

HOUSE BILL 2586

By Russell

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 4, Part 17, relative to taxation.

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

SECTION 1. Tennessee Code Annotated, Section 67-4-1703(a), is amended by deleting the second sentence and substituting instead the following:

Except as provided in § 67-4-1713, the privilege tax is due and payable on June 1 of each year.

SECTION 2. Tennessee Code Annotated, Section 67-4-1712, is amended by adding the language "or whether the obligation to pay the tax is suspended for the year in accordance with § 67-4-1713" at the end of the first sentence.

SECTION 3. Tennessee Code Annotated, Title 67, Chapter 4, Part 17, is amended by adding the following as a new section:

67-4-1713.

(a) The privilege tax established in this part is suspended for any year in which the amount of over-collections during the prior fiscal year exceeded five hundred million dollars (\$500,000,000).

(b) On or before each November 1, the commissioner of revenue, in consultation with the commissioner of finance and administration, shall determine the amount of over-collections, if any, during the prior fiscal year. The commissioner of revenue shall report this determination to the governor; the speaker and chief clerk of the senate; the speaker and chief clerk of the house of representatives; the chairs of the finance, ways and means committees; and the office of legislative budget analysis. If a determination is

made that the amount of over-collections exceeds five hundred million dollars (\$500,000,000), then the commissioner shall publish notice of the suspension of the tax on the department's website, and provide notice pursuant to § 67-4-1712 regarding suspension of the tax.

(c) For purposes of this section, "over-collections" means state tax revenues that are to be allocated to the general fund that are collected for a fiscal year above the authorizations, allocations, and appropriations approved in the general appropriations act and any supplemental appropriations act for that fiscal year.

SECTION 4. This act takes effect July 1, 2024, the public welfare requiring it.