



HOUSE BILL 2156

By Baum

AN ACT to amend Tennessee Code Annotated, Title 67,
relative to tax credits.

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

SECTION 1. The department of revenue shall study the potential economic impact of making all excise tax credits transferable to any person or entity, other than the person or entity to whom or to which the credits are initially made. On or before December 15, 2026, the department shall report its findings and recommendations to the finance, ways and means committee of the senate and the committee in the house of representatives having jurisdiction over tax-related matters.

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

Lafferty
Signature of Sponsor

AMEND Senate Bill No. 2151*

House Bill No. 2156

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Section 67-4-2109(k)(1)(B), is amended by deleting the subdivision and substituting instead:

(B) Three percent (3%) annually of the month-end average unpaid principal balance of a qualified loan made to a community development financial institution that is certified by the United States department of the treasury's community development financial institutions fund for the financial institution's fiscal year for the life of the loan or fifteen (15) years, whichever is earlier.

SECTION 2. Tennessee Code Annotated, Section 67-4-2109(k)(2)(B), is amended by deleting the subdivision and substituting instead:

(B) Five percent (5%) annually of the month-end average unpaid principal balance of a qualified low-rate loan made to a community development financial institution that is certified by the United States department of the treasury's community development financial institutions fund for the financial institution's fiscal year for the life of the loan or fifteen (15) years, whichever is earlier.

SECTION 3. Tennessee Code Annotated, Section 67-4-2109(k), is amended by adding the following as a new subdivision (6):

(A) As used in this subdivision (k)(6), "insurance company" means an insurance company subject to the tax imposed by § 56-4-205.

(B) An insurance company that makes a qualified loan or qualified long-term investment described in subdivision (k)(1), or that makes a grant, contribution, or qualified low-rate loan described in subdivision (k)(2), to a community development financial institution that is certified by the United States department of the treasury's community development financial institutions fund, is allowed a credit against the tax imposed by § 56-4-205 in an amount determined under subdivisions (k)(1) and (2).

(C) The carry forward and limitation provisions in subdivision (k)(4) apply to the credit allowed by this subdivision (k)(6); provided, that no credit allowed by this subdivision (k)(6) may exceed the insurance company's liability under § 56-4-205 for the calendar year for which the credit is claimed, and no amount of credit is refundable.

(D) A credit allowed by this subdivision (k)(6) may be used in connection with both final payments and prepayments of the tax imposed by § 56-4-205.

(E) An insurance company claiming a credit under this subdivision (k)(6) is not required to pay any additional retaliatory tax levied under § 56-4-218 solely as a result of claiming the credit.

(F) For purposes of applying subdivisions (k)(1)–(4), any reference to a taxpayer's tax year or fiscal year, or to the taxpayer's liability for taxes imposed by this part, are deemed to mean, respectively, the calendar year for which the tax imposed by § 56-4-205 is reported and the insurance company's liability for the tax imposed by § 56-4-205.

(G) The commissioner of commerce and insurance may prescribe forms and promulgate rules as necessary to administer this subdivision (k)(6).

SECTION 4. This act takes effect January 1, 2027, the public welfare requiring it, and applies to tax years and calendar years beginning on or after that date.

Amendment No. 1 to SB2151

Watson
Signature of Sponsor

AMEND Senate Bill No. 2151*

House Bill No. 2156

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Section 67-4-2109(k)(1)(B), is amended by deleting the subdivision and substituting instead:

(B) Three percent (3%) annually of the month-end average unpaid principal balance of a qualified loan made to a community development financial institution that is certified by the United States department of the treasury's community development financial institutions fund for the financial institution's fiscal year for the life of the loan or fifteen (15) years, whichever is earlier.

SECTION 2. Tennessee Code Annotated, Section 67-4-2109(k)(2)(B), is amended by deleting the subdivision and substituting instead:

(B) Five percent (5%) annually of the month-end average unpaid principal balance of a qualified low-rate loan made to a community development financial institution that is certified by the United States department of the treasury's community development financial institutions fund for the financial institution's fiscal year for the life of the loan or fifteen (15) years, whichever is earlier.

SECTION 3. This act takes effect January 1, 2027, the public welfare requiring it, and applies to tax years beginning on or after that date.