

HOUSE BILL 2406

By Ragan

AN ACT to amend Tennessee Code Annotated, Section 67-1-804 and Section 67-4-2015, relative to extensions of time to file franchise and excise tax returns.

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

SECTION 1. Tennessee Code Annotated, Section 67-1-804(a)(5), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(5) In the case of an extension of time granted under § 67-4-2015, the penalty shall be calculated as provided by that section; provided, the amount of the penalty shall not exceed one-half of one percent (0.5%) for each month of underpayment or part thereof.

SECTION 2. Tennessee Code Annotated, Section 67-4-2015(g)(1), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(1)

(A) An extension of time of six (6) months in which to file the franchise and excise tax return shall be granted; provided, however, that the extension request is made as required in subdivision (g)(2), and any taxpayer subject to subdivision (g)(1)(B) makes the required tax payment.

(B) In the case of any taxpayer with a combined franchise and excise tax liability of ten thousand dollars (\$10,000) or more for the tax year for which the extension is being requested, it shall be a condition precedent to an extension of time that the taxpayer pay franchise and excise taxes equal to ninety percent (90%) of the liability on or before the original due date of the return.

(C) A taxpayer electing to compute its net worth on a consolidated basis shall make its franchise, excise tax extension request and compute any applicable payment thereon taking into consideration that its net worth will be computed on a consolidated basis.

(D) Where the return is not filed by the extended due date, or, if a taxpayer subject to subdivision (g)(1)(B) does not make the required tax payment, penalty as provided by § 67-1-804 and interest as provided by § 67-1-801(a) shall attach as though no extension had been granted.

SECTION 3. This act shall take effect July 1, 2012, the public welfare requiring it, and shall apply to tax periods beginning on or after July 1, 2012.