

HOUSE BILL 96

By McCormick

AN ACT to amend Tennessee Code Annotated, Title 67,  
Chapter 1 and Title 67, Chapter 6, relative to the  
reporting of information by certain entities.

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

SECTION 1. Tennessee Code Annotated, Section 67-6-410(a), is amended by deleting the subsection and substituting instead the following:

(a)

(1) The commissioner is authorized to require persons selling beer, as defined in § 57-5-101, persons selling tobacco products, as defined in § 67-4-1001, and persons selling other categories or types of tangible personal property to be designated from time to time by the commissioner as retailers of such beverages or products and to file an information report of such sales with the department; provided, however, the designation shall be effective no sooner than ninety (90) days after publication of notice on the department's web site specifying the other categories or types of tangible personal property that must be included in the information report.

(2) The commissioner is authorized to require each tobacco product manufacturer, as defined in § 47-31-102, whose cigarettes are sold in this state, whether directly or through a distributor, retailer, or similar intermediary or intermediaries, to file an information report related to tobacco buydown payments, as defined in § 67-6-357, received by retailers from the tobacco product manufacturer.

SECTION 2. Tennessee Code Annotated, Section 67-6-410(b), is amended by adding the following language as a new subdivision:

(8) If applicable, the name of the tobacco product manufacturer providing the tobacco buydown payment, the purchase date to which the tobacco buydown payment corresponds, and the amount of the tobacco buydown payment.

SECTION 3. Tennessee Code Annotated, Section 67-6-410(e), is amended by deleting the second sentence and substituting instead the following:

Any seller who fails to provide the information report by the due date or who negligently or knowingly includes inaccurate information on the information report is subject to a penalty, not to exceed one thousand dollars (\$1,000), for each inaccurate report, or for every month the report, or part thereof, is not provided, up to a maximum amount of ten thousand dollars (\$10,000).

SECTION 4. Tennessee Code Annotated, Title 67, Chapter 6, Part 4, is amended by adding the following language as a new, appropriately designated section:

(a) The commissioner is authorized to require that every payment settlement entity, third party settlement organization, electronic payment facilitator, or other third party acting on behalf of a payment settlement entity, all as defined in Section 6050W of the Internal Revenue Code and referred to herein as a "reporting entity," required to file information returns pursuant to that section shall, within thirty (30) days of the filing due date, file with the department in such form and manner as prescribed by the commissioner either (i) a duplicate of all such information returns or (ii) a duplicate of such information returns related to taxpayers or participating payees, as defined in Section 6050W of the Internal Revenue Code, with a Tennessee address. The commissioner may require that such duplicate information returns be filed electronically.

(b) Any information received by the department on a duplicate information return filed pursuant to this section concerning a person who is not subject to tax in Tennessee may not be used by the department.

(c) Any reporting entity failing to file a duplicate information return required pursuant to this section within the time prescribed shall be subject to a penalty of one thousand dollars (\$1,000) for each failure, if the failure is for not more than one (1) month, with an additional one thousand dollars (\$1,000) for each month or fraction of a month during which each failure continues. The total amount of penalty imposed on a reporting entity may not exceed ten thousand dollars (\$10,000) annually. The commissioner is authorized to waive the penalty imposed by this section, in whole or in part, for good and reasonable cause under § 67-1-803.

SECTION 5. Tennessee Code Annotated, Section 67-1-1704, is amended by adding the following language as a new, appropriately designated subsection:

Tax information may, in such form and manner as prescribed by the commissioner, be disclosed to the extent reasonably necessary to facilitate accurate reporting by entities required to file duplicate information returns pursuant to Section 4 of this act. Such tax information shall not be used by the recipient for any purpose other than producing and filing duplicate information returns pursuant to Section 4 of this act. Any person who receives such tax information under this subsection is prohibited from disclosing such information and shall be subject to the confidentiality provisions, including penalties, set out in this part. The commissioner is authorized to take such actions as deemed necessary to ensure that any persons receiving such tax information shall maintain the confidentiality provisions set out in this part.

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.