

HOUSE BILL 2264

By Turner M

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 67-4-2008(a)(11)(B)(iii), is amended by deleting the language “rents” and substituting instead the language “rents from residential property or farm property”.

SECTION 2. Tennessee Code Annotated, Section 67-4-2008(a)(11)(B), is amended by adding the following as three new subdivisions:

(iv) “Passive investment income” does not include rents from tangible personal property, from industrial and commercial property, or from acreage used for recreational purposes by clubs including golf course playing hole improvements; and

(v) “Industrial and commercial property”, “farm property”, “residential property”, and “tangible personal property” shall have the same meaning as in § 67-5-501, except that “farm property” shall not include acreage used for recreational purposes by clubs including golf course playing hole improvements;

(vi) Ownership units that are held in trust shall not be treated as owned by members of the family, unless such ownership units are property of a trust described in subdivision (a)(11)(B)(i)(e);

SECTION 3. This act shall take effect on October 1, 2009, the public welfare requiring it.