



March 8, 2023

SUMMARY OF BILL AS AMENDED (004466): Prohibits the state from imposing a litigation tax on adoption proceedings in chancery, circuit, and juvenile court. Affirms a county's right to continue to levy such a tax on the relevant proceedings.

FISCAL IMPACT OF BILL AS AMENDED:

Decrease State Revenue –

\$84,300/FY23-24 and Subsequent Years/Various State Agencies

Assumptions for the bill as amended:

- Based on information provided by the Administrative Office of the Courts, the annual average number of adoption proceedings in these courts over the last six years is 3,550 proceedings. That number is assumed to remain constant.
- Pursuant to Tenn. Code Ann. § 67-4-602(b), the privilege tax on litigation is \$23.75.
- This privilege tax is a state tax that accrues initially to the Department of Revenue and then is subsequently distributed in various percentages to numerous state entities pursuant to Tenn. Code Ann. § 67-4-606.
- The decrease in state revenue to various state agencies related to eliminating the privilege tax on adoption proceedings in chancery, circuit, and juvenile courts is estimated to be \$84,313 (3,550 proceedings x \$23.75) in FY23-24 and subsequent years.
- Pursuant to Tenn. Code Ann. § 67-4-601(a), counties are also authorized to charge a litigation privilege tax.
- The proposed legislation affirms the counties' right to continue to do so; therefore, there is no fiscal impact to local government.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director