

SENATE BILL 2371

By Yarbro

AN ACT to amend Tennessee Code Annotated, Title 5;
Title 7; Title 67, Chapter 4, Part 5 and Title 67,
Chapter 4, Part 4, relative to recordation taxes.

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

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

(a) The purchase of a freehold estate tract or parcel comprised of a single-family home by or on behalf of a real estate investment trust (REIT), as defined in 26 U.S.C. § 856, is subject to a high-volume recordation tax in accordance with this section.

(b)

(1) For the privilege of recording more than one (1) transfer of realty described in subsection (a) per calendar quarter within the same county, there is levied a high-volume recordation tax of five dollars (\$5.00) per one hundred dollars (\$100) that is based on the consideration for the transfer.

(2) The high-volume recordation tax is levied only against realty described in subsection (a) when the consideration for the transfer is for an amount that is less than or equal to the median sales price of such realty located in the county for the prior month. On the first business day of each month, the county register shall calculate the median sales price of realty described in subsection (a) for the prior month and post the price in a prominent place and on the register's website, if applicable.

(c)

(1) The high-volume recordation tax must be paid by the transferee of the interest in real estate, as shown on the instrument evidencing the transfer of the interest; and it must be collected by the register of the county in which the instrument is offered for recordation.

(2) The transferee, the transferee's agent, or a trustee acting for the transferee is required to state under oath upon the face of the instrument offered for record in the presence of the register, or before an officer authorized to administer oaths, the actual consideration for the transfer.

(3) The making under oath of any false statement known to be false respecting the consideration of property transferred is punishable as perjury.

(4) The register shall not record the transfer until the high-volume recordation tax has been paid.

(5) The high-volume recordation tax as levied under this section is in addition to any recordation tax imposed pursuant to § 67-4-409.

(d) A tax under this section is not due until the title to the property is transferred by deed.

(e)

(1) The county register shall report collections of the high-volume recordation tax to the department on forms prescribed by the commissioner, in the same manner and under the same conditions as county clerks collect and report revenue under parts 2-6 of this chapter.

(2) Notwithstanding this chapter to the contrary, revenues from the high-volume recordation tax must be kept in the county and used solely for affordable or workforce housing or for rental or housing assistance programs, except that

the county register may retain one percent (1%) of the tax collected for administrative costs.

(f) For purposes of this section, "calendar quarter" means any one (1) of the following time periods during a given year: January 1 through March 31, April 1 through June 30, July 1 through September 30, or October 1 through December 31.

SECTION 2. This act takes effect July 1, 2022, the public welfare requiring it.