

SENATE BILL 342

By Overbey

AN ACT to amend Tennessee Code Annotated, Title 67,  
Chapter 8, Part 1, relative to gift tax.

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

SECTION 1. Tennessee Code Annotated, Section 67-8-102, is amended by deleting the section in its entirety and by substituting instead the following:

67-8-102. For purposes of this part, "donee" means any person, association, corporation, or any other entity to whom a gift is made.

SECTION 2. Tennessee Code Annotated, Section 67-8-104, is amended by deleting subsection (a) in its entirety and by substituting instead the following:

(a) Net gifts to any donee not exceeding the federal inflation adjusted exclusion amount provided in 26 U.S.C. § 2503(b) shall not be taxable under this part. When net gifts to any one (1) donee exceed such amount during a calendar year, only the portion of the net gifts exceeding such amount shall be taxable under this part.

SECTION 3. Tennessee Code Annotated, Section 67-8-106, is amended by deleting the section in its entirety and by substituting instead the following:

67-8-106. The tax imposed by this part shall be computed at the following rates:

(1) Five and one-half percent (5.5%) on the amount of net taxable gifts up to forty thousand dollars (\$40,000);

(2) Six and one-half percent (6.5%) on the next two hundred thousand dollars (\$200,000) or part thereof;

(3) Seven and one-half percent (7.5%) on the next two hundred thousand dollars (\$200,000) or part thereof; and

(4) Nine and one-half percent (9.5%) on the excess over four hundred forty thousand dollars (\$440,000).

SECTION 4. This act shall take effect January 1, 2012, the public welfare requiring it.