

HOUSE BILL 995

By Brooks K

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 2, Part 1, relative to tax levied on income
derived from stocks and bonds.

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

SECTION 1. Tennessee Code Annotated, Section 67-2-102, is amended by deleting the section in its entirety and by substituting instead the following:

(a) Except as otherwise provided by subsection (b), an income tax in the amount of six percent (6%) per annum shall be levied and collected on incomes derived by way of dividends from stocks or by way of interest on bonds of each person, partnership, association, trust and corporation in the state who received, or to whom accrued, or to whom was credited during any year income from the sources enumerated in this section, except as otherwise provided in this chapter.

(b) In lieu of the tax levied by subsection (a):

(1) For any tax year that begins during calendar year 2014, an income tax in the amount of four percent (4%) per annum shall be levied and collected on incomes derived by way of dividends from stocks or by way of interest on bonds of each person, partnership, association, trust and corporation in the state who received, or to whom accrued, or to whom was credited during any year income from the sources enumerated in this section, except as otherwise provided in this chapter;

(2) For any tax year that begins during calendar year 2015, the rate of the income tax levied and collected pursuant to subdivision (b)(1) shall be two percent (2%) per annum; and

(3) For any tax year that begins during calendar year 2016 or in any subsequent year, no income tax shall be levied on incomes derived by way of dividends from stocks or by way of interest on bonds; provided, however, this subdivision shall not be construed to absolve any taxpayer of liability for any tax duly levied by this section, during any tax year that began prior to January 1, 2016.

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