

Amendment No. 3 to HB0813

**Spivey
Signature of Sponsor**

AMEND Senate Bill No. 47*

House Bill No. 813

by deleting SECTION 3 and substituting instead the following:

SECTION 3. Tennessee Code Annotated, Title 67, Chapter 2, is amended by adding the following as a new section:

(a) The reduction to the rate of tax made by this act shall not absolve any taxpayer of liability for any tax duly levied by this chapter, during a tax year that began prior to January 1, 2016.

(b) Beginning in fiscal year 2015-2016 and subsequent fiscal years, on June 15 of each fiscal year, the commissioner of finance and administration, in consultation with the commissioner of revenue, shall determine whether state revenue growth exceeded an average of three percent (3%) over the previous fiscal year, and shall notify the governor, speaker of the senate, speaker of the house of representatives, and state treasurer in writing of such determination.

(c) Notwithstanding this chapter to the contrary, in any fiscal year in which the commissioner of finance and administration determines that state revenue growth exceeded an average of three percent (3%) over the previous fiscal year under subsection (b), the rate of tax upon income from stocks and bonds shall be adjusted by reducing the rate by one percent (1%) on January 1 for the following calendar year. The rate of taxation resulting from such one-percent reduction shall be the applicable rate for all subsequent calendar years and shall remain in effect until such time in subsequent calendar years when the growth formula specified in subsection (b) warrants a further reduction.

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(d) As used in this section, "state revenue growth" means, for any fiscal year, the percentage increase in revenue derived from state taxes that are collected by the state and deposited into the general fund.

(e) The commissioner of revenue is authorized to promulgate rules as the commissioner may deem necessary to effectuate this section. All such rules shall be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5. Notwithstanding § 4-5-208 to the contrary, the commissioner is authorized to promulgate emergency rules to implement this section.

(f) On January 1 of any calendar year in which the sixth qualifying reduction occurs, the rate is zero percent (0.0%) and, on and after such date, no tax shall be imposed pursuant to this section; provided, that this subsection (f) shall not absolve any taxpayer of liability for any tax duly levied by this section during any taxpayer's tax year beginning prior to such date.

(g) It is the legislative intent that the general assembly eliminate the tax imposed by this chapter for tax years beginning on or after January 1, 2021.