

SENATE BILL 1581

By Pody

AN ACT to amend Tennessee Code Annotated, Title 9;
Title 54; Title 55 and Title 67, relative to the
allocation of sales tax revenue for the highway
fund.

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

SECTION 1. Tennessee Code Annotated, Section 67-6-103, is amended by adding the following as a new subsection:

(1) As used in this subsection (), "motor vehicle" and "tire" have the same meanings as defined in § 67-4-1602.

(2) Notwithstanding the allocations provided for in subsection (a), all revenues received under this chapter from the sale, use, consumption, distribution, or storage for use or consumption of new or used motor vehicles and new or used tires on or after July 1, 2024, must be allocated to and deposited in the highway fund.

(3) Notwithstanding another law to the contrary, from the amount designated for distribution to the general fund in subdivision (a)(1), one percent (1%) must be subtracted for distribution to the department of transportation for expenses of administration prior to the distribution to the general fund under subdivision (a)(1).

(4) Notwithstanding this subsection () to the contrary, no portion of the revenue derived from the increase in the rate of sales and use tax allocated to educational purposes, pursuant to chapter 529, § 9 of the Public Acts of 1992, and no portion of the revenue derived from the increase in the rate of sales and use tax from six percent (6%) to seven percent (7%), pursuant to chapter 856, § 4 of the Public Acts of 2002, shall be apportioned and distributed pursuant to this subsection (). The revenue must be

allocated as provided in chapter 529, § 9 of the Public Acts of 1992, and chapter 856, § 4 of the Public Acts of 2002, respectively.

SECTION 2. This act takes effect July 1, 2024, the public welfare requiring it.