

SENATE BILL 1169

By Crowe

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, Title 67, Chapter 6, Part 3, is amended by adding the following language as a new section:

**67-6-397.**

(a) For purposes of this section:

(1) "Claimant" means any natural person certified as a disaster victim by the county emergency management agency of the person's primary residence due to such person's primary residence being damaged or destroyed as a result of a natural disaster in Tennessee occurring between August 4, 2012, and August 6, 2012;

(2) "Major appliance" means any water heater, dishwasher, washer, dryer, refrigerator, freezer, stove, range, oven, cooktop, microwave, vacuum, or fan that is used in the claimant's primary residence to replace an appliance that was damaged or destroyed in a natural disaster in Tennessee occurring between August 4, 2012, and August 6, 2012; provided, that the sales price per item is three thousand two hundred dollars (\$3,200) or less;

(3) "Residential building supplies" means any of the following items if used in the claimant's primary residence and reasonably determined by the department to be for purposes of restoration, repair, replacement, or rebuilding due to a natural disaster in Tennessee occurring between August 4, 2012, and

August 6, 2012; provided, that the sales price per item is five hundred dollars (\$500) or less:

(A) Cleaning and disinfecting materials, as determined by the department;

(B) Trash bags, boxes, construction tools, and hardware, as determined by the department; and

(C) Roofing shingles, roofing paper, gutters, downspouts, vents, doors, windows, sheetrock, drywall, insulation, paint and paint materials, flooring, and other necessary building materials, as determined by the department; and

(4) "Residential furniture" means furniture commonly used in a residential dwelling, as determined by the department, that is used in the claimant's primary residence to replace furniture that was damaged or destroyed in a natural disaster in Tennessee occurring between August 4, 2012, and August 6, 2012; provided, that the sales price per item is three thousand two hundred dollars (\$3,200) or less.

(b) A claimant shall be entitled to a refund equal to the total amount of Tennessee state and local sales and use tax paid by the claimant to one (1) or more retailers as a result of the claimant's purchases of major appliances, residential furniture, or residential building supplies from such retailers; provided, that the total amount refunded under this section in connection with any one (1) residence shall not exceed two thousand five hundred dollars (\$2,500).

(c)

(1) To receive a refund under this section, a claimant may file only one (1) natural disaster claim for refund with the department, and shall file such claim for refund by December 31, 2013.

(2) The claimant must also certify on the natural disaster claim for refund form that purchases for which the refund is claimed were to replace, repair or

restore property damaged in a natural disaster in Tennessee occurring between August 4, 2012, and August 6, 2012.

(3) Notwithstanding any provision of § 67-1-1802, such refund shall be made by the department directly to the claimant and shall not be made by the retailer to the claimant. All natural disaster claims for refund shall include satisfactory proof of certification as a disaster victim by the county emergency management agency of the claimant's primary residence.

(4) Each claimant shall keep and preserve suitable records of the purchases for which a refund is claimed pursuant to this section, including, but not limited to, store receipts and copies of payment documents such as checks, credit card receipts, or a sworn statement under penalty of perjury to support any purchases made using cash. Such records must be kept and preserved for a period of three (3) years from December 31, 2013. Such records shall be open to the inspection of the commissioner, or the duly authorized delegates of the commissioner, at all reasonable hours.

(5) The commissioner has the authority to conduct audits or require the filing of additional information necessary to substantiate the amount of any refund due to the claimant.

(d) The department may assess a civil penalty not to exceed twenty-five thousand dollars (\$25,000) against any person that knowingly files a false or fraudulent application for a refund under this section. Any claimant that is assessed a penalty under this subsection (d) shall be entitled to the remedies provided in § 67-1-1801.

(e) All refunds under this section shall be paid from the state's general fund and nothing in this section shall be construed to reduce the amount of sales and use tax payable to local governments.

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