

SENATE BILL 1874

By Lundberg

AN ACT to amend Tennessee Code Annotated, Title 67,  
Chapter 4, Part 20 and Title 67, Chapter 4, Part  
21, relative to tax credits.

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

SECTION 1. Tennessee Code Annotated, Section 67-4-2009, is amended by adding  
the following as a new subdivision:

(10)

(A) Subject to the limitations of this subdivision (10), there is allowed  
against the sum total of the taxes imposed by the Franchise Tax Law, compiled  
in part 21 of this chapter, by this part and a credit equal to the total charitable  
donation made to a qualified opioid treatment entity by a taxpayer during the tax  
period covered by the return;

(B) For purposes of this subdivision (10), "qualified opioid treatment  
entity" means a nonprofit corporation, association, or organization that is exempt  
from federal income taxation under § 501(c)(3) of the Internal Revenue Code of  
1986, codified in 26 U.S.C. § 501(c)(3), that provides opioid abuse treatment  
services or programs. The department of revenue, in collaboration with the  
department of health, may develop quality standards that the opioid abuse  
treatment services or programs must meet for the entity to qualify as a qualified  
opioid treatment entity, and a procedure for certifying that the entity is a qualified  
opioid treatment entity;

(C) The credit taken on any franchise and excise tax return pursuant to  
this subdivision (10):

(i) Shall not exceed ten thousand dollars (\$10,000) for any individual taxpayer in any tax period;

(ii) Shall not exceed the total combined franchise and excise tax liability shown by the return before the credit is taken. Any unused credit may be carried forward in any tax period until the credit is taken; however, the credit may not be carried forward for more than fifteen (15) taxable years;

(D)

(i) The total amount of credit provided to all taxpayers under this subdivision (10) shall not exceed two million dollars (\$2,000,000) for any calendar year;

(ii) If the total amount of credit claimed by all taxpayers for any calendar year exceeds the limitation in this subdivision (10)(D), the credit to be received by each taxpayer must be the product of two million dollars (\$2,000,000) multiplied by the quotient of the credit claimed by the taxpayer divided by the total of all credits claimed by all taxpayers;

(iii) For purposes of applying the limitation in this subdivision (10)(D), a taxpayer must submit an application for the credit allowed under this subdivision (10), in the form prescribed by the department, by October 15 following the calendar year in which the charitable donation was made. No credit shall be allowed under this subdivision (10) to any taxpayer that fails to submit the application by October 15;

(iv) By December 15 following the October 15 deadline set forth in subdivision (10)(D)(iii), the department shall notify the taxpayer of the amount of the credit allowed; and

(v) At any time during the applicable limitations period set out in § 67-1-1501(b), the department is authorized to conduct audits or require

the filing of additional information necessary to substantiate or adjust the amount of the credit taken by a taxpayer.

SECTION 2. This act shall take effect January 1, 2019, the public welfare requiring it, and shall apply to all tax years that begin on or after that date.