

HOUSE BILL 595
By Maddox

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 6, relative to the Retailers' Sales Tax Act.

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 new section:

Section 67-6-385. There is exempt from the tax levied by this chapter:

(1) Any sale or use of any article manufactured of the products of this State exempt from taxation pursuant to Section 30 of Article II of the Constitution of Tennessee; and

(2) Any sale or use which would otherwise be taxable pursuant to the provisions of this chapter but which would impose a tax which is invalid either under the commerce clause or the due process clause of the Constitution of the United States.

SECTION 2. Tennessee Code Annotated, Sections 67-6-209(e), (f), and (g), 67-6-216, 67-6-224, 67-6-225(b), 67-6-302, 67-6-303(a)(1) and (b), 67-6-305, 67-6-307, 67-6-309, 67-6-310, 67-6-311, 67-6-313(b), (c), (d), (e), (g)(1), (h), (i), and (j), 67-6-321(a) and (b), 67-6-324, 67-6-325, 67-6-326, 67-6-327, 67-6-328, 67-6-329(11), (18), (19), (20), and (21), 67-6-

330(a)(3), (4), (6), (8), (9), (10), (13), (14), (15), (18), (19), (20), (21), and (22), 67-6-331, 67-6-332, 67-6-333, 67-6-336, 67-6-339, 67-6-340, 67-6-342, 67-6-344, 67-6-347, 67-6-350, and 67-6-356, are amended by deleting the sections, subsections, or subdivisions as indicated.

SECTION 3. Tennessee Code Annotated, Section 67-6-102(24)(D), is amended by deleting the language “and each sale is in excess of five hundred dollars (\$500)” and the language “for sales in excess of five hundred dollars (\$500)”.

SECTION 4. Tennessee Code Annotated, Section 67-6-102(24)(F), is amended by deleting the language “notwithstanding any provision of this chapter to the contrary, taxes levied pursuant to this chapter on bathing and grooming of animals shall only be applied to fifteen percent (15%) of the gross charge for such bathing and grooming, but excluding” and by substituting instead the language “the provisions of this subdivision shall not apply to”.

SECTION 5. Tennessee Code Annotated, Section 67-6-226, is amended by deleting the section in its entirety, and by substituting instead the following language:

Notwithstanding other provisions of this chapter to the contrary, commencing on September 1, 1999, state tax at the rate of eight and one-quarter percent (8.25%) on each sale at retail is imposed with respect to fees for subscription to, access to, or use of television programming or television services provided by a cable television service provider authorized pursuant to title 7, chapter 59, or by a provider of wireless cable television services (multipoint distribution service/multichannel multipoint distribution service) offered for public consumption.

SECTION 6. Tennessee Code Annotated, Section 67-6-201, is amended deleting the word “or” at the end of subdivision (9), by changing the period at the end of subdivision (10) to a semi-colon and adding the word “or”, and by adding the following new subdivision to be designated as follows:

- (11) Provides or engages in one (1) or more of the following services:
 - (A) Accounting and auditing;

(B) Amusements;

(C) Business services:

(i) Advertising,

(ii) Building services,

(iii) Computer and data processing,

(iv) Credit report and collection,

(v) Detective and protective services,

(vi) Finance – Securities Brokers,

(vii) Insurance agents,

(viii) Mail, art reproduction and steno,

(ix) Management consulting or public relations,

(x) Personnel supply,

(xi) Real estate agents,

(xii) Other;

(D) Construction services other than those services which are part of new construction, including new additions to existing buildings, and all services are performed through a general contractor;

(F) Legal services;

(E) Manufacturing Energy;

(G) Newspapers and publications;

(H) Personal services:

(i) Beauty and barber shops,

(ii) Coin-operated laundry,

(iii) Funeral,

(iv) Veterinary and landscape,

(v) Other;

(I) Social and other services (day care, etc.); and

(J) Transportation services.

SECTION 7. 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 8. For the purpose of promulgating any necessary rules, regulations or other materials, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, it shall take effect July 1, 2001, the public welfare requiring it.