

HOUSE BILL 2038

By Alexander

AN ACT to amend Tennessee Code Annotated, Title 67,  
relative to taxation of barrels manufactured from  
timber.

WHEREAS, no ad valorem property tax may be imposed in this state on the direct product of the soil, in the hands of the producer and his immediate vendee, under the Constitution of Tennessee, Article II, § 28; and

WHEREAS, the General Assembly finds that timber is a product of the soil within the ordinary meaning and intent of the Constitution of Tennessee, Article II, § 28; and

WHEREAS, no ad valorem property tax may be imposed in this state on articles manufactured from the produce of this state or any other state under the Constitution of Tennessee, Article II, § 30; and

WHEREAS, the General Assembly finds that a barrel manufactured from the timber of this state that is used to age or store intoxicating liquor is, when so used or held for such use, a manufactured article within the meaning and intent of the Constitution of Tennessee, Article II, § 30; and

WHEREAS, no ad valorem property tax may be imposed in this state on products of the soil of other states or articles manufactured from the produce of other states under the Commerce Clause of the United States Constitution, Article I, § 8; and

WHEREAS, any law, policy, practice, or procedure that imposes property tax in this state on any such products or articles is unconstitutional and void; and

WHEREAS, the General Assembly intends to avoid any confusion regarding the constitutional protections afforded to such products; now, therefore,

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

SECTION 1. Tennessee Code Annotated, Section 67-5-216, is amended by adding the following as a new subsection (c):

(c) Consistent with the Constitution of Tennessee, Article II, §§ 28 and 30, all barrels manufactured from the timber of this state, or any other state of the union, that are used to age or store intoxicating liquor, as defined in § 57-2-101, shall be exempt from ad valorem taxation under this chapter during the time in which the barrels are held by a person that produces or manufactures intoxicating liquor.

SECTION 2. Any action or proceeding to correct an assessment or request a refund or other relief on the basis of this act shall be subject to the applicable statutes of limitations, which are in no way altered or amended by this act.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply retroactively to all periods prior to such date.