



State of Tennessee

PUBLIC CHAPTER NO. 1064

SENATE BILL NO. 47

By Green, Yager, Gresham, Ketron, Tracy, Bell, Massey, Crowe, Gardenhire, Bowling, Bailey, Jackson, Beavers, Roberts, Watson; Mr. Speaker Ramsey; Kelsey, Norris, Haile, Briggs, Dickerson, Overbey, Hensley, Niceley, Southerland, Stevens, Tate

Substituted for: House Bill No. 813

By Sargent, Matlock, Kane, Moody, Littleton, Kevin Brooks, Casada, Cameron Sexton, Carter, Travis, Johnson, Lynn, Butt, Jerry Sexton, Calfee, Farmer, Williams, Lamberth, Terry, Dawn White, Alexander, McCormick, Todd, Eldridge, McManus, Powers, Coley, Howell, Lollar, Durham, Zachary, Weaver, Rogers, Gravitt, Goins, Reedy

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 2, relative to taxation of income received from stock dividends and interest on bonds.

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

SECTION 1. Tennessee Code Annotated, Section 67-2-102, is amended by deleting the language "An income tax in the amount of six percent (6%) per annum" and substituting instead the language "An income tax in the amount of five percent (5%) per annum".

SECTION 2. Tennessee Code Annotated, Section 67-2-119, is amended by deleting the language "at the rate of six percent (6%) per annum" wherever it appears and substituting instead the language "at the rate of five percent (5%) per annum".

SECTION 3. Tennessee Code Annotated, Title 67, Chapter 2, is amended by adding the following new section:

67-2-124.

(a) The reduction to the rate of tax made by this act shall not be construed to absolve any taxpayer of liability for any tax duly levied by this chapter, during a tax year that began prior to January 1, 2016.

(b) It is the legislative intent that the tax be reduced by one percent (1%) annually through enactments of general bills beginning with the first annual session of the 110th General Assembly.

(c) The income tax levied by this chapter is eliminated for tax years that begin on or after January 1, 2022; provided, however, this subsection (c) shall not be construed to absolve any taxpayer of liability for any tax duly levied by this section, during a tax year that began prior to January 1, 2022.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to tax years beginning on or after January 1, 2016.

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PASSED: April 22, 2016



RON RAMSEY
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 20th day of May 2016



BILL HASLAM, GOVERNOR