

HOUSE BILL 1122

By Hulsey

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 2, relative to the tax on income from
stocks and bonds.

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

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 2, is amended by adding
the following as a new section:

(a) For each fiscal year from 2017-2018 to 2021-2022, on June 15 a sum shall
be earmarked and allocated from the general fund to hold counties and municipalities
harmless from the loss of revenue resulting from the reduction and elimination of the tax
as provided for in § 67-2-124(b) and (c). An amount shall be allocated from the general
fund to each county and municipality so that the sum of the allocation of this subsection
(a) and the allocation from § 67-2-119 shall equal the total revenue received by the
county or municipality from the tax imposed by this chapter in the 2015-2016 fiscal year.

(b) Beginning in fiscal year 2022-2023, and for each subsequent fiscal year, on
June 15 a sum shall be earmarked and allocated from the general fund to each county
or municipality that is a percentage of the total revenue received by the county or
municipality from the tax imposed by this chapter in the 2015-2016 fiscal year according
to the following schedule:

<u>Fiscal Year</u>	<u>% of FY 2015-2016 Revenue</u>
FY 2022-2023	90%
FY 2023-2024	80%
FY 2024-2025	70%
FY 2025-2026	60%

FY 2026-2027	50%
FY 2027-2028	40%
FY 2028-2029	30%
FY 2029-2030	20%
FY 2030-2031	10%
FY 2031-2032 and all subsequent fiscal years	0%

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