

HOUSE BILL 3192
By Bittle

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 4, Part 8 and Title 67, Chapter 4, Part 9, relative to tax credits for coal producers.

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

SECTION 1. Tennessee Code Annotated, Section 67-4-808, is amended by adding the following as a new, appropriately designated subsection:

(7) On each excise tax return, for the tax years beginning on and after January 1, 1997, every corporation, foreign or domestic, that is doing business in Tennessee as a producer of coal mined in Tennessee, shall be allowed a credit against the tax imposed by § 67-4-806, in the amount of three dollars (\$3) per ton of increased production of coal over the previous year's production of coal as set out herein below. Such tax credit shall be based on coal produced after January 1, 1997, provided the coal was mined in Tennessee as certified by the producer of the coal. The amount of the total credit in any one (1) year shall be based on the number of tons of Tennessee coal produced by the corporation in the year which exceeds the number of tons of Tennessee coal produced by the corporation in calendar year 1996. If a corporation did not produce Tennessee coal during calendar year 1996, such corporation must establish a base year by producing Tennessee coal for twelve (12) consecutive months. Thereafter, such corporation shall be eligible for the tax credit as specified herein above over the base year production. The total credit permitted under this subsection may not exceed fifty percent (50%) of a taxpayer's excise tax liability.

SECTION 2. Tennessee Code Annotated, Section 67-4-908, is amended by adding the following as a new, appropriately designated subsection:

(c) There shall be allowed a credit for any taxpayer that is doing business in Tennessee as a producer of coal mined in Tennessee against the tax imposed under this part for any income year in an amount equal to three dollars (\$3) per ton of increased production of coal over the previous year's production as set out herein below. Such tax credit shall be based on coal produced after January 1, 1997, provided the coal was mined in Tennessee as certified by the producer of the coal. The amount of the total credit in any one (1) year shall be based on the number of tons of Tennessee coal produced by the corporation in the year which exceeds the number of tons of Tennessee coal produced by the corporation in calendar year 1996. If a corporation did not produce Tennessee coal during calendar year 1996, such corporation must establish a base year by producing Tennessee coal for twelve (12) consecutive months. Thereafter, such corporation shall be eligible for the tax credit as specified herein above over the base year production. The total credit permitted under this subsection may not exceed fifty percent (50%) of a taxpayer's franchise tax liability.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.