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HOUSE BILL 2160
By McDaniel

AN ACT to amend Tennessee Code Annotated, Section 67-6-303, relative to sales and use tax.

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

SECTION 1. Tennessee Code Annotated, Section 67-6-303, is amended by adding the following language as new, appropriately designated subsections (c) and (d):

(c)

(1) There is exempt from the tax imposed by this chapter any sale of a motor vehicle which is sold in this state if such vehicle is registered in this state in accordance with provisions of title 55 and such vehicle is sold to a person called into active military service of the United States, as defined in § 58-1-102, from a Tennessee national guard unit during a period of hostilities in which military personnel are entitled to combat compensation as determined by the United States department of defense.

(2) Dealers shall support each such sale by attachment to their file copy of the invoice evidencing it a copy of the official orders relating to the purchaser's active federal military service during a period of hostilities.

(3) Notwithstanding any provision of this section to the contrary, the exemption from sales and use tax under this subsection or subsection (d) is not contingent upon the location of the military facility through which the purchaser is activated or assigned.

(d) There is exempt from the tax imposed by this chapter the sale or use of any motor vehicle purchased and used outside the United States, but titled and registered in Tennessee by a member of the Tennessee national guard while such individual is on active federal military service during a period of hostilities in which military personnel are

entitled to combat compensation as determined by the United States department of defense and is stationed on a military reservation located outside the United States. Such exemption is contingent on the motor vehicle remaining outside the United States. Such motor vehicle shall also be exempt from any motor vehicle tax set forth in § 5-8-102.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to purchases of vehicles made in 2003 and thereafter