

HOUSE BILL 2009

By Haston

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, Part 3, relative to tax relief due to
disasters.

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

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by
adding the following as a new section:

67-6-397.

(a) As used in this section:

(1) "Claimant" means a natural person receiving disaster assistance through the federal emergency management agency (FEMA) for replacement of the person's primary vehicle or secondary vehicle that was damaged or destroyed as a result of a natural disaster occurring on or after July 1, 2024, in this state; and

(2) "Essential vehicle" means a motor vehicle that is registered in this state in accordance with title 55 and that is used as the claimant's primary vehicle or secondary vehicle to replace the claimant's primary vehicle or secondary vehicle that was damaged or destroyed in a natural disaster occurring on or after July 1, 2024, in this state; provided, that the sales price per essential vehicle is forty thousand dollars (\$40,000) or less.

(b) A claimant is entitled to a refund equal to the total amount of Tennessee state and local sales and use tax paid by the claimant to a dealer as a result of the claimant's purchase of an essential vehicle from the dealer; provided, that the total amount refunded under this section in connection with any one (1) essential vehicle

must not exceed four thousand dollars (\$4,000), and each claimant is limited to one (1) refund claim for one (1) primary vehicle and one (1) refund claim for one (1) secondary vehicle.

(c) To receive a refund under this section:

(1) The claimant must file a claim for refund within one (1) year from the date shown on the FEMA decision letter received by the claimant;

(2) The essential vehicle for which the refund is claimed must be titled and registered in the name of the claimant, either alone or jointly with a spouse or lineal relative; and

(3) The claimant must certify on the natural disaster claim for refund form that the purchase for which the refund is claimed was to replace a primary vehicle or secondary vehicle damaged in a federally declared natural disaster occurring on or after July 1, 2024, in this state.

(d) Notwithstanding § 67-1-1802, the department shall make the refund directly to the claimant and the refund must not be made by the dealer to the claimant. All natural disaster claims for refund must include satisfactory proof of receipt of federal disaster assistance to replace the claimant's primary vehicle or secondary vehicle, as applicable.

(e) Each claimant shall keep and preserve suitable records of the purchase for which a refund is claimed pursuant to this section, including receipts and copies of payment documents such as checks, credit card receipts, or a sworn statement under penalty of perjury to support any purchase made using cash. The records must be kept and preserved for a period of three (3) years from December 31 of the year in which the natural disaster claim for refund was filed. The records must be open to the inspection

of the commissioner, or the duly authorized delegates of the commissioner, at all reasonable hours.

(f) The commissioner may conduct audits or require the filing of additional information necessary to substantiate the amount of a refund due to the claimant.

(g) The department may assess a civil penalty not to exceed twenty-five thousand dollars (\$25,000) against a person who knowingly files a false or fraudulent application for refund under this section. A claimant who is assessed a penalty under this subsection (g) is entitled to the remedies provided in § 67-1-1801.

(h) All refunds under this section must be paid from the state's general fund and this section does not reduce the amount of sales and use tax payable to local governments.

SECTION 2. This act takes effect July 1, 2024, the public welfare requiring it.