

SENATE BILL 497

By Kelsey

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 2, relative to taxation of income received
from stock dividends and interest on bonds.

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

SECTION 1. Tennessee Code Annotated, Section 67-2-119, is amended by deleting the section in its entirety and substituting instead the following:

(a) Of the taxes collected under this chapter upon income from stocks and bonds taxable at the rate of five percent (5%) per annum, three-eighths ($\frac{3}{8}$) shall be paid into the general fund of the state treasury and the remaining five-eighths ($\frac{5}{8}$) shall be distributed among the cities and counties of the state.

(b) Where a taxpayer residing within the corporate limits of any municipality pays a tax imposed at the rate of five percent (5%) per annum, then five-eighths ($\frac{5}{8}$) of the net tax collected from the taxpayer shall be returned to the city within which the taxpayer resides.

(c) Where a taxpayer residing in a county, but outside the corporate limits of any municipality, pays a tax imposed by this chapter at the rate of five percent (5%) per annum, then five-eighths ($\frac{5}{8}$) of the net tax collected from the taxpayer shall be returned to the county within which the taxpayer resides.

(d) In each instance, the payment to cities and counties covering collections made under this section during any fiscal year shall be made on or before July 31 immediately following the close of that year.

SECTION 2. This act shall take effect July 1, 2017, the public welfare requiring it.