

SENATE BILL 907

By Haile

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 4, Part 7, relative to taxation.

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

SECTION 1. Tennessee Code Annotated, Section 67-4-708(2)(D), is amended by deleting the subdivision and substituting instead the following:

(D) Prescription drugs and patent medicines not otherwise exempt under § 67-4-712(g)(1);

SECTION 2. Tennessee Code Annotated, Section 67-4-712, is amended by adding the following as a new subsection:

(g) The tax imposed by this part does not apply to any receipts from the sale of the following:

(1) Any prescription drug or medicine with a cost for a thirty-day equivalent supply that exceeds the medicare part D specialty tier cost threshold for 2025 plan years, as determined by the federal centers for medicare and medicaid services (CMS) pursuant to 42 CFR 423.104(d)(2)(iv)(A); or

(2) Services necessary for proper preparation, storage, handling, administration, patient education, or post-sale monitoring of drugs or medicines exempt under subdivision (g)(1).

SECTION 3. This act takes effect July 1, 2025, the public welfare requiring it.