

HOUSE BILL 767

By Hicks G

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 4, Part 7, relative to taxation.

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

SECTION 1. Tennessee Code Annotated, Section 67-4-708(2)(D), is amended by deleting the subdivision and substituting instead the following:

(D) Prescription drugs and patent medicines not otherwise exempt under § 67-4-712(g)(1);

SECTION 2. Tennessee Code Annotated, Section 67-4-712, is amended by adding the following as a new subsection:

(g) The tax imposed by this part does not apply to any receipts from the sale of the following:

(1) Any prescription drug or medicine with a cost for a thirty-day equivalent supply that exceeds the medicare part D specialty tier cost threshold for 2025 plan years, as determined by the federal centers for medicare and medicaid services (CMS) pursuant to 42 CFR 423.104(d)(2)(iv)(A); or

(2) Services necessary for proper preparation, storage, handling, administration, patient education, or post-sale monitoring of drugs or medicines exempt under subdivision (g)(1).

SECTION 3. This act takes effect July 1, 2025, the public welfare requiring it.