



State of Tennessee
PUBLIC CHAPTER NO. 937

SENATE BILL NO. 3174

By Bell, Berke, Stewart

Substituted for: House Bill No. 3322

By Watson, Kevin Brooks, Hardaway, Brown, McCormick, Favors, Eldridge

AN ACT to amend Tennessee Code Annotated, Title 67, relative to economic development and tax incentives.

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

SECTION 1. Tennessee Code Annotated, Section 67-4-2009, is amended by adding the following as a new subdivision (3)(J):

(J)(i) In addition to the credit provided in § 67-4-2009(3)(A), the owner of a qualifying environmental project shall be entitled to a one-time credit in the amount of 1.75% of the investment in the qualifying environmental project, and such credit shall have the same carry-forward features, limitations and other attributes as are applicable to job tax credits under § 67-4-2109(b)(1). The owner of a qualifying environmental project shall also be provided six (6) annual credits in the amount of 1.75% of the investment in the qualifying project, and such credits shall have the same carry-forward features, limitations and other attributes as are applicable to enhanced job tax credits under § 67-4-2109(b)(2)(B)(iii), and the entire investment in the qualifying environmental project shall be treated as exempt required capital investment for purposes of § 67-4-2108(a)(6)(G).

(ii) For purposes of this subdivision, a "qualifying environmental project" means a project in which the taxpayer makes an investment in excess of one hundred million dollars (\$100,000,000) to eliminate mercury from the manufacturing process and operations of one or more existing chlor-alkali manufacturing and ancillary facilities and equipment in the state.

(iii) The maximum investment in a qualifying environmental project that is eligible for the credits provided under this subdivision is one hundred million dollars (\$100,000,000), inclusive of all capital investment and other direct and indirect costs of the project. To be eligible for the credits provided under this subdivision, construction of the qualifying environmental project must have commenced on or after January 1, 2011, and construction of the qualifying environmental project must be substantially complete on or before January 1, 2014. The credits provided under this subdivision shall first be available in the later of the year in which the qualifying environmental project is substantially complete or July 1, 2013.

(iv) As a condition to receiving credits under this subdivision, the owner of a qualifying environmental project shall agree to maintain an annual average of at least three hundred fifty (350) jobs in the state that meet the requirements set forth in § 67-4-2109(a)(6)(A) for a period of six (6) years after substantial completion of the qualifying environmental project. In the event the owner does not maintain the required number of qualified jobs in a specific year, the annual credit provided under this subdivision for that year shall be reduced in proportion to the percentage of the shortfall.

(v) As a further condition to receiving credits under this subdivision, the owner of a qualifying environmental project shall agree to forego any and all claims for credits that may be available to the owner pursuant to § 67-4-2109(b)(1) and (b)(2) in connection with the qualifying environmental project.

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

SENATE BILL NO. 3174

PASSED: April 18, 2012



RON RAMSEY
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 10th day of May 2012



BILL HASLAM, GOVERNOR