

SENATE BILL 421

By Hensley

AN ACT to amend Tennessee Code Annotated, Title 67,  
relative to tax exemptions for institutions of higher  
education.

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

SECTION 1. Tennessee Code Annotated, Section 67-6-330(a), is amended by adding  
the following as a new subdivision:

(20)

(A) The sales price of tickets for admission to an intercollegiate athletic  
event hosted by a college or university.

(B)

(i) Notwithstanding subdivision (a)(20)(A), for the 2019-2020 fiscal  
year, the exemption described in subdivision (a)(20)(A) only applies to  
one-third ( $1/3$ ) of the rate of tax applied to the sales price of tickets for  
admission to an intercollegiate athletic event hosted by a college or  
university pursuant to § 67-6-212, and to that end, there is levied a tax at  
a rate equal to two-thirds ( $2/3$ ) of the rate of tax levied on the sale of  
tangible personal property at retail by § 67-6-202 on the sales price of  
tickets for admission to an intercollegiate athletic event hosted by a  
college or university;

(ii) Notwithstanding subdivision (a)(20)(A), for the 2020-2021  
fiscal year, the exemption described in subdivision (a)(20)(A) only applies  
to two-thirds ( $2/3$ ) of the rate of tax applied to the sales price of tickets for  
admission to an intercollegiate athletic event hosted by a college or

university pursuant to § 67-6-212, and to that end, there is levied a tax at a rate equal to one-third (1/3) of the rate of tax levied on the sale of tangible personal property at retail by § 67-6-202 on the sales price of tickets for admission to an intercollegiate athletic event hosted by a college or university; and

(iii) The exemption described in subdivision (a)(20)(A) applies without limitation beginning with the 2021-2022 fiscal year.

(C) The college or university shall retain and use the proceeds generated from ticket sales for reinvestment in the venue where the intercollegiate athletic event was conducted and to support college or university programs. The proceeds from ticket sales retained by a college or university pursuant to this subdivision (a)(20) must be spent on expenses, including, but not limited to, repairs, maintenance, renovation, debt service, scholarships for student athletes, and any costs associated with Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681) compliance.

SECTION 2. This act shall take effect July 1, 2019, the public welfare requiring it.