

SENATE BILL 1687

By Briggs

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 6, to phase out the state administration fee on local option sales tax imposed on all local governments in the state.

WHEREAS, the Department of Revenue imposes an administrative fee for remitting of local option sales tax at the rate of 1.125%, which is assessed to all local governments in the state; now, therefore,

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

SECTION 1. Tennessee Code Annotated, Section 67-6-710(b)(2), is amended by deleting the subdivision and substituting instead the following:

(2) The department shall remit the proceeds of the tax to the county, city, or town levying the tax, less a reasonable amount of percentage as provided in this subdivision (b)(2) to assist in defraying the expenses of administration and collection.

This percentage shall be:

(A) For any fiscal year that begins prior to July 1, 2018, one and one hundred twenty-five thousandths percent (1.125%);

(B) For any fiscal year that begins on or after July 1, 2018, and prior to July 1, 2019, three-quarters of one percent (.75%);

(C) For any fiscal year that begins on or after July 1, 2019, and prior to July 1, 2020, three hundred seventy-five thousandths percent (.375%); and

(D) For any fiscal year that begins on or after July 1, 2020, and for subsequent fiscal years, zero percent (0%).

SECTION 2. The provisions of this act shall apply only to the local option sales tax levied pursuant to the 1963 Local Option Revenue Act, compiled in Tennessee Code Annotated, Title 67, Chapter 6, Part 7.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.