

SENATE BILL 1900

By Yager

AN ACT to amend Tennessee Code Annotated, Section 57-5-201 and Section 67-4-402, relative to the taxation of barrels of beer and bottled soft drinks.

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

SECTION 1. Tennessee Code Annotated, Section 57-5-201(a)(1), is amended by deleting the language "fifty cents (50¢)" and substituting instead the language "one dollar (\$1.00)" and by deleting the language "July 1, 2022" and substituting instead the language "July 1, 2027".

SECTION 2. Tennessee Code Annotated, Section 57-5-201(a)(2), is amended by deleting the subdivision in its entirety and substituting instead the following:

(2) Notwithstanding this section or other law to the contrary, twenty-three and one-third percent (23.33%) of any revenue received from the special privilege tax imposed in subdivision (a)(1) shall be allocated to the highway fund for the purpose of funding programs for the prevention and collection of litter and trash from roadways, waterways, shorelines, recycling, comprehensive recycling or beautification initiatives, and matters related to the programs. No later than March 31 of each year, the department of transportation shall transmit to the governor and the speakers of the house of representatives and senate a report listing the programs receiving funds generated by this subsection (a), the amount of funds received by each program, and the purpose for which the funds were spent. This subdivision (a)(2) is repealed on July 1 of any year following the enactment of any state or federal law that imposes mandatory deposits by consumers on beverage containers sold in this state or on July 1, 2027, whichever occurs first.

SECTION 3. Tennessee Code Annotated, Section 67-4-402(b), is amended by deleting the subsection in its entirety and substituting instead the following:

(b)

(1) Imposition of Tax. A person manufacturing or producing and selling within this state any bottled soft drinks and a person importing or causing to be imported bottled soft drinks into this state from outside the state and selling such imported bottled soft drinks within this state shall, for the privilege of engaging in such business, pay to the state for state purposes an amount equal to one and nine-tenths percent (1.9%) of the person's gross receipts derived from such business; provided, that the rate shall be reduced by nine-tenths of one percent (0.9%) on July 1 of any year following the enactment of any state or federal law that imposes mandatory deposits by consumers on beverage containers sold in this state or on July 1, 2022, whichever occurs first.

(2) Notwithstanding this section or other law to the contrary, any revenue generated from the increase in tax rates from one percent (1%) to one and nine-tenths percent (1.9%) shall be allocated to the highway fund for the purpose of funding programs for the prevention and collection of litter and trash from roadways, waterways, shorelines, recycling, comprehensive recycling or beautification initiatives, and matters related to the programs. No later than March 31 of each year, the department of transportation shall transmit to the governor, the speaker of the house of representatives, and the speaker of the senate a report listing the programs receiving funds generated by this subsection (b), the amount of funds received by each program, and the purpose for which the funds were spent. This subdivision (b)(2) is repealed on July 1 of any year following the enactment of any state or federal law that imposes mandatory deposits by consumers on beverage containers sold in this state or on July 1, 2027, whichever occurs first.

SECTION 4. It is the legislative intent that the temporary taxes contained in Tennessee Code Annotated, Sections 57-5-201 and 67-4-402, and first imposed by Chapter 307 of the

Public Acts of 1981, are reenacted and extended in accordance with the provisions of this act. This act increases funding to current TDOT Litter Grant programs and funds litter pickup not only on Tennessee roadways but also waterways and shorelines. The program shall include initiatives for comprehensive recycling and beautification that could include, but are not limited to, grants for rural and distressed counties, environmental innovation, sustainability efforts, innovative technology use, gateway landscaping, technical and policy assistance to local law enforcement or judiciary, education, marketing, and service-oriented events or efforts.

SECTION 5. The headings to sections in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in any compilation or publication containing this act.

SECTION 6. This act shall take effect on June 1, 2020, the public welfare requiring it, and shall apply to all tax returns filed on or after June 1, 2020.