

**PUBLIC CHAPTER NO. 1114**

**SENATE BILL NO. 231**

**By Haynes, Henry, Harper, Herron, Burks**

Substituted for: House Bill No. 228

By Odom, Cooper, McDonald, Moore, Coleman, Bass, Pitts, Sherry Jones, Borchert, Hardaway, Bone, Shaw, Harmon, Fraley, Ty Cobb, Stewart, Hackworth, West, Fitzhugh, Sontany, John Deberry, Ulysses Jones, Richardson, Lois DeBerry, Camper, Kernell, Tidwell, Barker, Johnnie Turner, Naifeh, Yokley, Shepard, Maddox, Harwell; Mr. Speaker Williams; Towns, Sargent, Shipley, Harry Brooks, Brown, Kevin Brooks, Phillip Johnson, Weaver, Maggart, Campfield, Haynes, Marsh, Litz, Niceley, Rich, White, Todd, Lollar, Mike Turner, Ferguson, Hensley, Pruitt, Gilmore, Halford, McDaniel, Curtis Johnson

AN ACT to amend Tennessee Code Annotated, Title 4; Title 5; Title 6; Title 7; Title 8; Title 9; Title 12; Title 16; Title 30; Title 36; Title 39; Title 40; Title 45; Title 47; Title 48; Title 55; Title 56; Title 57; Title 61; Title 62; Title 63; Title 67; Title 68; Title 69; Title 70 and Title 71, relative to taxation.

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

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following language as a new section:

Section 67-6-396.

(a) For purposes of this section:

(1) "Claimant" means any natural person receiving disaster assistance through the Federal Emergency Management Agency (FEMA) as a result of a disaster occurring between May 1, 2010 and May 8, 2010;

(2) "Major appliance" means any water heater, dishwasher, washer, dryer, refrigerator, freezer, stove, range, oven, cooktop, microwave, vacuum, or fan that is used in the claimant's primary residence to replace an appliance that was damaged or destroyed in a disaster occurring between May 1, 2010 and May 8, 2010; provided, that the sales price per item is three thousand two hundred dollars (\$3,200) or less;

(3) "Residential building supplies" means any of the following items if used in the claimant's primary residence and reasonably determined by the department to be for purposes of

restoration, repair, replacement, or rebuilding due to a disaster occurring between May 1, 2010 and May 8, 2010; provided, that the sales price per item is five hundred dollars (\$500) or less:

(A) Cleaning and disinfecting materials as determined by the department;

(B) Trash bags, boxes, construction tools, and hardware as determined by the department;

(C) Sheetrock, drywall, insulation, paint and paint materials, flooring, and other necessary building materials as determined by the department;

(4) "Residential furniture" means furniture commonly used in a residential dwelling as determined by the department that is used in the claimant's primary residence to replace furniture that was damaged or destroyed in a disaster occurring between May 1, 2010 and May 8, 2010; provided, that the sales price per item is three thousand two hundred dollars (\$3,200) or less.

(b)(1) Except as otherwise provided in this section, a claimant shall be entitled to a refund equal to the total amount of Tennessee state and local sales and use tax paid by the claimant to one (1) or more retailers as a result of the claimant's purchases of major appliances, residential furniture, or residential building supplies from such retailers, provided that such purchases occur between 12:01 a.m. on May 1, 2010, and 11:59 p.m. on September 30, 2010.

(2) The total amount refunded under this section in connection with any one (1) residence shall not exceed two thousand five hundred dollars (\$2,500).

(c) To receive a refund under this section, a claimant shall file a single application with the department on or before November 30, 2010, that shall include the aggregate amount requested by the claimant in connection with all eligible purchases described in subsection (b). Only one (1) application per residence shall be allowed. Notwithstanding any provision of § 67-1-1802, such refund shall be made by the department directly to the claimant and shall not be made by the retailer to the claimant. All applications for refund shall be submitted as prescribed by the department and shall include satisfactory proof of receipt of federal disaster assistance, eligible purchases, and Tennessee taxes paid on such purchases, and any other information or documentation that the department may require, including, but not limited to, store receipts and copies of payment documents such as checks, credit card receipts, or a sworn statement under penalty of perjury to support any purchases made using cash. The department shall develop guidelines concerning the administration of this section, which shall be posted on the Web site of the department. The commissioner is granted broad discretion to

administer the refund process in a manner that the commissioner deems necessary to quickly, efficiently, and accurately carry out the purposes of this section.

(d) The department may assess a civil penalty not to exceed twenty-five thousand dollars (\$25,000) against any person that knowingly files a false or fraudulent application for refund under this section. Any claimant that is assessed a penalty under this subsection (d) shall be entitled to the remedies provided in § 67-1-1801.

(e) It is the intent of the general assembly to appropriate a sum sufficient for the purpose of this section from the reserve for revenue fluctuations in the General Appropriations Act. All refunds under this section shall be paid from the state's general fund and nothing in this section shall be construed to reduce the amount of sales and use tax payable to local governments.

(f) This section is repealed July 1, 2011.

SECTION 2. There is created a study committee to examine and make recommendations regarding fiscal policy on the issue of natural disasters. The members of the study committee shall be appointed by the chairs of the Finance, Ways and Means Committees of the Senate and the House of Representatives. The study committee shall only meet during session of the general assembly, and shall timely report its findings and recommendations to the general assembly by April 1, 2011, at which time the committee shall cease to exist.

SECTION 3. Tennessee Code Annotated, Subsection 68-221-1004(e), is amended by deleting the words "funds from the American Recovery and Reinvestment Act of 2009" and substituting instead, "federal funds allocated to the state".

SECTION 4. Tennessee Code Annotated, Subsection 68-221-1005(l), is amended by deleting the words "funds from the American Recovery and Reinvestment Act of 2009" and substituting instead, "federal funds allocated to the state".

SECTION 5. Tennessee Code Annotated, Subsection 68-221-1204(e), is amended by deleting the words "funds from the American Recovery and Reinvestment Act of 2009" and substituting instead, "federal funds allocated to the state".

SECTION 6. Tennessee Code Annotated, Subsection 68-221-1205(l), is amended by deleting the words "funds from the American Recovery and Reinvestment Act of 2009" and substituting instead, "federal funds allocated to the state".

SECTION 7. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 8. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: June 8, 2010



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RON RAMSEY  
SPEAKER OF THE SENATE



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KENT WILLIAMS, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 29th day of June 2010



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PHIL BREDESEN, GOVERNOR