



**State of Tennessee**  
**PUBLIC CHAPTER NO. 103**

**HOUSE BILL NO. 302**

**By Representative Curtiss**

**Substituted for: Senate Bill No. 539**

**By Senators McNally, Burks, Marrero**

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 4, Part 28, relative to the unauthorized substances tax.

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

SECTION 1. Tennessee Code Annotated, Section 67-4-2802(7), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(7) "Merchant" means a merchant or peddler within the scope of article II, § 28 of the Constitution of Tennessee and includes any person who is actually engaged in the act of selling, bartering, trading, or distributing to another for consideration any unauthorized substances regardless of the quantity under § 67-4-2803(a), and such person shall be subject to the tax imposed under this part. Any person who actually or constructively possesses, at a particular time, any unauthorized substances in a quantity sufficient to create a principal tax liability of at least ten thousand dollars (\$10,000) under § 67-4-2803(a) is presumed to be possessing the unauthorized substances for the purpose of sale, barter, trade, or distribution to another for consideration and is presumed to be a merchant within the meaning of this subdivision (7); such presumption may be rebutted only by clear and convincing evidence that the person did not sell, barter, trade, or distribute for consideration such substances or intend to do so; except, however, that if the person sells, barter, trades, or distributes to another for consideration any unauthorized substances in any quantity under § 67-4-2803(a), the presumption shall not apply and the person shall be considered a merchant and subject to the tax imposed by this part regardless of the quantity involved in the transaction.

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

HOUSE BILL NO. 302

PASSED: APRIL 7, 2011



BETH HARWELL, SPEAKER  
HOUSE OF REPRESENTATIVES



RON RAMSEY  
SPEAKER OF THE SENATE

APPROVED this 21<sup>st</sup> day of April 2011



BILL HASLAM, GOVERNOR