tax, registration fees, and motor vehicle privilege tax, any motor vehicle sold, given or donated to a veteran or service member who has a service-connected disability and who is eligible for a U.S. Department of Veterans Affairs automobile grant under the Disabled Veterans' and Servicemen's Automobile Assistance Act of 1970.

Fiscal Note: (Dated January 24, 2017) Decrease State Revenue - Net Impact - \$100,700 Decrease Local Revenue - \$6,000

Amendment: House Amendment 1, Senate Finance, Ways & Means Committee Amendment 1 (006608) deletes and replaces language of the bill to establish that the proposed state

and local sales tax exemption only applies to the portion of the price of the vehicle that is in excess of the amount of the USDVA automobile grant received.

**Status:** *Sent to the Governor on 2/22/2018.*

**SB 416 by Lundberg/HB 697 by Crawford - Exemption - diapers used by children.** Exempts from sales and use tax the gross receipts derived from the sale of diapers for use by children.

**Fiscal Note:** (Dated March 1, 2017) Decrease State Revenue – Net Impact – \$6,825,700 Decrease Local Revenue – Net Impact – \$2,785,400

**Senate Status:** *Referred to Finance Revenue Subcommittee.*

**House Status:** *Referred to Finance Subcommittee.*

**SB 955 by Tracy/HB 703 by K. Brooks - Dealers may retain portion of taxes to compensate for costs incurred in accounting and remitting such taxes.** Allows dealers reporting and remitting sales taxes to the department of revenue to retain a certain portion of those taxes in order to compensate for costs incurred in discharging their duties.

**Fiscal Note:** (Dated February 25, 2017) Increase State Revenue – Net Impact – \$12,490,900 Decrease Local Revenue – Net Impact – \$30,553,700

**Senate Status:** *Taken off notice in Finance Revenue Subcommittee on 3/21/2017.*

**House Status:** *Finance Subcommittee placed behind the budget.*

**SB 1118 by Kyle/HB 833 by Jones - Reduces state sales tax rate on diapers, feminine hygiene products, and nonexempt over-the-counter drugs.** Reduces the state sales and use tax rate on retail sales of diapers, feminine hygiene products, and nonexempt over-the-counter drugs from 7 percent to 5 percent.

**Fiscal Note:** (Dated March 8, 2017) Decrease State Revenue – Net Impact – \$14,543,100 Decrease Local Revenue – Net Impact – \$509,900

**Senate Status:** *Taken off notice in Finance, Ways & Means on 5/9/2017.*

**House Status:** *Referred to Finance Subcommittee.*