

FISCAL NOTE

HB 1448 - SB 1754

March 24, 2001

SUMMARY OF BILL: Amends TCA 67-6-710 relative to collection and administration of local sales tax as follows:

- Requires a dealer who is required to register with the Department of Revenue under the following circumstances, to attach a copy of the municipal business license to the monthly return filed for taxes due and payable under the provisions of this part:
 - A new business is started;
 - An existing business adds an additional location; or
 - An existing business is purchased or there is a change of ownership.
- Requires the information gathered to be utilized by the Department of Revenue to make sales tax distributions to the municipality in which the business is located.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Not Significant

Under existing law, TCA 67-6-202, any person desiring to conduct business as a dealer in this state is required to register with the Department of Revenue. The certificate of registration subsequently issued is valid only for said individual location specified on the registration application. Any changes (changing locations, adding a new location, changes in ownership, etc) require surrendering the existing certificate, and the Department must reissue a certificate, which reflects the changes. Furthermore, according to department rules and regulations 1320-5-2-.05, local option tax collections are made in accordance to the laws of the local government in which the business is located, and is considered the local government which is listed on the certificate of registration with the department.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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