

Amendment No. 2 to HB1781

**Davidson
Signature of Sponsor**

AMEND Senate Bill No. 349*

House Bill No. 1781

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 67-6-202(a), is amended by deleting the language "six percent (6%)", and by substituting instead the language "six and one-half percent (6.50%)".

SECTION 2. Tennessee Code Annotated, Section 67-6-203(a), is amended by deleting the language "six percent (6%)", and by substituting instead the language "the tax levied on the sale of tangible personal property at retail by the provisions of § 67-6-202".

SECTION 3. Tennessee Code Annotated, Section 67-6-204, is amended by deleting the language "six percent (6%)" wherever it appears in subsections (a) and (c), and by substituting instead the language "the tax levied on the sale of tangible personal property at retail by the provisions of § 67-6-202".

SECTION 4. Tennessee Code Annotated, Section 67-6-205(a), is amended by deleting the language "six percent (6%)", and by substituting instead the language "the tax levied on the sale of tangible personal property at retail by the provisions of § 67-6-202".

SECTION 5. Tennessee Code Annotated, Section 67-6-103, is amended by adding the following new subsection:

() Notwithstanding the provisions of this section to the contrary, all revenue generated from the increase in the rate of the state sales and use tax and the imposition of sales and use taxes on services pursuant to the provisions

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of this act shall be deposited in the state general fund and no funds generated from such rate increase or taxes imposed on services shall be distributed pursuant to the provisions of (a) through (f) of this section.

SECTION 6. Tennessee Code Annotated, Section 67-4-2007(a), is amended by deleting the language "six percent (6%)" and by substituting instead the language "six and one-half percent (6.5%)".

SECTION 7. Tennessee Code Annotated, Section 67-4-2015, is amended by adding the following new subsections immediately after subsection (f) and by re-lettering the remaining subsections accordingly:

() Notwithstanding any other law to the contrary, a taxpayer filing a franchise and excise tax return for a tax period ended on or after December 31, 2001, but before December 31, 2002, shall not be penalized if each of its quarterly estimated payments equal twenty-five percent (25%) of seventy percent (70%) of its final tax liability for the tax year.

() Notwithstanding any other law to the contrary, a taxpayer filing a franchise and excise tax return for a tax period ended on or after December 31, 2001, but before April 1, 2002, and that has quarterly estimated payments due before August 1, 2001, who after having timely made such payments finds that, because of amendments to the law made by the General Assembly during the 2001 session, one or more of such payments may fall below twenty-five percent (25%) of seventy percent (70%) of the final franchise and excise tax liability for the tax year, may avoid being penalized if any shortage is made up by the due

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date of the next quarterly payment falling due after August 1, 2001; provided, however, that in the event that all of the required quarterly payments have been timely made before August 1, 2001, the taxpayer may still avoid being penalized if any shortage is made up no later than August 15, 2001.

SECTION 8. Tennessee Code Annotated, Section 67-4-2015, is amended by adding the following language as a new subsection at the end of the Section:

() Notwithstanding any other law to the contrary, for tax years beginning on or after August 1, 2000, but before May 1, 2001, the commissioner of revenue is authorized to waive, in whole or in part, any statutory penalty assessed for the delinquent filing or deficient payment of any quarterly estimated franchise and excise tax payment due for such tax year, if in the judgment of the commissioner or the commissioner's delegate the taxpayer has acted reasonably and has made a good faith effort to comply with the statutory provisions of this section.

SECTION 9. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 10. Sections 1-5 inclusive of this act shall take effect on August 1, 2001, the public welfare requiring it. Section 6 of this act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to all tax years ending on or after June 30, 2001. All other sections of this act shall take effect on becoming a law, the public welfare requiring it.

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