

Amendment No. 1 to SB1874

Watson  
Signature of Sponsor

**AMEND Senate Bill No. 1874\***

**House Bill No. 1937**

by deleting all language after the caption and substituting instead the following:

WHEREAS, in certain circumstances, the liability of a vendor with regard to this State's business tax depends on whether the vendor's customer is a wholesaler or a retailer; and

WHEREAS, the General Assembly intends to aid the administration of the business tax in this State; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 4, Part 7, is amended by adding the following as a new section:

For purposes of aiding administration of the tax under this part, the department shall make available to every person that files a return under this part a certificate indicating whether the person reported the tax due for a location at the wholesaler rate or retailer rate as set forth in § 67-4-709. The certificate must be in a format that enables a customer to provide the certificate to a vendor as proof that the customer filed as a wholesaler or retailer. The certificate is effective from the original due date of the customer's underlying return until the due date of the customer's next return. For transactions occurring during the certificate's effective period, a vendor that receives a certificate from a customer can rely on the certificate for purposes of determining the vendor's liability under this part. Notwithstanding another law to the contrary, a vendor that receives a certificate from a customer shall not owe additional tax, nor be refunded tax, based on a retroactive change in the customer's status as a wholesaler or retailer for the period covered by the certificate.

SECTION 2. This act takes effect January 1, 2023, the public welfare requiring it.