

SENATE BILL 2326

By Yager

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 7, Part 2, relative to the severance tax.

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

SECTION 1. Tennessee Code Annotated, Section 67-7-203(a), is amended by designating the existing language as subdivision (a)(1) and adding the following as new subdivision (a)(2):

(2)

(A) Notwithstanding subdivision (a)(1), a county legislative body of a county having a population of not less than seven thousand five hundred (7,500) and not more than seven thousand six hundred (7,600) may set the rate of the tax up to forty-five cents (45¢) per ton on sand, gravel, sandstone, chert, or limestone severed from the ground in the county. The county legislative body shall change the rate of the tax by passage of a resolution by a two-thirds (2/3) majority vote.

(B) On July 1, 2025, and each July 1 thereafter, the maximum tax rate pursuant to subdivision (a)(2)(A) is increased to reflect the percentage of change in the average consumer price index (all items-city average), as published by the United States department of labor, bureau of labor statistics, for the immediately preceding fiscal year; provided, that the maximum rate is not increased by more than four percent (4%) in any year.

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it.