

HOUSE BILL 2421

By Shaw

AN ACT to amend Tennessee Code Annotated, Section 67-4-2007 and Section 67-4-2014, relative to for-profit hospital entities.

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

SECTION 1. Tennessee Code Annotated, Section 67-4-2007(e), is amended by adding the following as a new subdivision:

(4) All taxpayers that are for-profit hospital corporations operating within the state and that are members of a controlled group, as defined in 26 U.S.C. § 267(f)(1), shall file excise tax returns on a combined basis, reflecting the net earnings for the next preceding fiscal year for business done in this state during that fiscal year. The combined return must be computed based on the combined net earnings of the entire group, with each member's net earnings or losses and each member's apportionment ratio computed and reported as if on a separate basis.

SECTION 2. Tennessee Code Annotated, Section 67-4-2014(e), is amended by deleting the subsection and substituting instead the following:

(e) For tax years beginning on or after January 1, 2025, all for-profit hospital companies, as defined in § 67-4-2004, shall file their franchise and excise tax returns on a combined basis, together with all other entities of their controlled group doing business and taxable in this state. The combined return must be signed by an authorized member of the combined group and must contain all required financial statements and schedules. The franchise and excise tax must be computed based on the combined net earnings or net losses as shown on the combined return, subject to any applicable loss carryovers and time limitations set forth in § 67-4-2006(c)(2).

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it, and applies to tax years beginning on or after January 1, 2025.