

HOUSE BILL 594

By Clemmons

AN ACT to amend Tennessee Code Annotated, Title 67,  
Chapter 6, relative to allocation of state sales and  
use tax revenue.

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

SECTION 1. This act is known and may be cited as the "Fair Distribution of State Sales Tax Act."

SECTION 2. Tennessee Code Annotated, Section 67-6-103(c)(1), is amended by deleting the language "from the increase in the rate of sales and use tax from six percent (6%) to seven percent (7%) and".

SECTION 3. Tennessee Code Annotated, Section 67-6-103(c), is amended by adding the following as a new subdivision (3):

Notwithstanding any law to the contrary, all revenue generated from the increase in the rate of sales and use tax from six percent (6%) to seven percent (7%), pursuant to chapter 856 of the Public Acts of 2002, shall be deposited in the state general fund and earmarked and allocated in accordance with subsection (a).

SECTION 4. Tennessee Code Annotated, Section 67-6-103(d)(1)(A)(v), is amended by deleting the language "chapter 856 of the Public Acts of 2002" and substituting instead the language "subdivision (c)(3)".

SECTION 5. Tennessee Code Annotated, Section 67-6-103(d)(1)(D), is amended by deleting the language "chapter 856 of the Public Acts of 2002" and substituting instead the language "subdivision (c)(3)".

SECTION 6. Tennessee Code Annotated, Section 67-6-103(d)(1)(E)(iv), is amended by deleting the language "chapter 856 of the Public Acts of 2002" and substituting instead the language "subdivision (c)(3)".

SECTION 7. Tennessee Code Annotated, Section 67-6-103(g)(2)(A), is amended by deleting the language "chapter 856, § 4 of the Public Acts of 2002" and substituting instead the language "subdivision (c)(3)".

SECTION 8. Tennessee Code Annotated, Section 67-6-103(h)(3), is amended by deleting the language "chapter 856 of the Public Acts of 2002" and substituting instead the language "subdivision (c)(3)".

SECTION 9. Tennessee Code Annotated, Section 67-6-103(i)(3), is amended by deleting the language "chapter 856 of the Public Acts of 2002" and substituting instead the language "subdivision (c)(3)".

SECTION 10. Tennessee Code Annotated, Section 67-6-103(k)(2), is amended by deleting the language "chapter 856 of the Public Acts of 2002" and substituting instead the language "subdivision (c)(3)".

SECTION 11. Tennessee Code Annotated, Section 67-6-103(l)(2), is amended by deleting the language "chapter 856 of the Public Acts of 2002" and substituting instead the language "subdivision (c)(3)".

SECTION 12. Tennessee Code Annotated, Section 67-6-103(m)(2), is amended by deleting the language "chapter 856 of the Public Acts of 2002" and substituting instead the language "subdivision (c)(3)".

SECTION 13. Tennessee Code Annotated, Section 67-6-103(n)(4), is amended by deleting the language "chapter 856 of the Public Acts of 2002" and substituting instead the language "subdivision (c)(3)".

SECTION 14. Tennessee Code Annotated, Section 67-6-103(o)(2), is amended by deleting the language "chapter 856 of the Public Acts of 2002" and substituting instead the language "subdivision (c)(3)".

SECTION 15. Tennessee Code Annotated, Section 67-6-103(p), is amended by deleting the language "chapter 856 of the Public Acts of 2002" and substituting instead the language "subdivision (c)(3)".

SECTION 16. Tennessee Code Annotated, Section 67-6-103(s)(2), is amended by deleting the language "chapter 856 of the Public Acts of 2002" and substituting instead the language "subdivision (c)(3)".

SECTION 17. Tennessee Code Annotated, Section 67-6-103(t), is amended by deleting the language "allocated as provided in Acts 1992, chapter 529 and Acts 2002, chapter 856" and substituting instead the language "allocated as provided in chapter 529 of the Public Acts of 1992, and subdivision (c)(3)".

SECTION 18. Tennessee Code Annotated, Section 67-6-104(g)(2), is amended by deleting the language "Chapter 856 of the Public Acts of 2002" and substituting instead the language "§ 67-6-103(c)(3)".

SECTION 19. Tennessee Code Annotated, Section 67-6-710(h)(3), is amended by deleting the subdivision and substituting instead the following:

(3) Notwithstanding § 67-6-103, the distribution required by this subsection (h) shall be made from state sales tax collections prior to distribution under § 67-6-103; provided, however, that no portion of the revenue derived from the increase in the rate of sales and use tax from six percent (6%) to seven percent (7%), contained in chapter 856 of the Public Acts of 2002, shall be distributed pursuant to this subsection (h). All such revenue shall be allocated pursuant to § 67-6-103(c)(3).

SECTION 20. This act takes effect July 1, 2021, the public welfare requiring it.