

SENATE BILL 2165

By Burks

AN ACT to amend Tennessee Code Annotated, Title 67,
relative to tax exemptions for company relocation.

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

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 4, is amended by adding the following as a new part 32:

67-4-3201. This part shall be known and may be cited as the "Post-NAFTA Recovery Zone Act."

67-4-3202. This part shall only apply in counties having the following populations, according to the 2010 federal census or any subsequent federal census:

<u>not less than</u>	<u>nor more than</u>
11,600	11,700
17,900	18,000
21,900	22,000
22,001	22,100

67-4-3203. A qualified taxpayer that, on and after the effective date of this act, locates its headquarters or principal place of business from another state to this state, constructs a new facility or building in a recovery zone of any county to which this part applies, makes an investment of capital or property of at least one hundred thousand dollars (\$100,000) in this state and creates at least fifty (50) new full-time employee jobs in conjunction with the construction of the facility, shall be exempt from the payment of qualified state taxes for a period of five (5) years; provided, that the investment is made within twelve (12) months immediately preceding the time of application for the exemption.

67-4-3204. As used in this part:

(1) "Qualified state taxes" means all taxes imposed by this state, including:

(A) Franchise taxes imposed by the Franchise Tax Law of 1999, compiled in part 21 of this chapter;

(B) Excise taxes imposed by the Excise Tax Law of 1999, compiled in part 20 of this chapter; and

(C) State sales and use taxes imposed by chapter 6 of this title on the sale or use of all tangible personal property that is used primarily in the construction or relocation of the facility;

(2) "Qualified taxpayer" means any person or entity that has at least one hundred (100) employees and that does not have a headquarters or other facility in this state as of the effective date of this act; and

(3) "Recovery zone" means one (1) or more parcels of land located within a county to which this part applies, and which is no larger than a total area of one thousand five hundred (1,500) acres, and designated as the "President Andrew Jackson Recovery Zone", "Judge John Overton Recovery Zone", "Representative James Fentress Recovery Zone", or the "General Daniel Morgan Recovery Zone", as applicable, by a resolution adopted by a two-thirds (2/3) majority vote of the county legislative body.

67-4-3205. In order for a qualified taxpayer to become entitled to an exemption from qualified state taxes under this part, the taxpayer shall submit a single application for exemption to the department of revenue in the form and manner as prescribed by the commissioner. The commissioner of revenue shall review the application and supporting documentation and notify the taxpayer upon approval of the exemption. The department may require the filing of additional information necessary to determine that the taxpayer has complied with all statutory requirements so as to be entitled to the exemption.

67-4-3206. Taxpayers who have obtained authority from the commissioner to make purchases of tangible personal property tax exempt from state sales and use taxes as a qualified taxpayer shall provide their vendors with a copy of the certificate issued by the commissioner, which must include the exemption authorization number, to evidence qualification for the exemption from state sales and use taxes. Persons making purchases exempt from state sales and use taxes shall keep records to establish that the property qualifies for the exemption. To verify the exemption from franchise and excise taxes under this part, the taxpayer shall furnish copies of the sales and use exemption certificates to the commissioner with the franchise and excise tax return.

67-4-3207. The commissioner of revenue is authorized to promulgate rules to effectuate this part in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

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