

SENATE BILL 2177

By Tate

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 4, Part 20 and Title 67, Chapter 4, Part
21, relative to tax credits.

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

SECTION 1. This act shall be known and may be cited as the "Tennessee Brownfield Redevelopment Tax Credit Act of 2016".

SECTION 2. Tennessee Code Annotated, Section 67-4-2109, is amended by adding the following language as a new subsection:

(r)

(1) As used in this subsection (r):

(A) "Brownfield site" means a parcel or adjacent or related parcels of real property containing at least two and one-half (2.5) acres that is currently, or at any time since January 1, 2000, has been the subject of an investigation or remediation as a brownfield project under a voluntary agreement or consent order pursuant to § 68-212-224;

(B) "Full-time job" means a permanent employment position providing employment for at least twelve (12) consecutive months, to a person for at least thirty-seven and one-half (37.5) hours per week;

(C) "Qualified business" means a new or existing business located on a brownfield site;

(D) "Qualifying job" means:

(i) A full-time job with wages equal to, or greater than, the state's average occupational wage, as defined in § 67-4-2004, for the month of January of the year during which the job was created;

(ii) The job is newly created in this state and, for at least ninety (90) days prior to being filled by the taxpayer, did not exist in this state as a job of the taxpayer or of another business entity; and

(iii) The job is created within a thirty-month period from the effective date of the business plan; and

(E) "Tennessee brownfield redevelopment tax credit" means the credit provided to a qualified business.

(2) In addition to any other credits allowed in this section, there shall be allowed to any qualified business a Tennessee brownfield redevelopment tax credit equal to four thousand five hundred dollars (\$4,500) for each qualifying job created.

(3) The qualified business shall file a business plan with the commissioner in order to qualify for the credit provided by this subsection (r). The business plan shall be filed in a manner prescribed by the commissioner and shall identify the brownfield site upon which the business is located, the type of business, the number of jobs to be created, the expected dates the jobs will be filled, and the effective date of the plan.

(4) In order to qualify for the credit, the qualified business shall create at least ten (10) qualifying jobs. The credit provided in subdivision (r)(2) shall first apply in the tax year in which the qualified business first satisfies the job creation requirements and in the next four (4) tax years in which further net increases occur above the level of employment established when the credit was last taken.

(5) The credit shall apply against the franchise tax imposed by this part and the excise tax imposed by the Excise Tax Law of 1999, compiled in part 20 of this chapter; provided, however, that the credit, together with any carry-forward thereof, taken on any franchise and excise tax return shall not exceed one hundred percent (100%) of the

combined franchise and excise tax liability shown on the return before any credit is taken. Any unused credit may be carried forward in any tax period until the credit is taken; provided, however, that the credit may not be carried forward for more than fifteen (15) years from the tax year in which the credit was received.

(6) The commissioner has the authority to conduct audits or require the filing of additional information necessary to substantiate or adjust the amount of credit allowed by this subsection (r), and to determine that the taxpayer has complied with all statutory requirements so as to be entitled to the Tennessee brownfield redevelopment tax credit. If it is determined that the taxpayer failed to comply, the taxpayer shall be subject to an assessment equal to the amount of any credit taken under this subsection (r) for which the taxpayer failed to qualify, plus interest.

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