

SENATE BILL 2694

By Southerland

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 4, Part 20 and Title 67, Chapter 4, Part 21, relative to taxation of federal employee retention credits.

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

SECTION 1. Tennessee Code Annotated, Section 67-4-2006(b)(2), is amended by adding the following as a new subdivision:

(___) Any expense, including wages and compensation, for which the employee retention credit against the federal payroll tax is allowable pursuant to 26 U.S.C. § 3134 and the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act (15 U.S.C. §§ 9001 et seq.), to mitigate the fiscal effects of COVID-19, to the extent such expense would otherwise be included in net earnings or loss as defined in subsection (a).

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it, and applies retroactively to tax returns filed on or after January 1, 2020.