

HOUSE BILL 1397

By Kumar

AN ACT to amend Tennessee Code Annotated, Section 67-4-409, relative to recordation tax on transfers to related entities.

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

SECTION 1. Tennessee Code Annotated, Section 67-4-409(a)(3), is amended by adding the following as a new subdivision (H):

(H) Are transfers of real estate where:

(i) The transferor is a member, stock holder, or partner; the transferee is a limited liability company, a corporation, or a partnership, respectively; and the real estate so conveyed serves as a capital contribution to the business entity; or

(ii) The transferor is a business entity described in subdivision (a)(3)(H)(i); the transferee is an existing member, stock holder, or partner, respectively; and the real estate so conveyed serves as a distribution from the business entity.

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