

HOUSE BILL 49

By Zachary

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, relative to sales conducted during a
temporary sales period.

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

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by
adding the following as a new section:

(a) For purposes of this section:

(1) "K-12 school" means a public or private school that offers any of the
grades kindergarten through twelve (K-12); and

(2) "School support group" means:

(A) A school support organization, as defined in § 49-2-603; and

(B) A group of persons who:

(i) Raise funds for a specified purpose under the
sponsorship of a school employee; and

(ii) Turn over the funds raised to the school to be used for
the specific purpose for which the funds were raised.

(b) Notwithstanding any provision of this chapter to the contrary, a person is not
liable for sales tax on tangible personal property or taxable services sold to a K-12
school or school support group during five (5) temporary sales periods conducted in a
calendar year. If a person conducts more than five (5) temporary sales periods in a
calendar year, then the person is only liable for sales tax on all tangible personal
property and taxable services sold during the sixth temporary sales period and any
subsequent temporary sales period conducted during that year.

(c) Notwithstanding any provision of this chapter to the contrary, a K-12 school or school support group is not liable for use tax on tangible personal property or taxable services purchased by the K-12 school or school support group without paying tax, during five (5) temporary sales periods conducted in a calendar year. If a K-12 school or school support group conducts more than five (5) temporary sales periods during a calendar year after purchasing tangible personal property or taxable services from a person without paying tax, then the K-12 school or school support group is only liable for the use tax based on the purchase price of the tangible personal property and taxable services purchased during the sixth temporary sales period and any subsequent temporary sales period conducted during that year.

SECTION 2. This act shall take effect July 1, 2019, the public welfare requiring it.