

SENATE BILL 1636

By Norris

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 4, relative to taxation.

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

SECTION 1. Tennessee Code Annotated, Section 67-4-1704, is amended by deleting the section in its entirety and by substituting instead the following language:

67-4-1704.

(a) Penalties and interest shall be assessed and collected by the commissioner of revenue on delinquent or deficient taxes in accordance with chapter 1 of this title.

(b) At the time the department of revenue assesses the tax liability, including any applicable penalty and interest, the department shall notify the taxpayer in writing that the failure to cure the tax delinquency or deficiency prior to the renewal date of the license or registration may result in the appropriate licensing board or agency holding the taxpayer's application for renewal of the license or registration in abeyance.

(c) For purposes of this section, "cure" means:

(1) Payment in full of the tax delinquency or deficiency, including any accrued penalty and interest;

(2) Entering into an agreement with the department to pay the tax liability in installments over an extended period, or other agreement acceptable to the department and the taxpayer; or

(3) The abatement of the tax liability by the department as required by law.

(d) The commissioner of revenue shall on a monthly basis compile and transmit to the appropriate licensing board or agency a list of taxpayers who are delinquent ninety

(90) days or more from the due date of the tax and have either not pursued a remedy under § 67-1-1801 or remain liable for such tax at the conclusion of such remedy; provided, however, that such list shall not include any taxpayer who has made all installment payments due and payable under an agreement with the department to pay the tax liability in installments over an extended period. The appropriate licensing board or agency shall not process and shall hold in abeyance the application for renewal of the license or registration of any taxpayer appearing on the list.

(e) Any taxpayer whose application for renewal of the license or registration is held in abeyance under subsection (d) may, upon curing the tax delinquency or deficiency as defined in subsection (c), obtain a tax clearance from the department. Upon receipt of the tax clearance, the appropriate licensing board or agency shall resume processing the taxpayer's application for the renewal of the license or registration in accordance with applicable rules and regulations.

(f) The Supreme Court has established rules to suspend the license of an attorney who fails to pay the privilege tax. The Supreme Court is encouraged to establish additional rules, as the court may determine necessary, to further promote the timely payment of the tax by licensed attorneys.

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