

HOUSE BILL 748

By Jones

AN ACT to amend Tennessee Code Annotated, Title 67,  
relative to purchases of financial securities.

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

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

**67-4-3401.** This part is known and may be cited as the "Tennessee Tax on Wall  
Street Act."

**67-4-3402.** As used in this part:

(1) "Financial securities":

(A) Means shares of stock issued by corporations chartered and  
organized under the laws of this state, or of another state, or of the United  
States, or of a foreign government, and all interests in partnerships,  
associations, or trusts represented by transferable evidence of the  
interest; and

(B) Does not include fixed income securities, including mutual  
fund shares, bonds, exchange-traded funds (ETF) shares, and capital  
stock;

(2) "Person" means a natural person, beneficiary of a trust or estate,  
partnership, joint-stock company, business trust, corporation, or other form of  
organization;

(3) "Retirement account" includes, but is not limited to, a 401(k) account,  
403(b) account, 457(b) account, individual retirement account (IRA), Roth IRA, or  
simplified employee pension (SEP) account;

(4) "Savings plan" includes a § 529 college savings plan and other education savings accounts; and

(5) "Tax year" means the calendar year, unless a fiscal year is elected by the taxpayer when the first fiscal year return is due to be filed.

**67-4-3403.** A person who purchases financial securities during a tax year is subject to a tax equal to four percent (4%) of the purchase price of the shares on the date of purchase.

**67-4-3404.** A person who has a legal domicile in this state is subject to the tax imposed by this part. Every person who maintains a place of residence in this state for more than six (6) months in the tax year is subject to the tax imposed by this part, regardless of what place the person claims as a legal domicile.

**67-4-3405.** There is exempt from the tax imposed by this part purchases made for retirement accounts and savings plans.

**67-4-3406.** The department shall promulgate rules to implement this part in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 2. For purposes of promulgating rules, this act takes effect upon becoming a law, the public welfare requiring it. For all other purposes, this act takes effect July 1, 2023, the public welfare requiring it.