

SENATE BILL 675
By McNally

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 67-6-102(a)(13), is amended by
adding the following new subdivision:

(J) "Industrial machinery" shall be further defined to include all research and
development machinery, apparatus and equipment with all associated parts,
appurtenances and accessories, including hydraulic fluids, lubricating oils and greases
necessary for operation and maintenance, repair parts and any necessary repair or
taxable installation labor therefor which is necessary and primarily for the performance of
research and development in a laboratory and experimental sense. Research and
development in the experimental and laboratory sense does not include: (1) consumer
surveys, advertising and promotions; (2) market research; (3) efficiency surveys;
(4) management surveys; and (5) research in connection with literary, historical or
similar projects.

SECTION 2. Tennessee Code Annotated, Section 67-6-329(a), is amended by adding
the following new subdivision:

(23) Materials and supplies used in research and development facilities for research and development purposes in a laboratory and experimental sense.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.