

HOUSE BILL 100

By Winningham

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, relative to sales and use tax revenue.

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

SECTION 1. Tennessee Code Annotated, Section 67-6-103, is amended by adding the following language as a new subsection:

(j)

(1) Notwithstanding the allocations provided for in subsection (a), if a new museum dedicated to coal mining is constructed in a county containing a spallation neutron source facility, then an amount shall be apportioned and distributed to the entity that is responsible for the retirement of the debt on the museum equal to the amount of state and local tax revenue derived under this chapter from the sale of admission, parking, food, drink and any other things or services subject to tax under this chapter, if such sales occur on the premises of the museum. The apportionment and distribution shall begin at the time that the museum begins operations and shall continue for thirty (30) years, or until the debt on the museum is retired, whichever is sooner.

(2) In addition to the distribution provided in subdivision (j)(1), if a new hotel is constructed in connection with the construction of the museum and such hotel is located within one (1) mile of the museum's entrance, then an amount shall also be apportioned and distributed to the entity that is responsible for the retirement of the debt on the museum equal to the amount of state and local tax revenue derived under this chapter from the sale of lodging, parking, food, drink and any other things or services subject to tax under this chapter, if the sales occur on the premises of the hotel. The apportionment and distribution shall begin at the time that the museum begins operations and shall continue for thirty (30) years, or until the debt on the museum is

retired, whichever is sooner. To be entitled to receive the distribution of state and local tax revenue under this subdivision (j)(2), the entity responsible for the retirement of the debt on the museum must first file with the department of finance and administration an application seeking certification that the construction of the hotel is directly related to the construction of the museum. The department of finance and administration shall review the application to confirm whether the hotel meets the requirements of this subdivision (j)(2). The department of finance and administration shall report its determination to the department of revenue, which shall administer this subdivision (j)(2) accordingly.

(4) Notwithstanding any provision of this subsection (j) to the contrary, no portion of the revenue derived from the increase in the rate of sales and use tax allocated to educational purposes pursuant to the Acts 1992, ch. 529, § 9, and no portion of the revenue derived from the increase in the rate of sales and use tax from six percent (6%) to seven percent (7%) contained in Acts 2002, ch. 856, § 4, shall be apportioned and distributed pursuant to this subsection (j). All such revenue shall continue to be allocated as provided in Acts 1992, ch. 529, and Acts 2002, ch. 856, respectively.

SECTION 2. This act shall take effect July 1, 2007, the public welfare requiring it.