

HOUSE BILL 1913

By Stewart

AN ACT to amend Tennessee Code Annotated, Section 67-6-103 and Section 67-6-202, relative to sales and use tax.

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

SECTION 1. Tennessee Code Annotated, Section 67-6-202, is amended by deleting subsection (a) in its entirety and by substituting instead the following:

(a)

(1) For the exercise of the privilege of engaging in the business of selling tangible personal property at retail in this state, a tax is levied on the sales price of each item or article of tangible personal property when sold at retail in this state; the tax is to be computed on gross sales for the purpose of remitting the amount of tax due the state and is to include each and every retail sale. The tax shall be levied at the rate of seven percent (7%).

(2) In addition to the tax levied by subdivision (1) of this subsection, there is levied a tax at the rate of two and three-quarters percent (2.75%) on the amount in excess of one thousand six hundred dollars (\$1,600), but less than or equal to three thousand two hundred dollars (\$3,200), on the sale or use of any single article of personal property as defined in § 67-6-702(d).

(3) In addition to the taxes levied by subdivisions (1) and (2) of this subsection, there is levied a tax at the rate of two and three-quarters percent (2.75%) on the amount in excess of three thousand two hundred dollars (\$3,200) on the sale or use of any single article of personal property as defined in § 67-6-702(d); provided, however, that the additional tax levied by this subdivision (a)(3) shall not apply to the sale or use of any of the following:

(A) The amount in excess of three thousand two hundred dollars (\$3,200) but less than ten thousand dollars (\$10,000) of the cost of motor vehicles that are required to be titled under the provisions of title 55, chapter 3;

(B) Manufactured homes and mobile homes as defined in § 68-126-202 when used as a primary residence; and

(C) Modular homes when used as a primary residence.

(4) The taxes levied at the rate of two and three-quarters percent (2.75%) pursuant to subdivisions (2) and (3) of this subsection shall be in addition to all other taxes and shall be a state tax for state purposes only. No county or municipality or taxing district shall have the power to levy any tax on the amount in excess of one thousand six hundred dollars (\$1,600) on the sale or use of any single article of personal property.

SECTION 2. Tennessee Code Annotated, Section 67-6-103(c)(1), is amended by deleting the language “but less than or equal to three thousand two hundred dollars (\$3,200)” and is further amended by deleting the language “pursuant to Acts 2002, ch. 856, § 4”.

SECTION 3. This act shall take effect July 1, 2011, the public welfare requiring it.