

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 381 - HB 899**

February 20, 2015

**SUMMARY OF BILL:** Removes the current state and local sales tax exemption for machinery necessary to and primarily used for the manufacture of firearms equipped with integral devices which permit a user to program the firearm to operate only for specified persons designated by the user through computerized locking devices or other means integral to a permanent part of the firearm when utilized by a person whose principle business is fabricating or processing tangible personal property for resale.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- The proposed legislation removes the state and local sales tax exemption enacted into law by Public Chapter 994 of the Public Acts of 2014. Based on input from the Department of Revenue, it was determined that Public Chapter 994 did not expand the definition of industrial machinery which was already exempt from state and local sales taxes and, therefore, did not result in a significant fiscal impact to the state or local government.
- Deleting the language added to the definition of industrial machinery by Public Chapter 994 of the Public Acts of 2014 is estimated to result in a not significant fiscal impact to the state or local government.

**CERTIFICATION:**

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

A handwritten signature in black ink that reads "Jeffrey L. Spalding".

Jeffrey L. Spalding, Executive Director

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