

SENATE BILL 1990

By Overbey

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, relative to the taxation of sales
conducted by nonprofit organizations.

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

SECTION 1. Tennessee Code Annotated, Section 67-6-102(8)(B), is amended by designating the existing language as new subdivision (i) and adding the following as new subdivision (ii):

(ii) For 501(c)(3) organizations that conduct one (1) or more auctions during any calendar year and use the proceeds for the charitable purposes of the organization, "business" does not include sales made at any auction; provided, that the organization conducts an auction at any location within a county where the organization maintains a physical presence and conducts all auctions for a period of no more than sixty (60) days, whether nonconsecutive or consecutive, during any calendar year; provided, further, that each location conducts no more than two (2) auctions per calendar year. For purposes of this subdivision (8)(B)(ii), "501(c)(3) organization" means any entity organized for charitable purposes that is exempt from federal income taxation under 26 U.S.C. § 501(a), as an organization described in 26 U.S.C. § 501(c)(3), that has been in continuous and active existence in this state for three (3) years immediately preceding the date of any auction and that directly operates more than one (1) location in this state;

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

it.