

Amendment No. 1 to Amendment 3 to SB1221

**Norris
Signature of Sponsor**

AMEND Senate Bill No. 1221

House Bill No. 534*

by inserting the following new section immediately preceding the effective date section:

SECTION ____ Tennessee Code Annotated, Section 67-6-103, is amended by adding the following as a new subsection thereto:

(q) Notwithstanding any law to the contrary, in the event the state rate for sales and use tax should increase during the period any municipality or industrial development corporation is receiving an apportionment pursuant to title 7, chapter 40, the increase in the state rate for sales and use tax shall not be used for the purpose set forth in title 7, chapter 40. In the event the state rate for sales and use tax should decrease during the period any municipality or industrial development corporation is receiving an apportionment pursuant to title 7, chapter 40, the department of revenue, after consultation with the commissioner of finance and administration, shall adjust the base tax revenues to reflect such change in tax rate so as to provide for substantially the same economic benefit to the municipality and substantially the same overall allocation of revenue between the municipality or industrial development corporation and the state as is provided in title 7, chapter 40.