

SENATE BILL 747

By Watson

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, relative to taxation of disaster recovery
services for information systems.

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 as a new section:

(a) There is exempt from the tax levied by this chapter any sales of disaster recovery services.

(b) Notwithstanding this chapter or any other law to the contrary, a person's purchases of disaster recovery services from a seller located in this state, and the location in this state of the person's computers, software, or other tangible personal property on which disaster recovery services are performed, shall not be considered in determining whether the person has a physical presence in this state sufficient to establish nexus with this state for sales and use tax purposes.

(c) A person who performs disaster recovery services shall be subject to the tax levied by this chapter on the sale or use of computers, computer software, or other tangible personal property in connection with the performance of disaster recovery services.

(d) As used in this section, "disaster recovery services" means services provided to enable the backup or continuation of technology infrastructure or information systems following a natural or human-induced disaster.

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