



State of Tennessee

PUBLIC CHAPTER NO. 917

HOUSE BILL NO. 2641

By Representatives Lamberth, Whitson, Garrett, Todd, Hardaway, Richey, Russell,
Towns, Slater

Substituted for: Senate Bill No. 2520

By Senators Haile, Pody

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 6, Part 7, relative to the retail sale of food and food ingredients.

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

SECTION 1. Tennessee Code Annotated, Section 67-6-702(a)(1), is amended by designating the existing language as subdivision (A) and adding the following as a new subdivision (B):

(i) As used in this subdivision (a)(1)(B), "city tax rate" means, with regard to a city or town that is located within a county that has not adopted the maximum rate of two and three-quarters percent (2.75%) as set forth in subdivision (a)(1)(A), a rate adopted by the city or town that is equal to the difference between the county rate and the maximum rate as authorized by § 67-6-703.

(ii) A city or town that has adopted a city tax rate is authorized to:

(a) Levy a tax on the retail sale of food and food ingredients, as described in § 67-6-228(a), within the jurisdiction of the city or town at a rate lower than the city tax rate levied for other privileges, goods, and services; or

(b) Exempt from the city tax rate the retail sale of food and food ingredients, as described in § 67-6-228(a), within the city or town.

(iii) The incorporated city or town shall furnish a certified copy of the adopted ordinance authorized in subdivision (a)(1)(B)(ii) to the department of revenue. The reduced tax rate or exemption becomes effective on the first calendar day of the month occurring at least sixty (60) days after the department receives the certified copy. The reduced tax rate or exemption applies only to tax periods beginning on or after October 1, 2024.

SECTION 2. Tennessee Code Annotated, Section 67-6-702(a)(1), is amended by deleting the language "any incorporated city or town, by ordinance of its governing body," and substituting instead the language ", subject to subdivision (a)(1)(B), an incorporated city or town, by ordinance of its governing body,".

SECTION 3. Tennessee Code Annotated, Section 67-6-705, is amended by adding the following as a new subsection (d):

(d) Notwithstanding this section, the levying of a reduced tax rate or an exemption pursuant to § 67-6-702(a)(1)(B)(ii) is not subject to the approval of the voters as required in § 67-6-706.

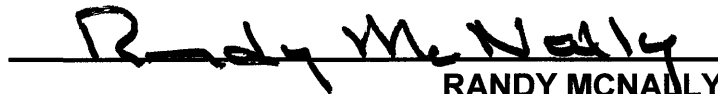
SECTION 4. This act takes effect upon becoming a law, the public welfare requiring it.

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PASSED: April 18, 2024



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 3rd day of May 2024



BILL LEE, GOVERNOR