

HOUSE BILL 1798

By Windle

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 4, relative to tax credits from franchise and excise tax liability.

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

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 4, Part 21, is amended by adding the following as a new, appropriately designated section:

(a) This section shall be known and may be cited as the "Bring Our Jobs Back from China Act".

(b) This section shall be administered by the department of revenue. The purpose of this section is to provide companies with assistance to locate business activities, capital investments, and new full-time jobs in Tennessee and to discourage the outsourcing of such activities, investments, and jobs to foreign countries.

(c) As used in this section:

(1) "Capital investment" means an investment of at least two hundred thousand dollars (\$200,000) in real property, tangible personal property or computer software owned or leased in this state valued in accordance with generally accepted accounting principles;

(2) "Commissioner" means the commissioner of revenue;

(3) "Department" means the department of revenue; and

(4) "Eligible business" means any business that employs at least two hundred and fifty (250) full-time employees at the time of application and that has been commercially domiciled in China for at least three (3) years prior to the time of application.

(d) Any eligible business shall be entitled to tax credits against the business's liability for taxes imposed by this part, and by the Excise Tax Law of 1999, compiled in part 20 of this chapter, equal to five thousand dollars (\$5,000) for each new full-time employee job created in this state during the tax year, subject to the requirements of this section.

(e) An applicant shall claim the tax credit by filing an application in the manner prescribed by the commissioner and attaching the tentative tax credit certification granted by the department.

(f) The application shall be on a form and in a manner prescribed by the department and shall contain:

(1) A description of the business;

(2) The amount of employment increase that would generate the credit;

and

(3) Other documents, plans, and specifications as required by the department.

(g) If the department determines that the application meets the requirements of this section, then the department shall approve the application, authorize tentative tax credits to the applicant within the limits set forth in this section, and certify the amount of tentative tax credits approved for the applicant.

(h) Tentative tax credits expire after the end of the tax year following the year the tentative tax credit was certified. The total lifetime tax credits claimed by any one (1) taxpayer under this section shall be limited to seventy-five thousand dollars (\$75,000).

SECTION 2. This act shall take effect July 1, 2014, the public welfare requiring it.