

SENATE BILL 1732

By Tate

AN ACT to amend Tennessee Code Annotated, Title 5;
Title 6; Title 7 and Title 67, relative to taxes.

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

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 5, is amended by adding the following as a new, appropriately designated part:

67-5-2901.

(a) Notwithstanding any provision of general or private law or charter provision to the contrary, if any county having a population in excess of eight hundred thousand (800,000), according to the 2000 federal census or any subsequent federal census, levies a payroll tax, then the county legislative body must reduce the countywide real property tax rate to a level sufficient to substantially offset one hundred percent (100%) of the revenue annually derived by the county from such payroll tax. Such offset shall be implemented for each tax year that the payroll tax remains effective.

(b) Notwithstanding any provision of general or private law or charter provision to the contrary, if any municipality located in any county having a population in excess of eight hundred thousand (800,000), according to the 2000 federal census or any subsequent federal census, levies a payroll tax, then the municipal legislative body must reduce the citywide real property tax rate to a level sufficient to substantially offset one hundred percent (100%) of the revenue annually derived by the municipality from such payroll tax. Such offset shall be implemented for each tax year that the payroll tax remains effective.

(c) Under no circumstances shall the provisions of this section be construed to constitute legal authorization for any county or municipality to levy, assess or collect any payroll tax.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.