

HOUSE BILL 747

By Jones

AN ACT to amend Tennessee Code Annotated, Title 67,  
Chapter 4, relative to the "CEO Pay Disparity Tax  
Act."

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

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 4, Part 20, is amended by adding the following as a new section:

(a) This section is known and may be cited as the "CEO Pay Disparity Tax Act."

(b) A pay disparity surcharge must be imposed on each company conducting business in this state whose top executive is paid at least one hundred (100) times more than the median income of the company's employees.

(c) The rate of surcharge is to be assessed as an additional one-tenth of one percent (0.1%) to the excise tax rate imposed pursuant to § 67-4-2007(a) on the company's net earnings for the next preceding fiscal year for business done in this state during that fiscal year.

(d) The department shall promulgate rules as necessary to implement this section. Rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 2. This act takes effect July 1, 2023, the public welfare requiring it, and applies to tax years beginning on or after that date.