

PUBLIC CHAPTER NO. 600

SENATE BILL NO. 568

**By Beavers, McNally, Burchett, Ketron, Jackson, Bunch, Marrero, Crowe,
Raymond Finney, Black**

Substituted for: House Bill No. 470

**By Fitzhugh, Moore, Sherry Jones, Pruitt, Gilmore, Sontany, Ulysses Jones, Miller,
Hardaway,**

**Mike Turner, Pitts, John DeBerry, Bone, Bibb, Curtiss, McDonald, Bass, Hood,
Coleman, Lois DeBerry, Maddox, Mr. Speaker Naifeh, Armstrong, Windle,
Ferguson, Hill, Shaw, Eldridge, DuBois, Hackworth, Tindell, Odom, Curtis
Johnson, Briley, Curt Cobb, Brown, Favors, Watson, Rinks, Winningham, Dunn,
Towns, Baird, Todd, Lollar, Coley, Sargent, McManus, Jim Cobb, Rowland, Phillip
Johnson, Yokley, Litz, Shepard, Pinion, Harmon, Harry Brooks**

AN ACT to amend Tennessee Code Annotated, Title 3; Title 4; Title 5; Title 6; Title 7;
Title 8; Title 9; Title 12; Title 16; Title 30; Title 36; Title 39; Title 40; Title 45; Title
47; Title 48; Title 49; Title 55; Title 56; Title 57; Title 61; Title 62; Title 67; Title 68;
Title 69; Title 70 and Title 71, relative to governmental affairs.

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

SECTION 1. Tennessee Code Annotated, Section 67-6-228, is amended by deleting the current language in its entirety and by substituting instead the following:

(a) Notwithstanding any provision of this part to the contrary, except as otherwise provided in subsection (b), the retail sale of food and food ingredients for human consumption shall be taxed at the rate of five and one half percent (5.5%) of the sales price.

(b) The retail sale of food and food ingredients sold as prepared food, alcoholic beverages, candy, dietary supplements and tobacco shall be taxed at the rate levied on the sale of tangible personal property at retail by the provisions of § 67-6-202.

SECTION 2. Tennessee Code Annotated, Section 67-6-103(c), is amended by deleting subdivision (2) and by substituting instead the following:

(2) Notwithstanding any provision of law to the contrary, all revenue generated from the one-half percent (0.5%) increase in the sales and use tax rate that became effective April 1, 1992, shall be deposited in the state general fund and earmarked for education purposes in kindergarten through grade twelve (K-12). Revenue generated from one-half percent (0.5%) of the tax rate provided in § 67-6-228 shall continue to be deposited in the state general fund and earmarked for education purposes in kindergarten through grade twelve (K-12) regardless of whether the tax rate provided in § 67-6-228 is reduced below six percent (6%).

SECTION 3. Tennessee Code Annotated, Section 67-6-393(f), is amended by deleting the subsection in its entirety and by substituting instead the following:

(f) In addition to the exemption in subsection (a), the items of tangible personal property subject to the exemption provided in this section shall also be exempt from the tax imposed by this chapter if sold between 12:01 a.m. on Friday, March 21, 2008 and 11:59 p.m. on Sunday, March 23, 2008. The exemption provided in this subsection (f) shall be subject to all of the provisions of this section and § 67-6-710(h).

SECTION 4. Sections 1 and 2 of this act shall take effect at 12:05 a.m. on January 1, 2008, it being the intent of the general assembly that Sections 1 and 2 of this act become effective immediately after Sections 69 and 83 of Senate Bill No. 2223/House Bill No. 2281 take effect, the public welfare requiring it. Section 3 of this act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: June 11, 2007



RON RAMSEY
SPEAKER OF THE SENATE



JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 28th day of June 2007



PHIL BREDESEN, GOVERNOR