

SENATE BILL 970

By McNally

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 1, Part 14 and Title 67, Chapter 1, Part 8,
relative to penalties for taxes due the state.

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

SECTION 1. Tennessee Code Annotated, Section 67-1-803(e)(1), is amended by deleting the language "part 9" and by substituting instead the language "part 18".

SECTION 2. Tennessee Code Annotated, Section 67-1-803(e), is further amended by adding the following as a new subdivision (5):

(5) The commissioner shall report to the comptroller of the treasury any penalty in an amount of five thousand dollars (\$5,000) or more that is waived under this section or abated under § 67-1-802. On an annual basis, the comptroller shall report to the finance, ways and means committees of the senate and house of representatives all penalties in amounts of five thousand dollars (\$5,000) or more that are waived under this section or abated under § 67-1-802.

SECTION 3. Tennessee Code Annotated, Section 67-1-1440(g), is amended by designating the existing language as a new subdivision (1) and by adding the following language as a new subdivision (2):

(2)

(A) This subdivision (g)(2) shall only apply to alleged and actual violations of subdivision (g)(1) that involve any tax due the state of five thousand dollars (\$5,000) or more.

(B) The commissioner shall notify the comptroller of the treasury and the attorney general and reporter of the following:

(i) Each taxpayer who is not investigated by the special investigations unit of the department for an alleged violation of subdivision (g)(1) after the special investigations unit reviews the alleged violation and determines or reports the alleged violation to be appropriate for investigation; and

(ii) Each taxpayer whom the special investigations unit of the department concludes, following an investigation, is in violation of subdivision (g)(1) and the violation is not reported to the appropriate district attorney general; further, this information shall also include any civil penalty assessed against the taxpayer pursuant to § 67-1-804(c).

(C) The comptroller shall report to the finance, ways and means committees of the senate and house of representatives on an annual basis the amount of forgone revenue resulting from the failure to prosecute any taxpayer for a violation of subdivision (g)(1).

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