

HOUSE BILL 1271

By Garrett

AN ACT to amend Tennessee Code Annotated, Title 4;  
Title 49, Chapter 10, Part 14 and Title 67, relative  
to taxation of individualized education accounts.

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

SECTION 1. Tennessee Code Annotated, Section 49-10-1403(j), is amended by deleting the subsection, which presently reads:

(j) Funds received pursuant to this part do not constitute income taxable to the parent of the participating student or to the student under title 67, chapter 2.

and substituting instead the following:

(j) Funds received pursuant to this part do not constitute income taxable to the parent of the participating student or to the student under title 67, chapter 2. All contributions or distributions made to, or on behalf of, participating students pursuant to any IEA authorized by this part are exempt from all state and local taxation under title 67 or other state law.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.