

HOUSE BILL 362

By Sparks

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, relative to sales tax exemptions for
certain expenditures for storm shelter construction.

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

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by
adding the following language as a new, appropriately designated section:

§ 67-6-397.

(a) For purposes of this section:

(1) "Claimant" means any natural person purchasing building
supplies for the construction of a storm or tornado shelter in this state;

(2) "Building supplies" means any of the following items if used in
the claimant's primary residence and reasonably determined by the
department to be for purposes of construction or improvement of a storm
or tornado shelter; provided, that the sales price per item is three
thousand two hundred dollars (\$3,200) or less:

(A) Trash bags, boxes, construction tools, and hardware as
determined by the department; and

(B) Sheetrock, drywall, insulation, paint and paint
materials, flooring, and other necessary building materials as
determined by the department; and

(3) "Storm or tornado shelter" means a facility or structure
commonly used to provide temporary, emergency shelter from natural
disasters as determined by the department.

(b)

(1) Except as otherwise provided in this section, a claimant shall be entitled to a refund equal to the total amount of Tennessee state and local sales and use tax paid by the claimant to one (1) or more retailers as a result of the claimant's purchases of building supplies from such retailers; provided, that such purchases occur between 12:01 a.m. on July 1, 2011, and 11:59 p.m. on December 31, 2011.

(2) The total amount refunded under this section in connection with any one (1) residence shall not exceed two thousand five hundred dollars (\$2,500).

(c) To receive a refund under this section, a claimant shall file a single application with the department on or before February 1, 2012, that shall include the aggregate amount requested by the claimant in connection with all eligible purchases described in subsection (b). Only one (1) application per residence shall be allowed. Notwithstanding any provision of § 67-1-1802, such refund shall be made by the department directly to the claimant and shall not be made by the retailer to the claimant. All applications for refund shall be submitted as prescribed by the department and shall include satisfactory proof of department approval of such construction, eligible purchases, and Tennessee taxes paid on such purchases, and any other information or documentation that the department may require, including, but not limited to, store receipts and copies of payment documents such as checks, credit card receipts, or a sworn statement under penalty of perjury to support any purchases made using cash. The department shall develop guidelines concerning the administration of this section, which shall be posted on the web site of the department. The commissioner is granted broad discretion to administer the refund process in a manner that the commissioner

deems necessary to quickly, efficiently, and accurately carry out the purposes of this section.

(d) The department may assess a civil penalty not to exceed twenty-five thousand dollars (\$25,000) against any person that knowingly files a false or fraudulent application for refund under this section. Any claimant that is assessed a penalty under this subsection (d) shall be entitled to the remedies provided in § 67-1-1801.

(e) This section is repealed December 31, 2012.

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