

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2402 - SB 2549**

February 25, 2014

**SUMMARY OF BILL:** Exempts from the use tax any boat, motorboat or other vessel to be used or stored in Tennessee by any person who has moved to and becomes a resident of Tennessee and has caused the vessel to be imported into the state, provided that the vessel is to be used solely for personal use and has a fair market value that is less than \$10,000 at the time it is imported into Tennessee. Requires the person, in order to qualify for the exemption, to submit to the Commissioner of the Department of Revenue, or the county clerk when appropriate, proof that the vessel was properly registered in another state.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- According to the Department of Revenue, under current law, a person importing a vessel into Tennessee is given credit for the sales tax paid in the state from which the person is moving. For example, if the vessel was purchased in another state for \$20,000 and later imported into Tennessee with a fair market value of \$10,000, the owner of the vessel would be given credit against the use tax for the tax paid in the other state on the \$20,000 vessel.
- Requiring the owner of a vessel, in order to qualify for the exemption, to submit to the Commissioner or the county clerk proof that the vessel was property registered in another state will ensure that the sales tax has likely been paid in the state from which the owner is moving. Under current law, appropriate credit against the use tax would be awarded to the owner for such vessel.
- As a result, the proposed exemption is estimated to have a not significant fiscal impact on the state or local revenue.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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