

SENATE BILL 3901

By Kyle

AN ACT to amend Tennessee Code Annotated, Title 7; Title 55; Title 56; Title 67 and Title 71, Chapter 602 of the Public Acts of 2007; and Chapter 530 of the Public Acts of 2009, relative to taxation.

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

SECTION 1. Tennessee Code Annotated, Section 67-6-103, is amended by deleting subsection (f) in its entirety.

SECTION 2. Tennessee Code Annotated, Section 67-6-226, is hereby repealed in its entirety.

SECTION 3. Tennessee Code Annotated, Section 67-6-714, is hereby repealed in its entirety.

SECTION 4. Tennessee Code Annotated, Section 67-6-205(c), is amended by adding the following as a new, appropriately designated subdivision:

() The furnishing of video programming services;

SECTION 5. Tennessee Code Annotated, Section 67-6-227, is amended by deleting the language “eight and one-quarter percent (8.25%)” and by substituting instead the language “nine and four-tenths percent (9.4%)”.

SECTION 6. Tennessee Code Annotated, Section 67-6-329(a), is amended by deleting subdivision (15) in its entirety.

SECTION 7. Tennessee Code Annotated, Section 67-6-221(a), is amended by deleting the language “seven and one-half percent (7.5%)” and by substituting instead the language “nine and one-half percent (9.5%)”.

SECTION 8. Tennessee Code Annotated, Section 67-6-102(78), is amended by designating the current language as subdivision (A) and by adding the following as a new subdivision (B):

(B) "Sale for resale" does not include a sale of property to a dealer for use in the business of selling services. Property used in the business of selling services includes, but is not limited to, property that is regularly furnished to purchasers of the service without separate charge. "Sale for resale" does not include a sale of services to a dealer for use in the business of selling tangible personal property. Services used in the business of selling tangible personal property include, but are not limited to, services such as cleaning, maintaining, or repairing property that is held as inventory for sale or lease.

SECTION 9. Tennessee Code Annotated, Section 67-4-2006(a), is amended by adding the following as a new, appropriately designated subdivision:

() In the case of a real estate investment trust, "net earnings" is defined as taxable income reported on Form 1120-REIT for federal income tax purposes before any deduction for net operating losses, any deduction for dividends paid, or any deduction allowed under 26 U.S.C. § 857(b)(2)(E).

SECTION 10. This act shall take effect upon becoming a law, the public welfare requiring it.