

HOUSE BILL 1697

By Hazlewood

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, relative to the sales tax on food.

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

SECTION 1. This act shall be known and may be cited as the "Food Tax Holiday Act."

SECTION 2. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following as a new section:

67-6-391.

(a) Food and food ingredients taxed at the rate of four percent (4%) of the sales price under § 67-6-228(a) are exempt from the state portion of the sales tax if sold between 12:01 a.m. on June 1, 2020, and 11:59 p.m. on July 31, 2020.

(b) Each retailer making exempt sales under this section shall report the amount of such sales to the commissioner on the retailer's sales and use tax returns.

(c) The time zone of the seller's location determines the authorized time period, when the purchaser is located in one (1) time zone and a seller is located in another.

SECTION 3. Beginning July 1, 2020, the Commissioner of Revenue shall reimburse counties and municipalities for loss of revenue resulting from the tax exemption provided for in this act. Subject to appropriations, a sum shall be earmarked and allocated from the general fund for this purpose.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.