

HOUSE BILL 1184

By Spivey

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 6, Part 3, relative to Tennessee Small Business Sales Tax Holiday Program.

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

SECTION 1. This act shall be known and may be cited as the "Tennessee Small Business Sales Tax Holiday Program."

SECTION 2. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following language as a new section:

67-6-315.

(a) For purposes of this section, "Tennessee small business" means a business that is a continuing, independent, for-profit business located in this state and has total annual gross receipts of no more than two million dollars (\$2,000,000) averaged over a three-year period and employs no more than ten (10) persons on a full-time basis; provided, that a business that has not been in operation for a three-year period shall have total gross receipts of no more than two million dollars (\$2,000,000) in the year immediately preceding application for a refund under this section; provided further, that if a business has been in operation for less than one (1) year, such business shall have projected total gross receipts of no more than two million dollars (\$2,000,000) for the year in which an application is made for a refund under this section.

(b)

(1) Except as otherwise provided in this section, a Tennessee small business shall be entitled to a refund equal to the total amount of Tennessee state and local sales and use tax paid by the Tennessee small business to one

(1) or more retailers for bona fide business purchases from such retailers, provided that such purchases occur during any one (1) continuous twenty-four-hour period between 12:01 a.m. on January 1, 2014, and 11:59 p.m. on June 30, 2014.

(2) The total amount refunded under this section in connection with any one (1) Tennessee small business shall not exceed five thousand dollars (\$5,000).

(3) No purchases made using cash shall be eligible for refund under this section.

(c)

(1) To receive a refund under this section, a Tennessee small business shall file a single application with the department of revenue on or before August 31, 2014, that includes the aggregate amount requested by the Tennessee small business in connection with all eligible purchases described in subsection (b). Only one (1) application per Tennessee small business shall be allowed.

(2) Notwithstanding § 67-1-1802, such refund shall be made by the department of revenue directly to the Tennessee small business and shall not be made by the retailer to the Tennessee small business.

(3) All applications for refund shall be submitted as prescribed by the department of revenue and shall include satisfactory proof of:

(A) Eligibility as a Tennessee small business;

(B) Eligible purchases;

(C) Tennessee taxes paid on such purchases; and

(D) Any other information or documentation that the department of revenue may require, including, but not limited to, invoices, purchase orders, store receipts, and copies of payment documents such as checks or credit card receipts.

(4) The department of revenue shall develop guidelines concerning the administration of this section, which shall be posted on the department's website. The commissioner of revenue 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 of revenue 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 person that is assessed a penalty under this subsection (d) shall be entitled to the remedies provided in § 67-1-1801.

(e) All refunds under this section shall be paid from the state's general fund and nothing in this section shall be construed to reduce the amount of sales and use tax payable to local governments.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.