

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 558 - HB 1028

March 18, 2019

**SUMMARY OF BILL:** Establishes, for corporations and taxpayers treated as a corporation for federal tax purposes, that net earnings or net loss is defined as federal taxable income or loss calculated according to the *Tax Cuts and Jobs Act of 2017* (Act).

**ESTIMATED FISCAL IMPACT:**

**Forgone State Revenue – Exceeds \$6,000,000/FY18-19 and Subsequent Years**

Assumptions:

- According to the Department of Revenue (DOR), this legislation will result a decrease in excise tax revenue, beginning in FY18-19; however the decrease in revenue will be from an otherwise expanded tax base expected as a direct result of the Act. As a result, such revenue growth has not yet been collected or realized, and thus, is considered forgone state revenue, rather than a decrease in state revenue.
- Based on information provided by the DOR, the amount of forgone state revenue is reasonably estimated to exceed \$6,000,000 per year.
- The Fiscal Review Committee (FRC) staff does not have access to certain confidential taxpayer information available to the DOR and cannot independently verify the accuracy of such provided information.

**CERTIFICATION:**

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

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

/jdb