

HOUSE BILL 636
By Kisber

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

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

SECTION 1. Tennessee Code Annotated, Section 67-4-2012(c), is amended by deleting subdivision (1) in its entirety and by substituting instead the following:

(1) Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at eight (8) times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals. A lessee's payments to a lessor, or on such lessor's behalf, as part of rent, or in lieu of rent, shall be included as rent in the property factor of the apportionment formula provided by this section. Except with respect to tangible personal property, for purposes of this subsection, payments, such as interest, taxes, insurance, maintenance, repairs or other items, shall be treated as rent paid by the lessee if they would have been paid by the lessor if the lease contract or other agreement had not specifically provided that they be paid by the lessee.

SECTION 2. This act shall take effect July 1, 2001, the public welfare requiring it.

