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Amendment No. 1 to SB2812

**Henry
Signature of Sponsor**

AMEND Senate Bill No. 2812*

House Bill No. 3013

by deleting Section 5 in its entirety and substituting instead the following:

SECTION 5. Tennessee Code Annotated, Section 67-6-702(a)(4), is amended by deleting the words "or telephone services" and the words "or service" from the first sentence and by deleting the second sentence in its entirety.

AND FURTHER AMEND by deleting from Section 6 the word "act" and substituting instead the words "federal law".

AND FURTHER AMEND by deleting Sections 9 and 10 in their entirety and substituting instead the following four new sections:

SECTION 9. Tennessee Code Annotated, Section 67-6-702(g), is amended by designating the current language as subdivision (1) and adding the following as a new subdivision:

(2) Notwithstanding any other provisions of this chapter, local tax with respect to intrastate telecommunications services, which are subject to state tax, shall be imposed at the rate of two and one-half percent (2.5%).

SECTION 10. Tennessee Code Annotated, Section 67-6-710, is amended by adding the following as a new subsection:

() Proceeds of the taxes provided for in § 67-6-702(g) shall be distributed as follows:

(1) Fifty percent (50%) shall be distributed as provided in § 67-6-710(e) and

(2) Fifty percent (50%) shall be distributed to incorporated municipalities in the proportion that the population of each bears to the

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aggregate population of the state and to counties in the proportion the population of unincorporated areas of the county bears to the aggregate population of the state, according to the most recent federal census and other census authorized by law. Counties and incorporated municipalities shall use such funds in the same manner and for the same purposes as funds distributed pursuant to § 67-6-712.

SECTION 11. If a court of competent jurisdiction enters a final judgment on the merits that is based on federal law, is no longer subject to appeal, and substantially limits or impairs the essential elements of 4 U.S.C. Sections 116 through 126 adopted by this act, then Sections 1 through 4 and Sections 6 through 8 of this act are declared to be invalid and have no legal effect as of the date of entry of such judgment. Further, as of the date of entry of such judgment, all provisions and amendments enacted by Sections 1 through 4 and Sections 6 through 8 of this act shall automatically be repealed and the law in effect immediately prior to the effective date of this act shall become effective without further action by the general assembly. This section shall not apply to Sections 5, 9 and 10 of this act.

SECTION 12. This act shall take effect upon becoming a law, the public welfare requiring it.