

**CHAPTER NO. 371**

**HOUSE BILL NO. 1781**

**By Representatives Curtiss, Matheny, Cobb, Fraley**

**Substituted for: Senate Bill No. 1133**

**By Senators Cooper, Tracy**

AN ACT to amend Tennessee Code Annotated, Section 67-6-209, relative to payment of sales and use tax in certain circumstances.

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

SECTION 1. Tennessee Code Annotated, Section 67-6-209, is amended by adding the following language as a new, appropriately designated subsection:

( ) There is exempt from the tax imposed by this chapter any tangible personal property that is provided to a contractor or subcontractor on a temporary basis for testing; provided that the foregoing shall apply only in those instances where the facility at which the testing is undertaken is owned by the United States or any agency thereof. The exemption provided by this subsection shall apply only to the property that is the subject of the test being performed and property into which the subject of the test must be incorporated before the testing can occur. Under no circumstances shall the exemption apply to property used to conduct the test or to property consumed or destroyed during the test. For this purpose, the term "testing" shall be limited to diagnostic, analytical and/or scientific testing in a controlled environment dedicated to such testing for the purpose of providing information and findings supportive of the aerodynamic, hypersonic, aero propulsion, space, missile, aircraft and aerospace technologies and/or industries.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

**PASSED: May 24, 2005**

  
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JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
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JOHN S. WILDER  
SPEAKER OF THE SENATE

**APPROVED this 7<sup>th</sup> day of June 2005**

  
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PHIL BREDESEN, GOVERNOR