

SENATE BILL 981

By Yager

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 4, Part 20 and Title 67, Chapter 4, Part 21, relative to exemptions from franchise and excise taxes.

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

SECTION 1. Tennessee Code Annotated, Section 67-4-2008(a), is amended by adding the following new subdivision:

(18) A community development entity or sub-community development entity that is certified by the United States department of the treasury's community development financial institutions fund, and that has received an allocation of the federal new markets tax credits or federal sub-new markets tax credits from a community development entity that are used to fund a qualified low-income community investment in a Tennessee facility or operations of a business or nonprofit entity where the qualified low-income community investment expands the Tennessee-based operations of the business or nonprofit entity.

SECTION 2. Tennessee Code Annotated, Section 67-4-2105, is amended by adding the following new subsection:

(f) Notwithstanding subsection (a) or another law, an entity exempt from excise tax under § 67-4-2008(a)(18) is exempt from the franchise tax imposed by this part.

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it, and applies to tax periods beginning on or after January 1, 2024.