Senate Finance, Ways and Means Committee Amendment

AMENDMENT NO._____

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
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Signature of Sponsor

AMEND Senate Bill No. 2167* **House Bill No. 2345**

by deleting all language after the enacting clause and by substituting instead the following:

Section 1. Tennessee Code Annotated, Section 67-4-905, is amended by designating the existing language in subdivision (c) as subdivision (c)(1) and by adding the following new subdivision:

(c)(2) For purposes of this section, a "closely affiliated" corporation shall not include a foreign entity operating in the U.S. for the purpose of facilitating the financing of U.S. operations of the affiliated group. A "foreign entity" for purposes of this section, is a corporation created or organized under the laws of a foreign country, the United States, or any state, and which has less than twenty percent (20%) of its average tangible property and average payroll assigned to locations within the United States and the District of Columbia. The provisions of this subdivision shall apply to all tax years beginning on or after June 30, 1996. The provisions of this subdivision are repealed on September 30, 1998, and shall not apply to any tax year ending after September 30, 1998.

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