

HOUSE BILL 855

By Keisling

AN ACT to amend Tennessee Code Annotated, Title 11,
Chapter 11 and Title 67, Chapter 4, relative to
adventure tourism districts.

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

SECTION 1. Tennessee Code Annotated, Section 11-11-203(4), is amended by deleting the subdivision in its entirety and substituting instead the following:

(4) "Best interests of the state" means a determination by the commissioner of revenue, with approval by the commissioner of economic and community development, that:

(A) The qualified business enterprise or enterprises made within an adventure tourism district are a result of the special allocation and tax credits provided for in § 67-4-2109(b)(2)(C);

(B) The adventure tourism district is a result of such qualified business enterprise or enterprises; and

(C) The zone is not structured to create a competitive advantage for one business.

SECTION 2. Tennessee Code Annotated, Section 67-4-2109(b)(2)(C), is amended by deleting the subdivision in its entirety and substituting instead the following:

(C) If the qualified business enterprise is located in an area designated as an adventure tourism zone pursuant to § 11-11-204(c), an annual credit shall be allowed as follows:

(i) If the qualified business enterprise is located in a tier 1 enhancement county, the additional annual credit shall be allowed if the qualified business

enterprise meets one hundred percent (100%) of the job creation requirement in subdivision(b)(1)(C);

(ii) If the qualified business enterprise is located in a tier 2 enhancement county, the additional annual credit shall be allowed if the qualified business enterprise meets at least seventy-five percent (75%) of the job creation requirement in subdivision (b)(1)(C);

(iii) If the qualified business enterprise is located in a tier 3 enhancement county, the additional annual credit shall be allowed if the qualified business enterprise meets at least fifty percent (50%) of the job creation requirement in subdivision (b)(1)(C).

(iv) The additional annual credit shall be allowed for a period of three (3) years for a qualified business enterprise located in a tier 1 or tier 2 enhancement county, beginning with the first tax year in which the qualified business enterprise applies the credit in accordance with subdivision (b)(2)(D);

(v) The additional annual credit shall be allowed for a period of five (5) years for a qualified business enterprise located in a tier 3 enhancement county, beginning with the first tax year in which the qualified business enterprise applies the credit in accordance with subdivision (b)(2)(D); and

(vi) The additional annual credit shall equal four thousand five hundred dollars (\$4,500) for each qualified job; provided, that the job remains filled by employees during the year in which the credit is being taken. This annual credit may be used to offset up to one hundred percent (100%) of the taxpayer's franchise and excise tax liability for that year. Any unused annual credit, however, shall not be carried forward beyond the year in which the credit originated.

SECTION 3. Tennessee Code Annotated, Section 11-11-205(d), is amended by deleting the subsection in its entirety and substituting instead the following:

(d) The signs and contracts described in subsection (c) shall contain the following warning notice:

Under Tennessee Law, an adventure tourism professional is not liable for an injury to or the death of a participant in adventure tourism activities resulting from the inherent risks of such activities, pursuant to Tennessee Code Annotated, title 11, chapter 11.

The State of Tennessee is held harmless for any act of approval of an adventure tourism business. State approval is limited to determining eligibility for tax credits only.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.