

SENATE BILL 1579

By Ramsey

AN ACT to amend Tennessee Code Annotated, Title 67,  
Chapter 4, relative to small business.

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

SECTION 1. Tennessee Code Annotated, Section 67-4-2008, is amended by adding the following language as a new subsection:

(g)

(1) A Tennessee small business, beginning initial operations in this state on or after July 1, 2011, or relocating operations to this state on or after July 1, 2011, shall be exempt from the payment of the excise tax levied under this part for the first five (5) consecutive tax years of operation in this state.

(2) For the purposes of this subsection, "Tennessee small business" means any business located in, or relocated to, this state employing, on a full-time basis, no more than:

(A) Twenty (20) employees in its initial tax year of operation in this state;

(B) Thirty (30) employees in its second and third tax years of operation in this state; and

(C) Forty (40) employees in its fourth and fifth tax years of operation in this state.

(3) A Tennessee small business claiming exemption under this subsection shall file a statement of exemption at the same time as a return would be required to be filed under this part for each tax period in which the business claims exemption. Such statement of exemption shall be filed on a form

developed by the department and shall include any additional documentation as required by the department.

(4) A business shall be liable for payment of the excise tax levied under this part and shall be permanently ineligible for exemption under this subsection if such business:

(A) Claims exemption under this subsection but does not meet the criteria of this subsection; or

(B) Fails to timely file a statement of exemption, including required documentation.

SECTION 2. This act shall take effect July 1, 2011, the public welfare requiring it.