



March 3, 2020

SUMMARY OF ORIGINAL BILL: Exempts accounting and legal service sales from the fee authorized pursuant to Tenn. Code Ann. § 7-88-117 assessed by Davidson County within the Central Business Improvement District.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (015728): Deletes all language after the enacting clause. Requires continued apportionment and distribution of certain taxes collected within a Tourism Development Zone (TDZ), after apportionment and distribution of other taxes has ceased.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 7-88-106(a)(1):
 - If a local government has financed, constructed, leased, or acquired a qualified public use facility within a TDZ, then certain state and local sales and use taxes derived from the sale of goods and services within the TDZ are apportioned and distributed back to the local government; and
 - Apportionment and distribution of such taxes continues until the earlier of: (1) the date on which the public use facility is no longer utilized as a public use facility; (2) the date on which the cumulative amount apportioned equals the local government's indebtedness plus interest related to the public use facility; or (3) 30 years from the date the public use facility became operational.
- The proposed language:
 - Continues apportionment and distribution of such local sales and use taxes collected from the sale of goods and services within a TDZ, after apportionment and distribution of the state sales and use taxes has ceased;
 - Applies only to such taxes distributed as a result of public use facilities located in the Memphis or Graceland TDZ; and

- Authorizes apportionment and distribution of such local taxes until the earlier of:
(1) 30 years from the date the public use facility became operational; or (2) the date the cumulative amount apportioned equals the local government's indebtedness plus interest related to the public use facility.
- In the absence of the proposed language, such revenue would be distributed to the applicable local government, pursuant to Tenn. Code Ann. § 67-6-712; however the proposed language will maintain distribution to the local entities owning the public use facilities within the TDZs.
- The proposed language does not alter current apportionment or distribution formulas only the local entity receiving the distribution; therefore the net impact to local government is considered not significant.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

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