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SENATE BILL 2235 By
Miller J

HOUSE BILL 2176
By Bunch

AN ACT to amend Tennessee Code Annotated, Title 57 and Title 67, relative to taxation.

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

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following as a new section:

Section __. (a) Notwithstanding any provision of this chapter to the contrary, no state or local sales and use tax shall be payable on the sale at retail of any school supplies or any clothing or footwear when such items are purchased during a period beginning at one minute past midnight (12:01 a.m.) on the first Friday in August and ending seventy-two (72) hours later, or a period beginning at one minute past midnight (12:01 a.m.) on the second Friday in August and ending seventy-two (72) hours later by or for the use of a student enrolled in an elementary, secondary or post-secondary school in this state.

(b) For purposes of this section:

(1) "School supplies" means any consumable supplies and materials and utensils, which are customarily used by students in completing school assignments and which have an individual price of fifty dollars (\$50.00) or less;

(2) "Clothing or footwear" means any clothing, shoes, boots, and related articles of wearing apparel designed to be worn on or about the human body, which have an individual price of fifty dollars (\$50.00) or less; provided, however, that "clothing or footwear" does not include accessories, including hats, jewelry, eyeglasses, watches, luggage, wallets, purses, handbags or any other articles of personal wear the individual price of which is more than fifty dollars (\$50.00).

(c) The commissioner is authorized to promulgate rules and regulations in accordance with the provisions of Tennessee Code Annotated, title 4, chapter 5, to implement and administer the provisions of this section.

SECTION 2. Tennessee Code Annotated, Section 67-4-1004(a), is amended by deleting the language "six and one-half (6 ½) mills", and by substituting instead the language "fifteen (15) mills".

SECTION 3. Tennessee Code Annotated, Section 57-3-302(a), is amended by deleting the language "one dollar and ten cents (\$1.10)", and by substituting instead the language "two dollars and fifty-seven cents (\$2.57)".

SECTION 4. Tennessee Code Annotated, Section 57-3-302(b), is amended by deleting the language "four dollars (\$4.00)", and by substituting instead the language "nine dollars and thirty-seven cents (\$9.37)".

SECTION 5. This act shall take effect July 1, 2000, the public welfare requiring it.