

HOUSE BILL 1252
By Tindell

AN ACT to provide a taxpayer remedy for excessive forced assessments, to extend time limits for initiating revised assessments, to modify accrual of delinquency penalty and interest on revised assessments, and to amend Tennessee Code Annotated, Section 67-1-1005 and Section 67-5-903.

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

SECTION 1. Tennessee Code Annotated, Section 67-1-1005, is amended by deleting subsection (a) and substituting instead the following:

(a) A back assessment or reassessment involving real property must be initiated prior to September 1 of the year following the year for which the original assessment was made, except in cases of actual fraud or fraudulent misrepresentation or connivance, in which cases the proceeding must be initiated prior to three (3) years from September 1 of the original tax year. A back assessment or reassessment involving tangible or intangible personal property must be initiated prior to September 1 of the fifth (5th) year following the year for which the original assessment was made, regardless of circumstances. Additional taxes due as the result of a back assessment or reassessment shall accrue interest at the rate provided for taxes under appeal in Section 67-5-1512, and shall not accrue delinquency penalty and interest until sixty (60) days after the date notice of the additional taxes is sent to the taxpayer, unless the back assessment or reassessment resulted from willful failure to file a reporting schedule required by law, from actual fraud or fraudulent misrepresentation of the property owner

or property owner's agent and the assessor. In the latter cases the taxes due shall accrue delinquency penalty and interest from the date of delinquency of the original assessment.

SECTION 2. Tennessee Code Annotated, Section 67-5-903, is amended by deleting subsection (e) and substituting instead the following:

(e) The taxpayer may amend a personal property schedule previously filed with the assessor at any time until September 1 of the fifth (5th) year following the year for which the original assessment was made. If the taxpayer is audited on a forced assessment and it is determined that the forced assessment was excessive, the assessment shall be revised on written request filed with the assessor by September 1 of the fifth (5th) year following the year for which the original assessment was made. If the assessor agrees with the requested amendment or revision, the assessor shall thereupon revise the assessment and certify the revised assessment to the trustee or collector. If the assessor believes the assessment should be otherwise than claimed by the taxpayer, the assessor shall adjust the assessment and give written notice to the taxpayer of the adjusted assessment. The taxpayer may appeal the assessor's refusal to accept a requested amendment or revision, and any affected local government may appeal the revised or adjusted assessment, to the local and state boards of equalization in the manner otherwise provided by law. Additional taxes due as the result of an amendment or revision shall accrue interest at the rate provided for taxes under appeal in Section 67-5-1512, and shall not accrue delinquency penalty and interest until sixty (60) days after the date notice of the additional taxes is sent to the taxpayer.

Amendment or revision of a personal property assessment shall not be permitted once suit has been filed to collect delinquent taxes related to the original assessment.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it, and shall not apply to tax years before 1998.

